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

If you have sold or transferred all your shares in **Xinte Energy Co., Ltd.**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or the transferee(s).

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新特能源

XINTE ENERGY CO., LTD.

新特能源股份有限公司

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

(Stock code: 1799)

- (1) PROPOSED A SHARE OFFERING AND RELATED MATTERS;**
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
CORPORATE GOVERNANCE RULES;
(3) PROPOSED ADOPTION OF EMPLOYEE SHARE OWNERSHIP SCHEME;
AND
(4) NOTICES OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022
AND THE CLASS MEETINGS
-

A letter from the Board is set out on pages 6 to 38 of this circular.

The notices convening the EGM, the first H Shares Shareholders class meeting of 2022 and the first Domestic Shares Shareholders class meeting of 2022 (the “**Meetings**”) of the Company to be held at the Conference Room, International Conference Center at No. 189, South Beijing Road, Changji, Xinjiang, the PRC on Thursday, 5 May 2022 at 11:00 a.m., Thursday, 5 May 2022 at 11:30 a.m. (or immediately after the conclusion or adjournment of the EGM, whichever is later) and Thursday, 5 May 2022 at 12:00 noon (or immediately after the conclusion or adjournment of the the first H Shares Shareholders class meeting of 2022, whichever is later) respectively, are set out on pages EGM-1, HCM-1 and DCM-1 of this circular.

Whether or not you intend to attend the Meetings, you are reminded to complete the forms of proxy enclosed with this circular, in accordance with the instructions printed thereon and return the same to the Company’s Board secretary office (in case of Domestic Shares Shareholders), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company’s H Share registrar in Hong Kong (in case of H Shares Shareholders), Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the respective time fixed for holding the Meetings or any adjournment thereof. Completion and delivery of the said forms of proxy will not prevent you from attending, and voting in person at the Meetings or at any adjourned meetings if you so wish.

19 April 2022

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DEFINITIONS

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

“100,000-ton Polysilicon Project in Inner Mongolia”	the 100,000-ton-per-annum high-purity polysilicon green energy circular economy construction project in Tumed Right Banner, Baotou City, Inner Mongolia Autonomous Region, the PRC
“200,000-ton Polysilicon Project in Zhundong ”	the 200,000-ton-per-annum high-end electronic-grade polysilicon green low-carbon circular economy construction project carried out in the Xinjiang Changji Zhundong Industrial Park in the PRC
“A Share(s)”	the ordinary share(s) proposed to be issued by the Company under the Proposed A Share Offering and subscribed in RMB
“A Share Offering”, “A Share Offering and Listing” or “Proposed A Share Offering”	the proposed initial public offering of not exceeding 300,000,000 A Shares by the Company, which are intended to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Class Meetings ”	the first H Shares Shareholders class meeting of 2022 and the first Domestic Shares Shareholders class meeting of 2022 of the Company to be held immediately after the conclusion of the EGM, to consider, and if thought fit, to approve, among other things, the Proposed A Share Offering and related matters
“Company”	Xinte Energy Co., Ltd., a joint stock company with limited liability incorporated in the PRC on 20 February 2008, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1799)

DEFINITIONS

“Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Core Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Rules”	Rules of Procedures for the General Meetings, Rules of Procedures for the Board Meetings, and Rules of Procedures for the Board of Supervisors
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary domestic share(s) with par value of RMB1.00 each in the share capital of the Company
“Domestic Shares Shareholder(s)”	holder(s) of the Domestic Shares
“EGM”	the first extraordinary general meeting of 2022 of the Company to be held at the Conference Room, International Conference Center at No. 189, South Beijing Road, Changji, Xinjiang, the PRC on Thursday, 5 May 2022 at 11:00 a.m., to consider and if thought fit, to approve, among other things, the Proposed A Share Offering and related matters, the amendments to Articles of Associations and Corporate Governance Rules and the Employee Share Ownership Scheme
“Employee Share Ownership Scheme”	the 2022 employee share ownership scheme proposed to be adopted by the Company
“Group”	the Company and its subsidiaries

DEFINITIONS

“Grant Date”	the date on which the Subject Shares are granted to the Participants pursuant to the Employee Share Ownership Scheme
“Grant Price”	price of the Subject Shares granted to the Participants under the Employee Share Ownership Scheme
“H share(s)”	foreign shares listed overseas with a par value of RMB1.00 per share in the share capital of the Company, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Shares Shareholder(s)”	holder(s) of the H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issuance of Domestic Shares”	non-public issue of 167,304,874 Domestic Shares by the Company to TBEA pursuant to the subscription agreement entered into between the Company with TBEA on 5 August 2021
“Latest Practicable Date”	15 April 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Committee”	the management and implementation committee for the Employee Share Ownership Scheme established by the Company
“Meetings”	the EGM and the Class Meetings
“Participant(s)”	participant(s) of the Employee Share Ownership Scheme

DEFINITIONS

“Partnerships” or “Shareholding Platforms”	the limited partnerships to be established by the Participants to hold the Domestic Shares to be transferred by TBEA
“Placing of H Shares”	placing of 62,695,126 H Shares by the Company pursuant to the terms and conditions set out in the placing agreement dated 5 August 2021 entered into between the Company and China International Capital Corporation Hong Kong Securities Limited
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Public”	persons who are not core connected persons of the Company
“Public Float Requirement”	the requirement of at least 25% of total issued Shares of the Company to be held by the Public under Rule 8.08 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures for the Board Meetings”	Rules of Procedures for Board Meeting of Xinte Energy Co., Ltd., as amended from time to time
“Rules of Procedures for the Board of Supervisors”	Rules of Procedures for the Board of Supervisors of Xinte Energy Co., Ltd., as amended from time to time
“Rules of Procedures for the General Meetings”	Rules of Procedures for the General Meetings of Xinte Energy Co., Ltd., as amended from time to time
“Securities Law”	the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Share(s)”	Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Silicon New Materials”	Xinte Silicon New Materials Co., Ltd.* (新特硅基新材料有限公司), a company incorporated in the PRC with limited liability on 17 February 2022 and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Share(s)”	the Domestic Share(s) to be granted to the Participants pursuant to the Employee Share Ownership Scheme
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“TBEA”	TBEA Co., Ltd. (特變電工股份有限公司), a joint stock company incorporated in the PRC with limited liability on 26 February 1993 and listed on the Shanghai Stock Exchange (stock code: 600089)
“TBEA (HONGKONG)”	TBEA (HONGKONG) CO., LIMITED, a wholly-owned subsidiary of TBEA as at the Latest Practicable Date
“%”	per cent

LETTER FROM THE BOARD

新特能源

XINTE ENERGY CO., LTD.

新特能源股份有限公司

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

(Stock code: 1799)

Executive Directors:

Mr. Zhang Jianxin (*Chairman*)

Mr. Yin Bo

Mr. Xia Jinjing

Non-executive Directors:

Mr. Zhang Xin

Mr. Huang Hanjie

Ms. Guo Junxiang

Independent Non-executive Directors:

Mr. Cui Xiang

Mr. Chen Weiping

Mr. Tam, Kwok Ming Banny

Registered office:

No. 2249, Zhongxin Street

Ganquanpu Economic and

Technological Development Zone

(Industrial Park)

Urumqi, Xinjiang the PRC

*Headquarters and principal place of
business in the PRC:*

No. 2249, Zhongxin Street

Ganquanpu Economic and

Technological Development Zone

(Industrial Park)

Urumqi, Xinjiang the PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

19 April 2022

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED A SHARE OFFERING AND RELATED MATTERS;**
**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
CORPORATE GOVERNANCE RULES;**
(3) PROPOSED ADOPTION OF EMPLOYEE SHARE OWNERSHIP SCHEME;
AND
**(4) NOTICES OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022
AND THE CLASS MEETINGS**

LETTER FROM THE BOARD

I. INTRODUCTION

Reference is made to (i) the announcement in relation to the Proposed A Share Offering and related matters and the proposed amendments to the Articles of Association and Corporate Governance Rules; and (ii) the announcement in relation to the proposed adoption of Employee Share Ownership Scheme of the Company both dated 15 March 2022.

The purpose of this circular is to provide you with relevant information to enable you to make informed decision on whether to vote for or against following resolutions (subject to approval by way of special or ordinary resolutions) to be proposed at the EGM and the Class Meetings (as the case may be) in relation to the following matters.

Special Resolutions

- 1 To consider and individually approve the plan for the A Share Offering and Listing:
 - 1.1 Type of Shares
 - 1.2 Nominal value per Share
 - 1.3 Place of listing
 - 1.4 Offering size
 - 1.5 Target subscribers
 - 1.6 Method of issuance
 - 1.7 Method of pricing
 - 1.8 Method of underwriting
 - 1.9 Distribution of the accumulated profit prior to the A Share Offering and Listing
 - 1.10 Validity period of the resolution
- 2 To consider and approve the resolution regarding the amendments to the Articles of Association (applicable after the A Share Offering and Listing); and

LETTER FROM THE BOARD

- 3 To consider and approve the resolution regarding the adoption of Employee Share Ownership Scheme.

Ordinary Resolutions

- 4 To consider and approve the resolution regarding granting authorizations to the Board to deal with matters in relation to the Proposed A Share Offering with full authority;
- 5 To consider and approve the resolution regarding the use of proceeds from the A Share Offering and Listing and feasibility analysis;
- 6 To consider and approve the resolution regarding the amendments to the Corporate Governance Rules (applicable after the A Share Offering and Listing);
- 7 To consider and approve the resolution regarding the measures and undertakings for dilution of immediate returns as a result of the A Share Offering and Listing;
- 8 To consider and approve the resolution regarding the price stabilization plan of Shares within three years following the A Share Offering and Listing;
- 9 To consider and approve the resolution regarding the plan for the Shareholders' return within three years following the A Share Offering and Listing; and
- 10 To consider and approve the resolution regarding the related undertakings and the corresponding restrictive measures in connection with the A Share Offering and Listing.

II. PROPOSED A SHARE OFFERING AND RELATED MATTERS

Proposed A Share Offering

On 15 March 2022, the Board considered and approved a resolution in relation to the Company's proposed initial public offering and listing of A Shares on the Shanghai Stock Exchange. In accordance with the relevant laws, administrative regulations, departmental rules and regulatory documents such as the Company Law, the Securities Law and the Measures for the Administration of Initial Public Offerings and Listing of Shares (《首次公開發行股票並上市管理辦法》) issued by the CSRC and the requirements of the Articles of Association, the plan for the Company's Proposed A Share Offering is as follows:

LETTER FROM THE BOARD

Type of Shares:	RMB ordinary shares (A shares)
Nominal value per Share:	RMB1.00
Place of listing:	Main Board of the Shanghai Stock Exchange
Offering size:	<p>Subject to the regulatory requirements of the place of listing regarding the minimum offering size, the proposed number of A Shares to be issued shall not exceed 300,000,000 Shares. Upon the occurrence of issue of bonus shares, capitalization of capital reserve or other events prior to the A Share Offering, the number of A Shares to be issued will be adjusted accordingly by the Company. The Proposed A Share Offering will be conducted by issuing new Shares. The actual total offering size will be determined based on capital requirements of the Company, communications with the regulatory authorities and the prevailing market conditions at the time of the offering.</p>
Target subscribers:	<p>The target subscribers are qualified natural persons and institutional investors (except those prohibited by laws and regulations and other regulatory rules applicable to the Company).</p> <p>If any of the aforesaid target subscribers is a Connected Person of the Company, the Company will take all reasonable measures to comply with the relevant requirements of the listing rules of the stock exchange(s) on which the Company's shares are listed. The issuance of any Shares to a Connected Person is subject to and conditional upon compliance with all applicable requirements under Chapter 14A of the Listing Rules.</p>
Method of issuance:	<p>The Proposed A Share Offering will adopt a combination of offline placing and online capital subscription or through other methods of issuance permitted by the securities regulatory authorities.</p>

LETTER FROM THE BOARD

Method of pricing:

In accordance with the actual conditions of the domestic and overseas capital markets and the Company at the time of the issuance and comprehensively taking into account the interests of the existing Shareholders as a whole, the issue price of the Proposed A Share Offering will be determined by making enquiries with offline investors or other methods permitted by the securities regulatory authorities in accordance with relevant laws and regulations and the relevant requirements of the Shanghai Stock Exchange.

Method of underwriting:

The Proposed A Share Offering will be underwritten by underwriter(s) on a standby commitment basis. The Company has engaged GF Securities Co.,Ltd. (廣發證券股份有限公司) as the sponsor and also the lead underwriter for the Proposed A Share Offering according to the relevant requirements. Upon obtaining the CSRC's approval for the Proposed A Share Offering, the Company will, together with the lead underwriter, by taking into the market condition and the proposed offering size, engage other underwriters with reference to their underwriting capabilities, market share and other factors to form an underwriting syndicate for the Proposed A Share Offering.

Distribution of the accumulated profit prior to the A Share Offering and Listing:

Any accumulated profits generated prior to the A Share Offering shall be shared by the existing and the new shareholders in proportion to their respective shareholdings upon completion of the Proposed A Share Offering.

LETTER FROM THE BOARD

By taking into holistic factors into account, including the market performance and the liquidity of the A Shares market for the relevant market segment, the Company expects that the issue price of the new A Shares will be determined at a higher level than the existing H Share trading price. With this taking into account, the Company believes it is reasonable and in the interest of the existing Shareholders as a whole to approve the sharing of the accumulated profits generated prior to the A Share Offering with the new A Shares Shareholders as part of the investment incentives by virtue of the following grounds: (i) the new A Share Shareholders are willing to pay a premium to subscribe A Shares which would enhance the net asset value per Share; (ii) it's a market norm to allow new A Shares Shareholders to share the accumulated profits generated prior to the A Share Offering as the basis for distributing dividend to reflect the same voting rights; and (iii) with the proceeds to be raised from the Proposed A Share Offering, the Company will have sufficient funds to invest in the construction of the 200,000-ton Polysilicon Project in Zhudong which will facilitate the Company to generate more and stable income streams for future dividend distribution and will secure the Company's leading position and competitiveness in the industry. Therefore, the Company believes that, to facilitate the future development of the Company and considering the market norm, it is fair and reasonable and in the interest of the existing Shareholders to share the accumulated profits generated prior to the A Share Offering with the Shareholders as a whole subsequent to the Proposed A Share Offering.

Validity period of the resolution: The validity period of the resolution of the Proposed A Share Offering will be 12 months from the date of consideration and approval at the EGM and the Class Meetings.

The resolution of the Proposed A Share Offering will be proposed to the EGM and the Class Meetings respectively for consideration and approval on an item-by-item basis by way of special resolution. The Proposed A Share Offering is subject to the approval at the EGM and the Class

LETTER FROM THE BOARD

Meetings and the approval of the CSRC and other relevant regulatory authorities. The Company will make further announcement(s) after the detailed terms of the Proposed A Share Offering, such as the issue price and the offering size, are finalized.

Other resolutions in relation to the Proposed A Share Offering

(I) Resolution regarding granting authorizations to the Board to deal with matters in relation to the Proposed A Share Offering with full authority

In order to ensure the smooth implementation of the Proposed A Share Offering, it is proposed to authorize the Board and its authorized persons to deal with the matters in relation to the Proposed A Share Offering with full authority within the framework and principles of the plan for the Proposed A Share Offering and the validity period of the resolution. Terms and scope of the authorizations include but are not limited to the following matters:

- (I) to amend, improve and execute the specific implementation of the plan for the A Share Offering and Listing in accordance with relevant laws and regulations and comments from the regulatory authorities, and taking into account the market environment, including but not limited to:
 - 1. to determine the specific matters including the offering size, method of pricing, the issue price (including the price range and the final pricing), the time of offering, the method of offering, the method of underwriting, the target subscribers and other matters in connection with the implementation of the plan for the A Share Offering and Listing;
 - 2. to decide and adjust the specific investment and utilisation plan for the proceeds within the scope of use of proceeds as approved by the general meetings;
 - 3. to sign, execute, amend and complete all applications and relevant reports or materials in connection with the A Share Offering and Listing for submission to relevant domestic and overseas government agencies, regulatory authorities and other institutions (including but not limited to the CSRC, China Securities Depository and Clearing Corporation Limited and the Stock Exchange), handle the procedures of approval, registration, filing, permission, consent and others, issue statements and undertakings in connection with the A Share Offering and Listing and take all actions and deal with matters that are considered necessary, appropriate or reasonable in connection with the A Share Offering and Listing;

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4. to draft, amend, sign, submit, publish, disclose, implement, suspend or terminate any agreements, contracts, announcements, circulars or other documents in connection with the A Share Offering and Listing (including but not limited to the preliminary prospectus, the prospectus, sponsorship agreements, underwriting agreements, listing agreements, intermediary service agreements and others); to decide on the selection and establishment of a special account for the proceeds from the A Share Offering and Listing; to engage sponsor(s), underwriter(s), law firm(s), accounting firm(s), assessment agency(ies), receiving bank(s) and other intermediaries in connection with the A Share Offering and Listing; to determine and pay expenses relating to the A Share Offering and Listing.
- (II) in accordance with changes in the relevant laws and regulations and relevant policies, the requirements and recommendations from relevant domestic and overseas government agencies and regulatory authorities and the actual conditions of the A Share Offering and Listing, to correspondingly adjust and amend the Articles of Association, other corporate governance documents including the corporate governance rules and filing and reporting documents including relevant measures and undertakings (including but not limited to adjustments and modifications to the wordings, chapters, terms, conditions of effect, registered capital and others), which are modified or formulated for purpose of the A Share Offering and Listing and are considered and approved by the Board meetings and the general meetings; after the completion of the A Share Offering and Listing, to correspondingly adjust and amend provisions of the Articles of Association relating to the registered capital and the shareholding structure of the Company, and conduct approval (if necessary), change, filing and other matters with company registration agencies and other relevant government agencies.
- (III) to deal with matters in connection with the listing of the A Shares under the A Share Offering on the Shanghai Stock Exchange .
- (IV) in the event of changes in the laws and regulations in connection with the A Share Offering and Listing or changes in the policies of regulatory authorities in connection with the A Share Offering and Listing or changes in market conditions, to correspondingly adjust relevant matters including the specific plan for the A Share Offering and Listing (including the discontinuance and termination of the implementation of the issuance plan), except for matters that shall be voted again at the general meeting in accordance with requirements of relevant laws and regulations and the Articles of Association.

LETTER FROM THE BOARD

- (V) based on the actual conditions of the A Share Offering and Listing, to handle capital verification, stock custody and stock registration procedures, and conduct registration and other matters in connection with the change of registered capital of the Company, with the agencies of administration for market regulation and other relevant regulatory authorities.
- (VI) to handle other matters in connection with the A Share Offering and Listing which the Board considers necessary, appropriate or reasonable without violating relevant laws and regulations.
- (VII) the aforesaid authorizations shall be valid for a period of 12 months from the date of consideration and approval of this resolution at the general meeting of the Company.

On the basis that the above authorizations are granted at the EGM, Mr. Zhang Jianxin (an executive director and the chairman of the Board), Ms. Guo Junxiang (a non-executive director) and Ms. Zhang Juan (the secretary of the Board) are authorized by the Board to exercise such authorizations to the Board granted by the general meetings with full authority (whether individually or jointly with others).

The resolution will be proposed to the EGM for consideration and approval by way of ordinary resolution.

(II) Resolution regarding the use of proceeds from the A Share Offering and Listing and feasibility analysis

Based on the Company's historical financial indicators, i.e. its profitability for the year ended 31 December 2021 and projected financial performance for the year ended 31 December 2022, with reference to (i) the price-earnings ratio of the other market comparables which are A share listed companies in the same industry; and (ii) the issue price of other A share initial public offering cases which are of comparable offering size, it is expected that the amount of proceeds to be raised from the Proposed A Share Offering will be approximately RMB8.8 billion.

LETTER FROM THE BOARD

In order to further increase the market share of the Group's polysilicon products, and enhance its core competitiveness and profitability, the Company proposes to use the proceeds raised from the Proposed A Share Offering to invest in the construction of the 200,000-ton Polysilicon Project in Zhundong, the details of which are as follows:

Construction entity: Silicon New Materials, a wholly-owned subsidiary of the Company, established for the purpose of investing in the construction of the 200,000-ton Polysilicon Project in Zhundong with a registered capital of RMB50 million.

Investment amount: The total investment of the 200,000-ton Polysilicon Project in Zhundong is approximately RMB17.6 billion, of which RMB8.8 billion will be funded through the capital injection by the Company to the Silicon New Materials by the proceeds raised from the Proposed A Share Offering, and the remainder will be settled through bank loans and other methods. As at the Latest Practicable Date, the Company has been approaching various banks to explore the options and channels for the cost and package of obtaining syndicate loans but no agreements or intention letters were entered into with any banks.

If the proceeds raised from the Proposed A Share Offering is less than RMB8.8 billion, the Company will, with reference to the extent of the capital shortfall, satisfy such shortfall through internal fundings. Before the proceeds raised from the Proposed A Share Offering are in place, the Company may invest in the project construction with its own funds or bank loans according to the actual construction progress of the 200,000-ton Polysilicon Project in Zhundong, which will be replaced with the proceeds raised from the A Share Offering when available.

Subject matter: Mainly including the construction of polysilicon production equipment, supporting construction of chlor-alkali plant, public engineering facilities and auxiliary production facilities, etc.

LETTER FROM THE BOARD

Project Site: Located in Changji Zhundong Industrial Park within the Zhundong Economic and Technological Development Zone in Xinjiang* (新疆准東經濟技術開發區昌吉准東產業園).

Construction period: The 200,000-ton Polysilicon Project in Zhundong has a total construction period of 24 months and will be implemented in two phases with each construction scale of 100,000 tons. The annual production capacity of high-purity polysilicon will increase by 200,000 tons after the full completion of the two phases of construction.

For further details, please refer to Appendix I to this circular. The resolution will be proposed to the EGM for consideration and approval by way of ordinary resolution.

(III) Resolution regarding the amendments to the Articles of Association (applicable after the A Share Offering and Listing)

In order to ensure that the Company complies with the regulatory requirements after the A Share Offering and Listing, the Company proposes to amend its Articles of Association based on the current version in accordance with the provisions of the Company Law, the Securities Law, the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant laws, regulations and regulatory documents. The amended Articles of Association will take effect from the listing date of the A Shares.

For further details, please refer to Appendix II to this circular. The resolution will be proposed to the EGM and the Class Meetings respectively for consideration and approval by way of special resolution.

(IV) Resolution regarding the amendments to corporate governance rules (applicable after the A Share Offering and Listing)

In order to further optimize the corporate governance structure of the Company for the Proposed A Share Offering, the Company proposes to amend certain corporate governance rules (applicable after the A Share Offering and Listing), including the Rules of Procedures for the General Meeting, the Rules of Procedures for the Board Meetings and the Rules of Procedures for the Board of Supervisors. The aforesaid amended corporate governance rules will take effect from the listing date of the A Shares.

For further details, please refer to Appendix III to this circular. The resolution will be proposed to the EGM for consideration and approval by way of ordinary resolution.

LETTER FROM THE BOARD

(V) Resolution regarding the measures and undertakings for dilution of immediate returns as a result of the A Share Offering and Listing

In order to better protect the rights and interests of investors, in accordance with the provisions of relevant laws, regulations and regulatory documents including the Guiding Opinions on Matters concerning Dilution of Immediate Returns from Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》), the Company formulated measures for dilution of immediate returns as a result of the A Share Offering and Listing, and the Directors, senior management, Controlling Shareholders and de facto controller of the Company will make corresponding undertakings to ensure that such measures can be duly implemented.

For further details, please refer to Appendix IV to this circular. The resolution will be proposed to the EGM for consideration and approval by way of ordinary resolution.

(VI) Resolution regarding the price stabilization plan of Shares within three years following the A Share Offering and Listing

To protect the interest of investors and to further clarify the measures for stabilizing the A Share's price when it is lower than the net assets per share within three years following the offering and listing of A Shares, the Company has formulated the price stabilization plan of Shares within three years following the offering and listing of A Shares in accordance with the Opinions on Further Promoting the Reform of New Share Offering Scheme (《關於進一步推進新股發行體制改革的意見》) and other relevant requirements as well as the actual circumstances of the Company.

For further details, please refer to the Appendix V to this circular. The resolution will be proposed to the EGM for consideration and approval by way of ordinary resolution.

(VII) Resolution regarding the plan for the Shareholders' return within three years following the A Share Offering and Listing

According to the Notice Regarding Further Implementation of Cash Dividend of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and the Regulatory Guidelines for Listed Companies No. 3—Cash Dividend of Listed Companies (《上市公司監管指引第3號 — 上市公司現金分紅》) issued by the CSRC and other relevant requirements, in order to further improve the Shareholders' returns level, enhance the profit distribution policy, clarify the return plan of the Shareholders' reasonable investment, increase the transparency and operability of profit distribution decisions, and facilitate Shareholders' supervision of the Company's operation and profit distribution, the Company has formulated the plan for the Shareholders' return within three years following the A Share Offering and Listing.

LETTER FROM THE BOARD

For further details, please refer to Appendix VI to this circular. The resolution will be proposed to the EGM for consideration and approval by way of ordinary resolution.

(VIII) Resolution regarding the related undertakings and the corresponding restrictive measures in connection with the A Share Offering and Listing

According to the requirements of the Opinions on Further Promoting the Reform of New Share Offering Scheme (《關於進一步推進新股發行體制改革的意見》) issued by the CSRC and relevant laws and regulations and regulatory documents, the Company proposes to make public undertakings in relation to the Proposed A Share Offering and proposes restrictive measures for failure to fulfill such undertakings.

For further details, please refer to Appendix VII to this circular. The resolution will be proposed to the EGM for consideration and approval by way of ordinary resolution.

III. OTHER INFORMATION IN RELATION TO THE PROPOSED A SHARE OFFERING

Reasons for and benefits of the Proposed A Share Offering

The Directors consider that the Proposed A Share Offering will facilitate the expansion of the financing channels, optimize the capital structure and further enhance the Group's competitiveness.

Having considered, among other things, the above reasons for proceeding with the Proposed A Share Offering, the Directors consider that the Proposed A Share Offering is in the interests of the Company and the Shareholders as a whole.

Fund raising activities in the past 12 months

Placing of H Shares and Issuance of Domestic Shares

On 12 August 2021, the Company completed the placing of 62,695,126 H Shares under the general mandate at the placing price of HK\$16.5 per H Share with net proceeds (after deduction of relevant costs) amounting to approximately HK\$1,017 million. On 28 September 2021, the Company completed the non-public issuance of 167,304,874 Domestic Shares to TBEA under the specific mandate at the subscription price of RMB13.73 per Domestic Share, with net proceeds (after deduction of relevant costs) amounting to approximately RMB2,293 million.

Please refer to the circular of the Company dated 11 June 2021, the announcements of the Company dated 29 April 2021, 10 May 2021, 14 May 2021, 28 June 2021, 8 July 2021, 3 August 2021, 5 August 2021, 12 August 2021 and 28 September 2021 for the details of the above matters.

LETTER FROM THE BOARD

Use of proceeds

Placing of H Shares

The net proceeds from the Placing of H Shares amounted to approximately RMB849.58 million, which was used for the construction of the 100,000-ton Polysilicon Project in Inner Mongolia. As at the Latest Practicable Date, all of the aforesaid proceeds have been utilized.

Issuance of Domestic Shares

The net proceeds from the Issuance of Domestic Shares amounted to approximately RMB2,293.48 million.

As at the Latest Practicable Date, the use of proceeds from the Issuance of Domestic Shares is as follows:

Use of proceeds	Amounts allocated (RMB million)	Utilized proceeds (RMB million)	Unutilized proceeds (RMB million)
1 Construct the 100,000-ton Polysilicon Project in Inner Mongolia	2,000.00	1,567.87	432.13
2 Supplement the working capital for wind power and photovoltaic resources development	<u>293.48</u>	<u>293.48</u>	<u>0.00</u>
Total	<u><u>2,293.48</u></u>	<u><u>1,861.35</u></u>	<u><u>432.13</u></u>

The Company has deposited the unutilized proceeds from the Issuance of Domestic Shares with licensed banks in the PRC as demand deposits. It is expected that the Company will fully commit and utilize the proceeds by 31 December 2022 in accordance with the construction progress and working capital of the project.

Save for the above, the Company has not conducted any other fund raising activities involving the issuance of share capital during the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

Effect of the Proposed A Share Offering on the shareholding structure of the Company

All Domestic Shares will be converted into A Shares on the date of completion of the Proposed A Share Offering. For information and illustration purposes only, assuming that (i) a total of 300,000,000 A Shares will be issued to the Public under the Proposed A Share Offering, and (ii) there is no other change in the issued share capital of the Company prior to the completion of the Proposed A Share Offering, the shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately after completion of the Proposed A Share Offering is set out below:

	As at the Latest Practicable Date		Immediately after completion of the Proposed A Share Offering	
	Number of Shares	Approximate percentage of the issued share capital of the Company	Number of Shares	Approximate percentage of the issued share capital of the Company
Domestic Shares⁽¹⁾				
TBEA	951,226,161	66.52%	951,226,161	54.98%
Other Domestic Shares Shareholders as non-Core Connected Persons	102,603,083	7.18%	102,603,083	5.93%
A Shares to be newly issued under the Proposed A Share Offering	—	—	300,000,000	17.34%
Sub-total of Domestic Shares	<u>1,053,829,244</u>	<u>73.69%</u>	<u>1,353,829,244</u>	<u>78.26%</u>
H Shares				
TBEA (HONGKONG)	1,223,200	0.09%	1,223,200	0.07%
Other public H Shares Shareholders	374,947,556	26.22%	374,947,556	21.67%
Sub-total of H Shares	<u>376,170,756</u>	<u>26.31%</u>	<u>376,170,756</u>	<u>21.74%</u>
Total number of the issued Shares	<u><u>1,430,000,000</u></u>	<u><u>100%</u></u>	<u><u>1,730,000,000</u></u>	<u><u>100%</u></u>

LETTER FROM THE BOARD

Notes:

1. The issued Domestic Shares will be converted into A Shares on the date of completion of the Proposed A Share Offering. Upon obtaining the CSRC's approval for the Proposed A Share Offering, the Company will complete the following procedures to convert all the Domestic Shares in issue to A Shares, which will be listed together with the newly issued A Shares on the Shanghai Stock Exchange:

The Company shall firstly apply for the exit registration of non-overseas listed shares to Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司深圳分公司), then register for the initial public offering and report the details of shareholding structure of the Domestic Shares to Shanghai Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司上海分公司). After completing such registration procedures, the Company will submit the relevant registration documents together with other application documents for the A Share Offering to the Shanghai Stock Exchange.

2. The percentage shown in the above table have been rounded and any differences between the total amounts and the arithmetic sum of the amounts shown are due to the rounding.

As at the Latest Practicable Date, the Company has maintained its public float of 26.22%, which is in compliance with Rule 8.08 under the Listing Rules. Upon completion of the Proposed A Share Offering and assuming a total of 300,000,000 A Shares will be issued to the Public, the public float of the Company (including H Shares and A Shares) will be approximately 44.94%, which will comply with the Public Float Requirement. The Company will closely monitor its public float percentage to meet the Public Float Requirement at all times.

IV. PROPOSED ADOPTION OF EMPLOYEE SHARE OWNERSHIP SCHEME

On 15 March 2022, the Board considered and approved the resolution on the proposed adoption of the Employee Share Ownership Scheme.

The proposed adoption of the Employee Share Ownership Scheme will improve and perfect the governance structure of the Company, establish an effective incentive and restraint mechanism, attract and retain talents, improve the Company's middle and senior management and key employees' sense of responsibility and mission to achieve the sustainable and healthy development, and to effectively combine the interests of Shareholders, the Company and the employees' interests, which the Board considers it is beneficial and in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

A summary of the principal terms of the Employee Share Ownership Scheme is set out below:

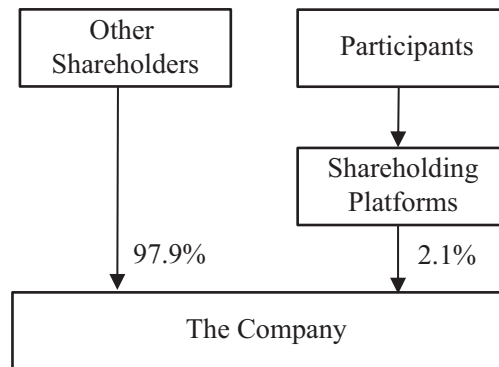
- Basic principles:
- (i) To be in compliance with the relevant requirements of the PRC laws, regulations and the Articles of Association;
 - (ii) Equal incentives and restraints with taking into account the current significant contribution of the core management team while focusing on the future development of the Company;
 - (iii) To be operable to achieve the long-term sustainable development of the Company considering its current status and development strategies;
 - (iv) The Company has the discretion to implement and the employees can voluntarily participate the Employee Share Ownership Plan without any compulsive behaviour by way of apportionment or forced distribution;
 - (v) The Participants shall undertake their own risks for gains or losses, and enjoy equal rights with other investors.

Subject Shares: Domestic Shares, with all rights and obligations of Shareholders attached thereto, will be purchased by the Participants to have their ownership registered after the grant of the Subject Shares by the Company to the Participants at a certain price. The Subject Shares tend to be allocated on a one-time basis with an emphasis on historical and current contributions. There is no grant assessment conditions for the Employee Share Ownership Scheme, but the transfer of the Subject Shares after the grant to the Participants is subject to certain restrictions and the number of which must be reduced within the period specified in the Employee Share Ownership Scheme.

LETTER FROM THE BOARD

Shareholding Method: The Participants shall hold the Shares indirectly through the Shareholding Platforms. The Shareholding Platforms are recorded in the register of Shareholders of the Company as Shareholder and the Participants are the partners of the Shareholding Platforms. Each Participant will own the Shares through holding interest in the corresponding Partnership.

The indirect shareholding structure between the Participants and the Company is as follows:



Shareholding Platform: The Shareholding Platform is in the form of a limited partnership. The Participants will enter into partnership agreements to establish 11 Partnerships as the Shareholding Platforms under the Employee Share Ownership Scheme.

The Company has established a Management Committee, which determines the general partner of each Partnership, whilst all other Participants are limited partners. Considering the position stability, authority and executive ability for being the general partner of the Partnerships, Mr. Zhang Jianxin, the chairman of the Board, and Mr. Yin Bo, the general manager of the Company, were designated as the general partners of the Partnerships. The general partner shall execute the matters of the Partnership and the limited partners do not directly participate in the operation and management of the Partnership.

LETTER FROM THE BOARD

All limited partners of the Partnerships would share the same rights and obligations proportionally attached to the Subject Shares granted to them in the capacity of limited partners. The general partner's power of managing the Partnership is conferred by the partnership agreement as agreed by all limited partners under the same unit same right principle prior to its execution. The Board believes such proposed arrangement is fair and reasonable as that the material matters, including, without limitation, dissolution and liquidation and appointment of management staff other than the partners, would be reserved by the partnership agreement and require the partners' approval by vote.

In addition, the terms governing the general partner's power of managing the Partnership are stipulated under the partnership agreement, which will be informed to and agreed by all Participants prior to the execution. The Participants shall therefore be well informed of the power scope to be conferred to the general partners, which mainly includes (i) taking necessary actions for the business activities of the Partnership; (ii) executing the investment and other business plan of the Partnership; (iii) managing, maintaining and dispose of the Partnership's assets; (iv) engaging professionals and consultants to provide services to the Partnership; (v) approving the partner's equity transfer, the exit of existing partners and accepting of new partners; (vi) approving the increase or decrease of the total equity contribution and the extension and shortening the equity contribution period of the Partnership; and (vii) signing, delivering and performing agreements and other documents on behalf of the Partnership. Pursuant to the partnership agreement, the general partner's obligations mainly include, in addition to the same ones as limited partners, (i) bear unlimited joint and several liability for the Partnership's debts; (ii) convening the partners meeting; and (iii) handling Partnership's affairs with authorization of the limited partners, etc.

LETTER FROM THE BOARD

The Board believes that any matter which would trigger potential conflict of interest, if any, could be addressed and reserved at the partnership meeting by stipulating in the partnership agreement and both general partners and limited partners could resolve it in a fair and reasonable way. All Participants would have a common goal to improve and perfect the Employee Share Ownership Scheme to benefit all stakeholders of it.

The registered capital, the list of partners and the equity interest of each Partnership shall be determined by the Management Committee based on the details of the Participants and the Subject Shares granted to them. The Participants shall be indirectly entitled to the corresponding interests of the Subject Shares based on their equity interest held in the Partnership.

Participants:

The Participants mainly include the Company's (i) Directors, supervisors and senior management; (ii) middle management; (iii) core technical employees and core business employees; and (iv) other Participants identified by the Board. The number of Participants who meet the above conditions and participate in the Employee Share Ownership Scheme will not exceed 500.

The Participants shall be employees of the Group at the time when the Subject Shares are granted.

Grant of Subject Shares: (i) Grant Date

The Grant Date shall be the date of which the Employee Share Ownership Scheme was considered and approved at the EGM.

LETTER FROM THE BOARD

- (ii) The number and allocation of the Subject Shares to be granted

Taking into account factors such as the number and financial capability of the Participants, the incentive effect and the pool of Subject Shares available for the Employee Share Ownership Scheme, etc., the total number of Subject Shares⁽¹⁾ involved in the Employee Share Ownership Scheme shall not exceed 30,000,000 Shares, representing not more than 2.10% of the Company's total share capital as at the Latest Practicable Date. In determining the number of Subject Shares to be granted to the Participants, the Company will consider the Participants' seniority, performance, function, contribution and importance to the Company and formulate a uniform principle for granting. The Board of Supervisor will review the name list of the Participants and the number of the Subject Shares to be granted to ensure that it is fair and reasonable. Taking into comprehensive account the importance of duties, performance and personal development potential, the number of Subject Shares granted to the Participants is specified in the table below:

Name	Position	Number of shares to be granted ('000 Shares)
Zhang Jianxin	Chairman and executive Director	1,000
Yin Bo	Executive Director and general manager	1,000
Xia Jinjing	Executive Director	250
Cao Huan	Employee representative supervisor	180
Guo Hao	Employee representative supervisor	70
Gan Xinye	Deputy general manager	250
Yang Long	Deputy general manager	250
Li Xiliang	Deputy general manager	250
Liu Xiubing	Deputy general manager	250
Zheng Weijie	Chief accountant	200
Zhang Juan	Secretary to the Board	180
Middle management, core technical and business employees and other participants identified by the Board (not more than 489)		not more than 26,120
Total		not more than 30,000

LETTER FROM THE BOARD

Note:

- (1) The total number of the Subject Shares represents the number of Shares indirectly held by the Participants through the Partnerships, which will be converted into the corresponding equity interest in the Partnership.

The Subject Shares shall not be pledged, guaranteed or used to repay debts.

(iii) Grant Price

The Grant Price of the Subject Shares will be set at RMB13.73 per Share with reference to the latest issuance price of the Domestic Shares.

If there is any dividend distribution, capitalization of capital reserve or bonus issue of the Company after the implementation of the Employee Share Ownership Scheme and before the completion of the registration of Shares by the Participants, the price of the Subject Shares shall be subject to ex-rights or ex-dividend adjustment (i.e. with non-weighted voting right).

(iv) Source of the Subject Shares

The Subject Shares under the Employee Share Ownership Scheme shall be the Domestic Shares held by TBEA which will be transferred to the Partnerships. The Participants shall establish 11 Partnerships with monetary fund, and each Partnership is the transferee of the Domestic Shares transferred by TBEA.

The Company does not and is not expected to hold any interest in the Partnerships. Accordingly, the transfer of the Subject Shares from TBEA to the Partnerships does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

(v) Source of funds

The source of funds for the Participants to participate in the Employee Share Ownership Scheme shall be the legal remuneration or self-raised funds obtained through other means as permitted by laws and regulations. The Company shall not provide the Participants with loans or any other forms of financial assistance, including guarantees for any loans obtained by the Participants. The Participants shall undertake that the source of such funds is legal.

Lock-up period:

The lock-up period of the Employee Share Ownership Scheme shall start from the Grant Date to the end of 36 months after the listing date of the Company's A Shares. If the Company fails to materialize the A Share Offering and there is no further plan for it, the "Special exit circumstances" as stated below will be automatically triggered. In such circumstances, the lock-up period shall be 3 years from the Grant Date.

LETTER FROM THE BOARD

Exit mechanism:

- (1) Exit during the lock-up period
 - (i) During the lock-up period, the Participants may continue to hold all or part of the Subject Shares in the following positive exit circumstances, among which, in the event of the Participants' death arising out of and in the course of his/her employment, the interests to which the Participants is entitled under the Employee Share Ownership Scheme shall be enjoyed by his successor, and such successor shall undertake that the realization of the interests shall be complied with the relevant provisions of the Employee Share Ownership Scheme. If the Participants decide to exit or partially exit, such portion of the Subject Shares held by them shall be transferred to the general partners of the Partnerships or a third party designated by the general partners at the Grant Price. Positive exit circumstances include:
 - (a) the Participants' termination of labor relationship with the Company at the mandatory retirement age;
 - (b) the Participants' incapacity arising out of and in the course of his/her employment;
 - (c) the Participants' death or declared death arising out of and in the course of his/her employment;
 - (d) the Participants' request for the partial transfer of the Subject Shares due to personal reasons while maintaining a labor relationship with the Company; and
 - (e) other positive exit circumstances as determined by the Company.

LETTER FROM THE BOARD

- (ii) During the lock-up period, the Participants must exit from the Employee Share Ownership Scheme in the event of any neutral exit circumstances as follows, and the Subject Shares must be mandatorily transferred. The Subject Shares held by them shall be transferred to the general partners of the Partnership or a third party designated by the general partners at the Grant Price. Neutral exit circumstances include:
- (a) the Participants' expiry of labor contracts without renewal;
 - (b) the Participants' resignation after negotiation and in agreement with the Company;
 - (c) the Participants' unsuitability for further employment with unilateral termination of employment or labor contracts by the Company;
 - (d) the Participants' incapacity not arising out of or in the course of his/her employment;
 - (e) the Participants' death or declared death not arising out of or in the course of his/her employment; and
 - (f) other neutral exit circumstances as determined by the Company.

LETTER FROM THE BOARD

(iii) During the lock-up period, the Participants must exit from the Employee Share Ownership Scheme in the event of any negative exit circumstance as follows, and the Subject Shares must be mandatorily transferred. The Subject Shares held by them shall be transferred to the general partners of the Partnership or a third party designated by the general partners at the Grant Price. In addition, the Company shall be entitled to deduct the loss caused to the Company from the Participants' contributed capital. Negative exit circumstances include:

- (a) violation of relevant PRC laws, administrative regulations or the Articles of Association, which results in significant economic loss of the Company;
- (b) serious dereliction of duty, malfeasance, fraud, bribery, solicitation of bribes, embezzlement, theft, disclosure of operation and technical secrets, and other illegal behavior and disciplinary violations that cause significant damage to the Company;
- (c) malicious termination of employment, such as unilateral termination or cancellation of the contract, or non-renewal of the contract without the consent of the Company;
- (d) holding a position in a peer industry or competing with the Company during the employment that cause damage to the Company's interests; and
- (e) other negative exit circumstances detrimental to the Company's interests as determined by the Company.

LETTER FROM THE BOARD

(2) Exit after the lock-up period

After the expiration of the lock-up period, if the Company completes the A Share Offering, the Partnership will decrease its shareholding in the Company according to the prevailing market price, or the Management Committee will decide whether to liquidate the Partnerships. The Participants will realize the corresponding gains according to their interest in the Partnerships. In the event of any negative exit circumstances as described above, the Company is entitled to deduct the loss caused to the Company from the Participants' contributed capital and gains.

The reduction in shareholding in the Company by the Shareholding Platforms is subject to the relevant laws and regulations at the time, and the specific executor of the reduction-related matters is the general partner of the Partnership.

(3) Special exit circumstances

After three years from the Grant Date, if the Company has not completed the A Share Offering and no longer has any plan for it, the Participants may, through the Partnership, decide whether to transfer its Shares in the Company to TBEA or other third party at a transfer price to be determined through negotiation.

LETTER FROM THE BOARD

(4) Exit management

- (i) Window period management: During the lock-up period of the Employee Share Ownership Scheme, the window period is from 1 June to 30 June and 1 December to 31 December of each year, during which the transfer of Shares by the Participants and the change of industrial and commercial registration are processed centrally, and the returns will be refunded to the personal accounts of the Participants according to the corresponding circumstances. The Participants may only submit such application during the window period of each year subject to the Company's unified arrangement and handling.
- (ii) Black-out period for the offering: Once the Company applies for the A Share Offering with the CSRC, the black-out period for the offering will start and the window period will be closed, during which no change of Shares will be made pending the completion of the A Share Offering.

Cash dividend
management:

In the event of cash dividend made by the Company, the Participants may participate in the dividend distribution through the Partnerships.

Management of the
changes in the Subject
Shares:

In the event of transfer of surplus reserve into share capital or bonus issue of the Company during the lock-up period, the Shares newly acquired by the Participants accordingly shall be locked up and shall not be transferred. The lock-up period of such Shares shall be the same as the lock-up period of the original Subject Shares held by the Participants.

In the event of a change in the total share capital of the Company, such as an allotment or issuance of Shares, all the Participants under the Employee Share Ownership Scheme shall decide whether and how to participate through the Partnerships.

LETTER FROM THE BOARD

Non-compete provisions: The Participants are subject to the non-compete provisions. During the term of the employment and for a period within two years after the termination of employment, the Participants shall not, directly or indirectly, as an individual or as an owner, licensor, licensee, itself, agent, employee, independent contractor, landlord, partner, lessor, shareholder, director or manager of a business or in any other name:

- (i) invest in or engage in a business of the same or the competitive nature as the Company, or establish an organization engaged in a competing business;
- (ii) without the prior written consent of the Company, hold any position, including shareholders, partners, directors, supervisors, managers, employees, agents, consultants, etc. in other enterprises, public institutions and social groups that manufacture or operate similar products or provide similar services as the Company; and
- (iii) persuade, induce, encourage or otherwise cause (a) any management or employee of the Company or its subsidiaries to terminate the employment of such management or employee with the Company or its subsidiaries; (b) any customer, supplier, licensee, licensor or other person or entity having an actual or potential business relationship with the Company or its subsidiaries (including any potential customer, supplier or licensee, etc.) to terminate or otherwise change its business relationship with the Company or its subsidiaries.

If the Participants violate the above rules, the Company shall be entitled to require the return of all proceeds from the transfer and/or sale of the Subject Shares within two years prior to the date of termination of employment.

LETTER FROM THE BOARD

Implementation
procedures and
management:

- (i) The general meeting of the Company is the highest decision-making body of the Employee Share Ownership Scheme and authorizes the Board to consider and approve the implementation, changes and termination of the Employee Share Ownership Scheme after the consideration and approval of the Employee Share Ownership Scheme.
- (ii) The Management Committee is responsible for the formulation of the Employee Share Ownership Scheme, the approval of the list of the Participants and the allocation plan, the establishment of the Partnerships, the determination of the general partners, and the arrangement of the execution of the partnership agreements and other implementation documents. The Management Committee consists of the chairman of the Board, the general manager, the secretary to the Board, the chief accountant and the chief human resources officer of the Company.
- (iii) The human resources department, the finance department and the securities department of the Company are responsible for the daily management of the Employee Share Ownership Scheme, including the handling of relevant procedures such as dividend distribution, exit of the Participants, realization of income and tax payment, and change of industrial and commercial registration of the Partnerships. All Participants shall fulfill their tax obligations in accordance with the requirements of the PRC laws, and the Partnerships shall withhold and pay the taxes on their behalf.

LETTER FROM THE BOARD

Effect of the proposed adoption of the Employee Share Ownership Scheme on the shareholding structure of the Company

For information and illustration purposes only, assuming that (i) a total of 30,000,000 Subject Shares will be granted to the Participants under the Employee Share Ownership Scheme, and (ii) there is no other change in the issued share capital of the Company prior to the completion of granting all the Subject Shares, the shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately after granting the Subject Shares is set out below:

	As at the Latest Practicable Date		Immediately after granting the Subject Shares	
	Number of Shares	Approximate percentage of the issued share capital of the Company	Number of Shares	Approximate percentage of the issued share capital of the Company
Domestic Shares				
TBEA	951,226,161	66.52%	921,226,161	64.42%
Other Domestic Shares Shareholders as non-Core Connected Persons	102,603,083	7.18%	102,603,083	7.18%
Participants	—	—	30,000,000	2.10%
Sub-total of Domestic Shares	<u>1,053,829,244</u>	<u>73.69%</u>	<u>1,053,829,244</u>	<u>73.69%</u>
H Shares				
TBEA (HONGKONG)	1,223,200	0.09%	1,223,200	0.09%
Other public H Shares Shareholders	374,947,556	26.22%	374,947,556	26.22%
Sub-total of H Shares	<u>376,170,756</u>	<u>26.31%</u>	<u>376,170,756</u>	<u>26.31%</u>
Total number of the issued Shares	<u><u>1,430,000,000</u></u>	<u><u>100%</u></u>	<u><u>1,430,000,000</u></u>	<u><u>100%</u></u>

LETTER FROM THE BOARD

V. THE EGM AND THE CLASS MEETINGS

The Company will convene the EGM and the Class Meetings to consider and, if thought fit, to approve the matters contained in this circular. The notices convening the EGM, the first H Shares Shareholders class meeting of 2022 and the first Domestic Shares Shareholders class meeting of 2022 of the Company to be held at the Conference Room, International Conference Center at No. 189, South Beijing Road, Changji, Xinjiang, the PRC on Thursday, 5 May 2022 at 11:00 a.m., Thursday, 5 May 2022 at 11:30 a.m. (or immediately after the conclusion or adjournment of the EGM, whichever is later) and Thursday, 5 May 2022 at 12:00 noon (or immediately after the conclusion or adjournment of the first H Shares Shareholders class meeting of 2022, whichever is later) respectively, are set out on pages HCM-1 and DCM-1 of this circular.

To the best of the Directors' knowledge, information and belief, none of the Shareholders have any material interests in (i) the Proposed A Share Offering and related matters; (ii) the proposed amendments to the Articles of Association and Corporate Governance Rules; and (iii) the proposed adoption of Employee Share Ownership Scheme that are required to abstain from voting on relevant resolutions at the EGM or Class Meetings.

In order to determine the holders of Shares who are eligible to attend and vote at the EGM and the Class Meetings, the register of members of the Company will be closed from Wednesday, 4 May 2022 to Thursday, 5 May 2022, both days inclusive, during which no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Wednesday, 4 May 2022 shall be entitled to attend and vote at the EGM and the Class Meetings. In order for the Shareholders to qualify to attend and vote at the EGM and the Class Meetings, all Share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Board secretary office (in case of holders of Domestic Shares), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company's H share registrar (in case of holders of H Shares), Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 3 May 2022 for registration.

VI. VOTING BY POLL AT THE MEETINGS

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders of a listed issuer at the issuer's EGM and/or Class Meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM and/or Class Meetings will therefore demand a poll for the resolution put to the vote at the EGM and/or Class Meetings pursuant to the Articles of Association.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy to attend the EGM and the Class Meetings (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/its uses in the same manner.

VII. RECOMMENDATIONS

The Board considers that all resolutions set out in the notices of EGM and the Class Meetings respectively for shareholders' consideration and approval are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the above resolutions set out in the notices of EGM and Class Meetings and to be proposed at the EGM and the Class Meetings.

VIII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Shareholders and potential investors should note that the Proposed A Share Offering will be subject to the approval of the Shareholders, the CSRC and other relevant regulatory authorities, and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) regarding any material updates and progress in relation to the Proposed A Share Offering in accordance with the Listing Rules and other applicable laws and regulations. This circular is for information purpose only, and does not constitute any invitation or offer to acquire, purchase or subscribe for the securities of the Company.

By order of the Board
Xinte Energy Co., Ltd.
Zhang Jianxin
Chairman

**APPENDIX I RESOLUTION REGARDING USE OF PROCEEDS FROM THE PROPOSED
A SHARE OFFERING AND FEASIBILITY ANALYSIS**

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

Use of Proceeds from the A Share Offering and Listing and Feasibility Analysis

In order to further increase the market share of the Company's polysilicon products, and enhance its core competitiveness and profitability, the Company proposes to use the proceeds raised from the initial public offering of its RMB ordinary shares (A shares) to invest in the construction of the 200,000-ton Polysilicon Project in Zhundong, the details of which are as follows:

I. USE OF PROCEEDS AND INVESTMENT PROJECT

The total proceeds raised from the A Share Offering of the Company, after deducting the offering expenses, will be invested in the 200,000-ton Polysilicon Project in Zhundong. The total investment of the project is approximately RMB17.6 billion, of which RMB8.8 billion will be funded through the capital injection to the Silicon New Materials, a wholly-owned subsidiary of the Company, by the proceeds raised from the A Share Offering, and the remainder will be settled through bank loans and other methods.

If the proceeds raised from the Proposed A Share Offering is less than RMB8.8 billion, the Company will, with reference to the extent of the capital shortfall, satisfy such shortfall through internal fundings. Before the proceeds raised from the A Share Offering are in place, the Company may invest in the project construction funds with its own funds or bank loans according to the actual construction progress of the 200,000-ton Polysilicon Project in Zhundong, which will be replaced with the proceeds from the A Share Offering when available.

**II. NECESSITY AND FEASIBILITY OF THE FUNDRAISING FOR THE INVESTMENT
IN THE PROJECT**

(I) Necessity

1. Facilitate the adjustment of energy structure adjustment and promote the development of new energy industry

In September 2020, General Secretary Xi Jinping declared at the 75th session of the General Assembly of the United Nations that China will strive for carbon dioxide emissions peaking by 2030 and work towards carbon neutrality by 2060. On 12 December 2020, General Secretary Xi Jinping further refined the goal of achieving carbon peaking by 2030 at the Climate Ambition Summit that the total installed capacity of wind and solar power in China will increase to over 1.2 billion kW by 2030. On 21 December 2020, the State Council issued a white paper titled “Energy Development in China’s New Era” (《新時代的中國能源發展》, http://www.gov.cn/zhengce/2020-12/21/content_5571916.htm), which proposed that it would insist on promoting green energy production and consumption, gradually utilize renewable energy to replace fossil energy, and build a diversified and clean energy supply system.

Compared with coal, coal chemical, biofuels and other energy sources, solar power has the competitive advantages of low cost, inexhaustible, environmental-friendly and economic energy, which can effectively reduce carbon dioxide emissions, mitigate the greenhouse gas effect and improve the climate environment, representing a significant measure to protect the environment in response to the climate change. Due to a decrease in the cost of PV power generation year by year and the realization of grid parity, solar power has become one of the cheapest clean energy sources. The competitive advantages of PV power are becoming increasingly obvious, gradually becoming the main path for countries to adjust energy structure, secure energy supply and achieve “carbon peaking and carbon neutrality” in the future. In response to the national call, the Company implements the 200,000-ton Polysilicon Project to facilitate the rapid development of the new energy industry.

2. The polysilicon market has a board prospects, but the Company’s production capacity cannot meet the growing market demand

Polysilicon is the basic raw material for the PV industry. With the boom in the global PV power generation, there is a significant growing demand for polysilicon, which will definitely bring opportunities for rapid development in the next 10 years, with a certain shortage in polysilicon production capacity and production volume in the next 5 years. According to the estimates of industry associations and professional consulting agencies, PV will be the main

resource for countries around the world to achieve carbon peak emission and carbon neutrality. It is expected that by 2030, the newly installed capacity of PV in the world and the demand for polysilicon will increase by double from 2021, and the market prospect is quite broad. After the completion of the 100,000-ton Polysilicon Project in Inner Mongolia, the Company's annual production capacity will only be 200,000 tons, which will not be enough to meet the future market demand considering the Company has maintained a high market share in recent years. After the completion of the 200,000-ton Polysilicon Project in Zhundong, the total annual production capacity of the Company will reach 400,000 tons, the quality of the Company's products will be improved, the unit cost for the production will be reduced, and the core competitiveness of the Company will be further improved.

3. *Further reduce the production costs to promote the sustainable and healthy development of the PV industry*

In the process of polysilicon production, most of the Company's energy consumption indicators have reached the 2030 industry level predicted by the "China's PV Industry Development Roadmap (2020 Edition)" (*《中國光伏產業發展路線圖（2020年版）》*, http://www.chinapv.org.cn/road_map/927.html) ahead of schedule. As PV power generation steps towards the era of grid parity, cost reduction is an inevitable choice for industry development. Only by accelerating technology R&D, improving operational efficiency, and further reducing production costs can PV companies stand out from the competitors. Due to the new production capacity and intensifying market competition of the industry in the future, high-cost companies will be eliminated from the market.

The Company has been closely focusing on the philosophy of "quality improvement, efficiency enhancement, costs reduction and lowest cost per unit of electricity" to achieve improvement in quality, reduction in cost and efficient development. The existing production line of the Company in Xinjiang has been put into production for a long time and its power consumption and depreciation are high. The 200,000-ton Polysilicon Project in Zhundong will adopt the cold hydrogenation technology with the high single unit capacity, high conversion rate and energy-saving characteristics, the highly-efficient and energy-saving distillation technology, and mass, highly efficient and energy-saving reducing furnace technology, and energy-saving, high separating efficiency exhaust gas recovery technology. It can reduce unit investment in fixed assets taking advantage of economies of scale economies, reduce depreciation and energy consumption, produce higher-purity products, reduce production cost and achieve comprehensive benefits. The completion and operation of the 200,000-ton Polysilicon Project in Zhundong will further reduce the Company's polysilicon production cost, optimize the competitiveness in the polysilicon market and facilitate the sustainable and healthy development of the PV industry.

(II) Feasibility

1. The support PRC industrial policies for the rapid development of the PV industry

Compared with coal, coal chemical, biofuels and other energy sources, solar power has the competitive advantages of low cost, inexhaustible, environmental-friendly and economic energy, which will become the primary way for the new energy utilization of humans. The PV industry is not only an important direction and content of the national “four revolutions, one comprehensiveness” energy development strategy in China, but also an important direction of future energy development for countries around the world. The polysilicon industry, as the basic raw materials of the PV industry, will definitely usher in rapid development opportunities in the next 10 years.

The PV industry is one of the national new energy and strategic emerging industries, which is of great significance to national energy security and widely supported by various PRC policies. During the “14th Five-Year Plan” and the “15th Five-Year Plan” period, China will continue to optimize the development of solar power generation and continue to promote the construction of centralized bases, while strengthening the synergy of new energy development policies, reducing the non-technical costs of new energy, fully ensuring the grid parity of PV power generation, and improving the tariff-setting mechanism. The NDRC, the NEA, the Ministry of Ecology and Environment, the Ministry of Science and Technology and other relevant government authorities have launched relevant policies to support the PV industry, providing greater policy support for the development of the PV industry.

2. The Company has advanced technical reserves, rich management experience and a large number of high-quality customers

Since 2008, the Company has been investing in the construction of polysilicon projects, and has long been committed to science and technology innovation, mastering the core technology of high-purity polysilicon R&D and manufacturing. The Company has obtained more than 200 authorized patents, with a number of proprietary intellectual property rights. The Company recruits a group of high-quality and experienced polysilicon production management and operation personnel, and has the talent base and management experience to refine and strengthen the 200,000-ton Polysilicon Project in Zhundong. In addition, the project is established based on the scale of 200,000 tons per year, making full use of the scale effect, greatly lowering the investment amount, reducing land area and production staff, and ensuring the competitive advantage of the project.

**APPENDIX I RESOLUTION REGARDING USE OF PROCEEDS FROM THE PROPOSED
A SHARE OFFERING AND FEASIBILITY ANALYSIS**

Over the years, the Company has established strategic partnership with a number of downstream customers, insisted on the development strategy of “growing with customers”, and has been awarded as strategic partner, best supplier, etc. by customers. At present, the Company has established long-term and stable cooperative relationships with leading companies in the PV industry, such as LONGi Green Energy Technology Co., Ltd., JA Solar Technology Co., Ltd., Shangrao Jinko Energy Industry Development Co., Ltd., Wuxi Shangji Automation Co., Ltd., etc. In the past two years, the Company has entered into polysilicon sales framework agreements with a number of downstream silicon wafer customers, such as LONGi Green Energy Technology Co., Ltd., Wuxi Shangji Automation Co., Ltd., Qinghai Gaojing Solar Energy Technology Co., Ltd., Donghai JA Solar Technology Co., Ltd. and Shuangliang Eco-Energy System Holding Company Limited, etc., with a total purchase volume of over 1 million tons. Basically locking up the sales of polysilicon products in the next 3-5 years. The good customer relationship and excellent product quality provide a strong guarantee for the consumption of the product capacity of the 200,000 tons Polysilicon Project in Zhundong. With the increased market demand and the Company’s production capacity, it is expected that the Company will enter into more long-term purchase agreements with downstream customers to safeguard the sales of polysilicon in the future.

3. *The project site provides good conditions for the construction of polysilicon projects*

The 200,000-ton Polysilicon Project in Zhundong is located in Xinjiang Changji Zhundong Industrial Park, which is in the western planning area of Zhundong Economic and Technological Development Zone. Located 200 kilometers from Urumqi and across Jimsar, Qitai and Muri of Changji Prefecture, the Zhundong Economic and Technological Development Zone is well connected by highways with convenient transportation, making it an important growth pole for the economic development in Xinjiang.

The Zhundong Economic and Technological Development Zone is an important part of the 14th large-scale coal base identified by China, one of the five major coal fields in Xinjiang and the largest integrated coal field in China. The abundant coal resources are the basis of power security. The Zhundong Economic and Technological Development Zone has already and operated the “external transmission of Xinjiang electricity” $\pm 1,100$ kV ultra-high voltage direct current transmission project, which is the world’s largest power supply capacity, the longest transmission distance and the highest voltage level project with the most advanced technology. The completion of the construction of the local 750 kV power grid project around the north of Xinjiang and 11,880,000 kW of power supply projects ensure the production of electricity for the project. There is also a winter storage reservoir in Wucaiwan in the park with a capacity of 50 million cubic meters, which can ensure the water supply for the project.

III. BASIC INFORMATION OF THE FUNDRAISING FOR THE INVESTMENT IN THE PROJECT

1. Project approval status

The project has obtained the “Notice on the Filing of 200,000-ton-per-annum High-end Electronic-grade Polysilicon Green Low-carbon Circular Economy Construction Project of Xinte Silicon New Materials Co., Ltd.” (Changzhou Fagai [2022] No. 06) (《關於新特硅基新材料有限公司年產20萬噸高端電子級多晶硅綠色低碳循環經濟建設項目備案的通知》(昌州發改[2022]06號)) issued by the NDRC of Changji Hui Autonomous Prefecture. As at the Latest Practicable Date, the 200,000-ton Polysilicon Project in Zhundong is subject to certain administrative approval such as the approval of environmental impact assessment report from the ecological environment department and the review opinion of energy conservation report from the development and reform commission, etc., which are still in progress and expected to be obtained by early May 2022.

2. Construction body of the project

The 200,000-ton Polysilicon Project in Zhundong is intended to be implemented by Silicon New Materials, a wholly-owned subsidiary of the Company, which was established mainly for the purpose of investing in the construction of the 200,000-ton Polysilicon Project in Zhundong with a registered capital of RMB50 million.

**APPENDIX I RESOLUTION REGARDING USE OF PROCEEDS FROM THE PROPOSED
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3. Total investment, construction content and construction period of the project

The total investment of the 200,000-ton Polysilicon Project in Zhundong is approximately RMB17.6 billion, of which RMB8.8 billion will be funded through the capital injection to the Silicon New Material by the proceeds raised from the A Share Offering and internal fundings, and the remainder will be settled through bank loans and other methods. The specific details of the total project investment are as follows:

No. Project	Investment amount (RMB100 million)	Percentage of total investment (%)
1 Equipment procurement expenses	85.39	48.54
2 Installation expenses	49.26	28.00
3 Construction expenses	25.51	14.50
4 Other construction expenses	10.11	5.75
5 Interests during the construction period	4.16	2.36
6 Initial working capital	1.47	0.84
Total	<u>175.90</u>	<u>100.00</u>

The project construction mainly includes the installation of polysilicon production equipment, supporting construction of chlor-alkali plant, public engineering facilities, auxiliary production facilities, etc. The project continues to use the improved Siemens approach and will adopt energy-saving and environment-friendly cold hydrogenation technology with large single set capacity, high conversion rate, effective and energy-saving distillation technology, large, effective and energy-saving reduction furnace technology as well as energy-saving and high-separation tail gas recovery technology, which can manufacture products with higher purity, lower production cost and higher overall efficiency. After the completion of the project, two polysilicon production lines with an annual capacity of 100,000 tons will be established.

**APPENDIX I RESOLUTION REGARDING USE OF PROCEEDS FROM THE PROPOSED
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The construction period of the project is 24 months in total, which will be implemented in two phases. The first phase of the construction period is from May 2022 to May 2023, and the second phase of the construction period is from June 2023 to June 2024. The construction scale of each phase is 100,000 tons. The annual production capacity of high-purity polysilicon will increase by 200,000 tons after the full completion of the two phases of construction.

IV. IMPACT OF THE USE OF THE PROCEEDS ON THE COMPANY

The fundraising for the investment in the project focuses on the Company's main business development. After the completion of the project, the Company's polysilicon production capacity will be further increased, which is in line with the Company's future strategic plan and is beneficial for the Company to continue to maintain its competitive advantage in the polysilicon industry, thereby further enhancing the Company's comprehensive strength.

**ARTICLES OF ASSOCIATION
OF
XINTE ENERGY CO., LTD.**

~~November 2021~~
(DRAFT)

[•] 2022

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(APPLICABLE AFTER THE A SHARE OFFERING AND LISTING)**

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ARTICLES OF ASSOCIATION OF XINTE ENERGY CO., LTD.
(DRAFT)

CHAPTER 1 GENERAL

Article 1 These Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, (the “**Securities Law**”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “**Special Regulations**”), Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period of Convening General Meetings and Other Matters Applicable to Overseas Listed Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas (the “**Mandatory Provisions**”), the Rules Governing the Listing Rules of Main Board of the Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant laws and regulations in order to protect the legal interest of Xinte Energy Co., Ltd. (the “**Company**”), the Shareholders and creditors and standardize the organization and activities of the Company.

Article 2 The Company was incorporated as a joint stock limited company by means of sponsorship according to the Company Law and other laws and regulations.

Article 3 The Company was registered with and has received the business license from the Administration for Industry and Commerce of Xinjiang Uygur Autonomous Region. The Unified Social Credit Number is 9165 0000 6702 3030 76.

Article 4 Registered name of the Company: Xinte Energy Co., Ltd.

Full name in Chinese: 新特能源股份有限公司

Abbreviation in Chinese: 新特能源

Full name in English: Xinte Energy Co., Ltd.

Abbreviation in English: Xinte Energy

Article 5 The address of the Company: No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park),
Urumqi

Postal Code: 831400

Article 6 The Company is a joint stock limited company with permanent existence.

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(APPLICABLE AFTER THE A SHARE OFFERING AND LISTING)**

Article 7 The Company's legal representative is the general manager of the Company.

Article 8 All of the Company's assets are divided into equal shares. A shareholder shall be liable for the debts of the Company to the extent of the shares it has subscribed to, whereas the Company shall be liable for its debts with all of its assets.

Article 9 The Company may invest in other companies with limited liability and joint stock limited companies, ~~to which the Company and~~ shall be liable ~~for to the company it~~ invested ~~to company within the extent~~ limit of the committed amount of its capital contribution it has made to such companies or shares subscribed for in such companies. However, unless otherwise required by laws, the Company shall not be a investor that shall bear several and joint liabilities for the debts of the invested company.

Article 10 These Articles of Association shall become effective as ~~off~~ from the date of the Company's initial public offering of its RMB ordinary shares (A shares) and the listing for trading on which the Overseas-listed Foreign-invested Shares ("H share") are listed on the Shanghai Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange"); the original Articles of Association ~~of the Company~~ shall be invalidated automatically on the effective date of these Articles of Association.

From the date on which these Articles of Association come into effect, they shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations as between the Company and its shareholders and among the shareholders. These Articles of Association are binding on the Company, shareholders, directors, supervisors and senior management personnel. A shareholder may take legal action against the Company, other shareholders or directors, supervisors, general manager and other senior management personnel of the Company and the Company may take legal action against shareholders, directors, supervisors, general manager and other senior management personnel pursuant to these Articles of Association.

Article 11 For the purpose of these Articles of Association, "other senior management personnel" refers to the deputy general manager, chief accountant, ~~chief machinist, safety director,~~ secretary to the Board and other persons approved at the Board meeting of the Company.

Article 11 The Company establishes a Communist Party organization and carries out party activities in accordance with the provisions of the Constitution of the Chinese Communist Party. The Company provides the necessary conditions for the activities of the party organization.

CHAPTER 2 THE COMPANY'S OBJECTIVES AND SCOPE OF BUSINESS

Article 12 The operation objectives of the Company are: to adopt advanced and applicable polycrystalline silicon production technology, PV, wind power system integration technology; optimize the combination of capital, technology, management and marketing resource; improve our market competitiveness; and generate satisfactory economic and social benefits for our investors.

Article 13 The Company's scope of business includes: (other than projects which are subject to special approval under the laws and administrative regulations of the country) production and sales of silicon and relevant highly purified materials and relevant technology R&D; research, design, system integration, installation and maintenance, consulting service on new energy construction environmental protection technology and relevant engineering projects; manufacture, installment and technology consulting service and operating management on solar silicon wafers, solar cells, solar cell modules, controllers, inverters, solar battery cells, junction boxes, building components, brackets, accessories and environmental devices related to solar system and relevant products application; engineering design, production, installment and maintenance, sales and aftersales service related to solar PV off-grid, on-grid and solar-wind hybrid, solar-thermal hybrid, PV-hydroelectricity hybrid system and other system complementary to PV electricity generation; general construction contracting, commissioning and operation for thermal power, hydraulic and hydropower engineering, electrical power engineering; thermal power generation, thermal production and sales; labor dispatching; import and export business for goods and technologies; production and sales of chemicals by-products related to polysilicon production; intraocular lens, energy storage materials, lithium ion batteries, hydrogen fuel cells, secondary batteries components and modules production and sales; nitride materials, oxide materials, carbide materials and zirconium products production and sales; industrial sodium hydroxide, sodium hydroxide (food grade), caustic soda, industrial liquid chlorine, sodium hypochlorite (available chlorine content higher than 5%), hydrochloric acid, sulphuric acid, nitric acid, hydrogen chloride, hydrogen, nitrogen, ammonia and sodium sulfate decahydrate production and sales; ordinary road cargo transportation, international road cargo transportation; leasing of properties; internal training; sales of machinery and electrical equipment, wires and cables, steels, steel pipes, valves, building materials; production, supply and sales of water for domestic and industrial uses.

CHAPTER 3 SHARES**Section 1 Issue of Shares**

Article 14 Shares of the Company are in the form of share certificates.

There must, at all times, be ordinary shares in the Company. Subject to the approval of authorities authorized by the State Council, the Company may, according to its requirements, create other classes of shares. If the Company creates other classes of shares, it shall specify the order of rights entitled to these different classes of shares in any distribution by dividend or other forms. If the share capital of the Company comprises shares without right to vote, names of these shares shall be added with the words “without right to vote”. If the share capital comprises shares attached with different rights to vote, names of each kind of shares (other than shares attached with the most preferential right to vote) shall be added with the words “with restricted right to vote” or “with limited right to vote”.

Article 15 The issue of shares by the Company shall adhere to the principle of equality and fairness. Shares of the same class shall have the same rights. Shares issued at the same time in the same class shall be equal in price and shall be subject to the same conditions. The price paid by any organization or individual for each share shall be the same. ~~Any direct or indirect shareholder who has not disclosed its interest in the~~The Company shall not exercise any power to freeze or ~~by other means to~~otherwise damage ~~any right~~the rights attached to ~~the~~any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

Article 16 Share certificates issued by the Company are denominated in RMB, and the nominal value for each share is RMB1.

Article 17 Subject to the approval of the securities regulatory authorities of the State Council, the Company may issue shares to Domestic Investors and Foreign Investors. Foreign Investors referred to in the preceding paragraph mean those investors who have subscribed for the Company’s shares and are residents in Hong Kong, Macau, Taiwan or other foreign countries. Domestic Investors mean those investors who have subscribed for the Company’s shares and are residents in the People’s Republic of China (“China” or “PRC”, in terms of these Articles of Association, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan).

Article 18 Shares which the Company issues to Domestic Investors and other qualified investors for subscription in RMB are called Domestic Shares. Shares which the Company issues to Foreign Investors and other qualified investors for subscription in foreign currencies are called Foreign Shares. Foreign Shares which are listed overseas are called “Overseas-listed Foreign-invested Shares”. Both holders of Domestic Shares and Overseas-listed Foreign-invested Shares are holders of ordinary shares, and shall have the same rights and obligations.

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
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“Foreign currencies” referred to in the preceding paragraph means the legal currencies of other countries or regions outside of the PRC, other than RMB which are recognized by the foreign exchange authority and can be used to pay the share price to the Company.

Overseas-listed Foreign-invested Shares issued by the Company and which are listed in Hong Kong shall be referred to as “H Shares”. H Shares are shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Article 19 When established, the sponsors, shares amount, contribution means, contribution date and capital structure are as follows:

No.	Name of Shareholders	Number of Shares Subscribed ('0000)	Contribution Means	Contribution Date	Percentage of Shareholding (%)
1	TBEA Co., Ltd.	48,001.68	Capitalization of net assets	29 February 2012	84.51%
2	Xinjiang Tebian (Group) Co., Ltd.	5,753.84	Capitalization of net assets		10.13%
3	Xinjiang Honglian Venture Capital Co., Ltd.	2,561.68	Capitalization of net assets		4.51%
4	Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.	289.68	Capitalization of net assets		0.51%
5	Liu Bingcheng	193.12	Capitalization of net assets		0.34%
	Total	56,800			100%

~~**Article 20** The Company’s total share capital is 1,430,000,000 Shares, including 1,053,829,244 Domestic Shares, representing 73.69% of the total share capital; and 376,170,756 H Shares, representing 26.31% of the total share capital. Upon approval by the China Securities Regulatory Commission (the “CSRC”), the Company initially issued [•] A shares to the public on [•], which were listed on the Shanghai Stock Exchange on [•]. Upon completion of the above -mentioned issuance, the Company’s total share capital comprises [•] shares, and the share capital structure of the Company comprises: [•] ordinary shares, in which [•] shares are held by the shareholders of~~

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(APPLICABLE AFTER THE A SHARE OFFERING AND LISTING)**

Domestic Shares, accounting for [•]% of the total number of issued ordinary shares of the Company; and [•] shares are held by the shareholders of Overseas-listed Foreign-invested Shares, accounting for [•]% of the total number of issued ordinary shares of the Company.

Article 21 The Company’s board of directors (or the “**Board**”) may arrange for a separate issuance of the Domestic Shares and Overseas-listed Foreign-invested Shares after the proposals for the same have been approved by the securities regulatory authorities of the State Council.

The Company may implement its proposals to issue Domestic Shares and Overseas-listed Foreign-invested Shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities of the State Council. Where relevant approvals or registration documents of the securities regulatory authority under the State Council stipulate otherwise, such provisions shall prevail.

Article 22 Where the Company separately issues Overseas-listed Foreign-invested Shares and Domestic Shares, and the total number of shares to be issued is within the sum of shares stipulated in the issuance proposals, the shares shall be fully allotted in one issuance respectively. If this is not possible due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities of the State Council or the implementation of relevant procedures, be issued on separate occasions.

~~**Article 23** The Company or the subsidiaries of the Company (including affiliated enterprises of the Company) shall not support persons who purchase or intend to purchase the Company’s shares by donation, advance, guarantee, compensation, lending or other means.~~

Article 23 Domestic Shares issued by the Company are centrally deposited with China Securities Depository and Clearing Corporation Limited. H shares issued by the Company in Hong Kong are deposited with Hong Kong Share Registrar.

Section 2 Increase, Reduction and Repurchase of Shares

Article 24 The Company may, based on its operating and development needs and in accordance with laws and regulations, increase its registered capital in the following ways, subject to resolutions adopted respectively by the general meeting:

- (I) issuing shares publicly;

- (II) issuing shares non-publicly;

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(III) placing new shares to existing shareholders;

(IV) allotting bonus shares to existing shareholders;

(V) conversion of capital reserve into share capital;

(VI) by other methods which are permitted by laws, administrative regulations and securities regulatory authority under the State Council.

Article 25 The Company may reduce its registered capital. In doing so, it shall act according to the Company Law, other relevant regulations and these Articles of Association.

Article 26 The Company may, according to the provisions of the relevant laws, administrative regulations, departmental rules and ~~the~~these Articles of Association, purchase its shares under the following circumstances:

(I) to reduce registered capital of the Company;

(II) to merge with other companies that hold shares in the Company;

(III) to ~~grant~~allocate shares to ~~employees of the Company as incentives~~employee share ownership plan or share incentive plan;

(IV) to purchase the Company's share upon the request of its shareholders who vote against the resolution proposed in the shareholders' general meeting on the merger or division of the Company;

(V) to allocate shares to convert convertible corporate bonds issued by the Company;

(VI) to maintain the value of the Company and safeguard the interests of its shareholder deems necessary;

(VII) other circumstances as permitted by laws, regulations and other relevant competent authorities.

The Company shall not ~~engage in the trading of~~purchase its own shares save for the circumstances specified above.

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~~Article 27~~ If the Company purchases its shares due to reasons provided in ~~Articles 26~~items (I) to (III) of these Articles of Association and (II) of paragraph I under this Article, such ~~repurchase~~purchase shall be subject to resolutions adopted by the shareholders' general meeting. If the Company purchases its shares due to reasons provided in items (III), (V) and (VI) of paragraph I under this Article, such purchase shall obtain approval of more than two-thirds of the directors present at the Board meeting by way of resolution as stipulated in these Articles of Association or authorized by the general meeting.

Where shares of the Company are purchased in accordance with this Article 26(I), they shall be deregistered/cancelled within 10 days from the date of purchase; where shares for case under item (I) of the Company are repurchased in accordance with Articles 26(II) or (IV), paragraph I; they shall be transferred or deregistered/cancelled within six months from the date of purchase for cases under items (II) and (IV). If due to the circumstances mentioned in items (III), (V) and (VI), the shares of the Company held by the Company in aggregate shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

~~Shares purchased in accordance with Article 26(III) shall not exceed 5% of the total issued shares of the Company; funds for the purchase shall be made out of the after-tax profit of the Company; the purchased shares shall be transferred to employees of the Company within one year~~

~~Where:~~ ~~Article 28~~ The Company with the approval of the relevant competent laws, regulations, departmental rules and relevant provisions of the securities regulatory authority in the place of listing have any other provisions in respect of the matters relating to the repurchase, such provisions shall prevail.

Shares lawfully repurchased by the Company shall be cancelled within the time limit prescribed by laws or administrative regulations and shall apply to the original company registration authority for registration of the change in its registered capital. The amount of the Company's registered capital shall be reduced by the aggregate nominal value of the shares cancelled.

Article 27 The Company may repurchase its shares in one of the following ways/manners:

- (I) making an offer for the repurchase of shares in equal proportions to all its shareholders;
- (II) repurchasing shares by means of public trading on the stock exchange;(s);
- (III) repurchasing shares by means of agreements outside the stock exchange;(s);

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(IV) by any other means which is permitted by ~~competent authorities~~ laws, administrative regulations, departmental rules and securities regulatory authority of the place of listing.

If the Company purchases its shares, it shall fulfill the information disclosure obligations in accordance with the regulations of the securities regulatory authority of the place of listing. If the Company purchases its share under the circumstances specified in items (III), (V) and (VI) of paragraph I under Article 26 hereof, such purchase shall be conducted through public centralized trading.

Article 28 Where the Company repurchases its shares through an off-market agreement, a general meeting shall be convened in advance to approve it in accordance with these Articles of Association. As approved by the general meeting in the same manner in advance, the Company may cancel or change the aforementioned signed agreement, or abstain all the rights demonstrated in the agreement.

(IV) The agreement to repurchase shares in the previous paragraph includes (but not limited to) the rights and obligations agreed to repurchase the shares. The Company shall not transfer the agreement on shares repurchase or any rights demonstrated in the agreement.

Article 29 Unless the Company is in liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:

- (I) where the Company repurchases shares at nominal value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of shares made for that purpose;
- (II) where the Company repurchases its shares of the Company at a premium, payment up to the nominal value may be made out of the book balance of the distributable profits of the Company or out of the proceeds from the issue of new shares made for that purpose. Payment of the premium shall be effected as follows:
 - (1) if the shares being repurchased were issued at nominal value, payment shall be made out of the book balance of the distributable profits of the Company;
 - (2) if the shares being repurchased were issued at a premium, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from the issue of new shares made for that purpose, provided that the amount paid out of the proceeds from issue of new shares shall not exceed the total premium received by the

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Company on the issue of the repurchased shares nor shall it exceed the book value of the Company's premium account (or capital accumulation reserve fund account) (including any premium on the newly issued shares) at the time of the repurchase;

(III) the Company shall make any payment for the following purposes out of the Company's distributable profits:

- (1) acquisition of the right to repurchase its own shares;
- (2) variation of any contract for the repurchase of its shares;
- (3) release of the Company's obligation(s) under any contract for the repurchase of shares;

(IV) after the Company's registered capital has been reduced by the aggregate nominal value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the nominal value of shares which have been repurchased shall be recorded in the Company's premium account (or capital accumulation reserve fund account).

Where the Company has the right to repurchase redeemable shares:

- (1) repurchases not made on-market or by tender shall be limited to a maximum price; and
- (2) if repurchases are made by tender, tenders shall be made to all shareholders alike.

Section 3 Transfer of Shares

Article 30 Unless otherwise stipulated in the relevant laws, regulations or ~~Hong Kong Stock Exchange~~ rules governing the listing of securities of the place of listing, shares ~~which have been fully paid-up shall be free of any restriction of transfer rights.~~ Shares in of the Company shall be freely transferable and are not subject to any lien in accordance with the laws.

Article 31 All Overseas-listed Foreign-invested Shares listed in Hong Kong Stock Exchange which have been fully paid-up may be freely transferred in accordance with these Articles of Association. However, unless such transfer complies with the following requirements, the ~~board of directors~~ Board may refuse to recognize any document of transfer and would not need to provide any reason therefor:

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- (I) payment of a fee according to the expense standard in, and not exceed the price ceiling stipulated by the Hong Kong Listing Rules from time to time shall be made to the Company for the purpose of registering the instrument of transfer and other documents that relate to, or may affect, the title to the shares;
- (II) the document of transfer only relates to Overseas-listed Foreign-invested Shares listed in Hong Kong Stock Exchange;
- (III) the stamp duty on the instrument of transfer payable according to laws in Hong Kong has been paid;
- (IV) the relevant share certificate(s) and any other evidence which the ~~board of directors~~Board may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (V) when shares are proposed to transferred to joint holders, such jointly registered shareholders shall not be more than four people;
- (VI) the Company does not have any lien on the relevant shares.

If the ~~board of directors~~Board refuses to register the transfer of shares, a notice of the refusal of registration of such transfer of shares shall be issued to the transferor and the transferee within two months upon the duly submission of transfer application.

The transfer of the Overseas-listed Foreign-invested Shares listed in Hong Kong shall be effected by written instruments of transfer in an normal or ordinary form or any other form accepted by the ~~board of directors~~Board (including standard transfer form or form of transfer specified by Hong Kong Stock Exchange from time to time); the transfer document may be signed by hand only or under seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (hereinafter “**Recognized Clearing House**”) or its attorney as defined by relevant rules applicable from time to time in accordance with the law of Hong Kong, the transfer form may be signed by hand or printed by machine.

All instruments of transfer shall be kept at the legal address of the Company or the address appointed by the ~~board of directors~~Board from time to time.

Article 3132 The Company does not accept the pledging of its share certificates.

Article 32-33 Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. Shares issued prior to the public offering of the Company shall not be transferred within one year from the date the shares of the Company being listed on the stock exchange(s).

Directors, supervisors and the senior management of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% of the total number of shares held by them in each year during their terms of office. The shares held by them shall not be transferred within one year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months from the termination of their service. If the transfer restrictions in this paragraph involve H shares, the said transfer shall be subject to provisions of Hong Kong Listing Rules.

Article 3334 Any gains from sale of shares in the Company or other securities with the nature of equity interests by any directors, supervisors, senior management or shareholders holding 5% or more of the shares in the Company within six months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six months after sale of the same shall belong to the Company. The Board of the Company shall forfeit such gains from the above mentioned parties. If the transfer restrictions in this paragraph involve H shares, the said transfer shall be subject to provisions of Hong Kong Listing Rules. However, if except where a securities company holds 5% or more of the shares by buying the remaining shares pursuant to an underwriting arrangement, ~~the six month limitation for selling shall not apply~~ and where there are other circumstances as prescribed by the CSRC.

Shares or other securities with nature of equity interest held by directors, supervisors, senior management, natural person shareholders referred to in the preceding paragraph include shares or other securities with nature of equity interest held by their spouse, parents, children in their own name and under others' account.

If the Board does not act in accordance with the provisions of ~~the above paragraph;~~ (I), shareholders shall be entitled to request the Board to effect the same within 30 days. If the Board fails to do so, the shareholders are entitled to take legal action at a people's court in their own names for the interests of the Company.

Where the Board of the Company does not act in accordance with the provisions of the first paragraph, the responsible directors shall assume joint liability in accordance with the law.

Section 4 Financial Assistance for the Acquisition of Shares in the Company

Article 3435 The Company and its subsidiaries (including its affiliate) shall not, by any means (including but not limited to gift, advance, guarantee, compensation, loan, etc.) at any time, provide any kind of financial assistance to a person who acquires or intends to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article 3637 of these Articles of Association.

Article 35-36 The financial assistance referred to in this Section includes, but not limited to the following means:

- (I) gift;
- (II) guarantee (including the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default), release or waive of any rights;
- (III) provision of loan or entering into contract under which the obligations of the Company are to be fulfilled before the obligations of other parties, or change in the parties to, or the assignment of rights arising under such loan or agreement;
- (IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The expression assuming an obligation referred to in this Section includes the assuming of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether assumes on its own account or with any other persons), or by any other means.

Article 3637 The following shall not be deemed to be behaviors as prohibited in Article 3435:

- (I) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (II) the lawful distribution of the Company's assets by way of dividend;
- (III) the allotment of bonus shares as dividends;
- (IV) a reduction in registered capital, repurchase of shares or reorganization of the share capital structure of the Company effected in accordance with these Articles of Association;
- (V) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);
- (VI) the provision of money by the Company for contributions to employee share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

Section 5 Share Certificates and Register of Shareholders

Article 37-38 The shares of the Company shall be in registered form. The particulars to be set out in the share certificates of the Company shall, in addition to those required by the Company Law, include other particulars which are required to be included by the stock ~~exchange~~exchange(s) where the shares of the Company are listed.

As long as the H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all title documents, including H shares, of all securities listing on the Hong Kong Stock Exchange contain the below declarations. The Company shall also instruct and procure its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such particular holder delivers to such share registrar a signed form for such shares containing the declarations below:

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The subscriber of shares agrees with the Company and its shareholders, and the Company agrees with each shareholder, to observe and comply with the requirements of the Company Law, the Special Regulations, Hong Kong Listing Rules and other applicable laws, administrative regulations and ~~the~~these Articles of Association.

The subscriber of shares agrees with the Company and its shareholders, directors, supervisors and senior management, and the Company (for itself and on behalf of its directors, supervisors and senior management) agrees with its shareholders to refer all disputes and claims arising from ~~the~~these Articles of Association or any right or obligation conferred or imposed by the Company Law or other relevant laws, administrative regulations and Hong Kong Listing Rules concerning the affairs of the Company to arbitration in accordance with ~~the~~these Articles of Association, and any reference to arbitration shall be deemed to authorize ~~the~~ arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.

The subscriber of shares agrees with the Company and its shareholders that the Company's shares are freely transferable by the holder thereof.

The subscriber of shares authorizes the Company to enter into a contract on his behalf with each director and senior management whereby such director and senior management undertake to observe and comply with their obligations to shareholders stipulated in ~~the~~these Articles of Association.

~~Article 38~~ The share certificates shall be signed by the Chairman. Where the stock exchange(s) where the Company's shares are listed requires the share certificates to be signed by other senior management, the share certificates shall also be signed by such senior management. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The signatures of the Chairman or other relevant senior management of the Company on the share certificates may also be in printed form.

Where power is granted to issue warrants to bearer, no new warrant shall be issued to replace the one that has been lost, unless the Company is satisfied without reasonable doubt that the original has been destroyed.

~~Article 39~~ Article 39 Under the circumstance of paperless issuance and trading of the shares of the Company, it shall also comply with the additional provisions of the securities regulatory authority of the place of listing and stock exchange(s).

Article 40 The Company shall keep a register of shareholders, which shall contain the following particulars:

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

Article 40 ~~The Company shall establish a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, except in cases with contrary evidence.~~

~~A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in to the register of shareholders. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and numbers of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.~~

Article 41 Providing that the laws of the registration place and listing place are fully complied with, when ~~two~~ (2) or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to constraints of the following terms:

- (I) the Company should not register more than four persons as joint holders for any share;
- (II) all the joint holders of any shares shall jointly assume the liability to pay for all amounts payable for the relevant shares;
- (III) if one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of such shareholder where it deems appropriate to do so;

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

Article 4142 The Company may, in accordance with mutual understanding and agreements made between the securities competent authority under the State Council and overseas securities regulatory authority, maintain the register of shareholders of Overseas-listed Foreign-invested Shares at overseas territory and entrust overseas agent(s) for management. The original register of shareholders of H shares shall be maintained in Hong Kong. The Company shall maintain a duplicate of the register of shareholders of Overseas-listed Foreign-invested Shares at the Company's domicile; the overseas agent(s) entrusted shall ensure the consistency between the original and the duplicate of the register of shareholders of Overseas-listed Foreign-invested Shares at all times.

If there is any inconsistency between the original and the duplicate of the register of shareholders of Overseas-listed Foreign-invested Shares, the original version shall prevail.

Article 4243 The Company shall keep a complete register of ~~members~~shareholders. The register of ~~members~~shareholders shall include the following:

- (I) the register of ~~members~~shareholders maintained at the Company's domicile other than those parts as described in ~~Item~~items (II) and (III) of this Article;
- (II) the register of ~~members~~shareholders in respect of Overseas-listed Foreign-invested Shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (III) the register of ~~members~~shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 43-44 Different parts of the register of ~~members~~shareholders shall not overlap with one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of ~~members~~shareholders.

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

~~Article 44~~ Where laws, administrative regulations, departmental rules, normative documents and requirements of relevant stock exchange(s) or regulatory authorities where shares of the Company are listed contain provisions which stipulate the period when share registration and transfer shall be closed prior to a general meeting or the record date set by the Company for the purpose of distribution of dividends, such requirements shall prevail.

Article 45 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve the determination of shareholdings, the Board or the convener of the general meeting shall decide on ~~decide on~~ determine the share registration date for the determination of shareholdings. Shareholders whose names appear on the register of ~~members~~ shareholders after the ~~end~~ close of ~~such~~ the share registration date are ~~deemed~~ those entitled to be shareholders of the Company the relevant rights and interests.

Article 46 Any person who objects to the register of ~~members~~ shareholders and requests to have his/her name entered into or removed from the register of ~~members~~ shareholders may apply to a competent court for rectification of the register.

Article 47 Any shareholder who is registered in, or any person who requests to have his/-her name entered in, the register of ~~members~~ shareholders may, if his/her share certificate (the “**original certificate**”) is lost, apply to the Company for a replacement of new share certificate in respect of such shares (the “**relevant shares**”).

If a shareholder of Domestic Shares loses his/her share certificate and applies to the Company for a replacement, such application shall be dealt with in accordance with the relevant provisions of the Company Law. If a shareholder of Overseas-listed Foreign-invested Shares loses his/her share certificate and applies to the Company for a replacement, such application may be dealt with in accordance with the laws, rules of the stock exchange(s) or other relevant provisions of the place where the original register of ~~members~~ shareholders for Overseas-listed Foreign-invested Shares is maintained. The issue of replacement share certificates to holders of Overseas-listed Foreign-invested Shares of a company to be listed in Hong Kong who have lost their share certificates and applied for replacement shall comply with the following requirements:

- (I) The applicant shall submit an application to the Company in the prescribed standardized form accompanied by a notarial certificate or statutory declaration document, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.

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- (II) No statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company comes to a decision to issue the replacement share certificate.
- (III) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board. The announcement shall be made at least once every 30 days in a period of 90 days.
- (IV) The Company shall, prior to the publication of its announcement of intention to issue a new share certificate, deliver to the stock exchange(s) on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a reply from such stock exchange(s) confirming that the announcement has been exhibited at the premises of the stock exchange-(s). The announcement shall be exhibited at the premises of the stock exchange(s) for a period of 90 days.

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

- (V) If, upon expiration of the 90-day period for the exhibition of an announcement referred to in ~~Item~~ items (III) and (IV) of ~~this~~ the paragraph II of Article 47, the Company has not received from any person any objection to the issuance of the replacement share certificate, the Company may issue the replacement share certificate to the applicant according to his application.
- (VI) Where the Company issues replacement share certificate under this Article, it shall forthwith cancel the original share certificate and enter the particulars relating to the cancellation and replacement in the register of ~~members~~ shareholders.
- (VII) All expenses relating to the cancellation of original share certificate and the issue of 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 48 Where the Company issues a replacement share certificate pursuant to ~~the~~ these Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registered as the owner of such shares (in case that he/she is a bona fide purchaser) shall not be removed from the register of ~~members~~ shareholders.

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Article 49 The Company shall not be liable for any damage sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement, unless the person concerned is able to prove that the Company has acted fraudulently.

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING

Section 1 Shareholders

Article 50 ~~The~~ A shareholder of the Company shall establish a register of shareholders person who lawfully holds shares in accordance with the laws, Company and whose name (title) is entered in the register of shareholders shall be conclusive evidence of the holding of shares of the Company by a shareholder.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

The Company shall protect the rights of shareholders in accordance with the law and focus on the protection of the legitimate rights and interests of the minority shareholders. These Articles of Association, the resolutions of the general meeting or the resolutions of the Board shall comply with the law and regulations and shall not deprive or restrict the legal rights of shareholders. The Company shall establish unobstructed and effective communication channels with shareholders to protect shareholders' right to know about, participate in the decision-making of and supervise the procedures, etc. of the Company. Shareholders are entitled to safeguard their legal rights through civil litigation or other legal means in accordance with the provisions of laws and administrative regulations.

Article 51 Holder of shares of the Company shall enjoy the following rights:

- (I) to receive dividends and other forms of distributions of benefits in proportion to their shareholdings;
- (II) to request, convene, preside over, attend or appoint a proxy to attend the general meeting according to the law, and exercise the corresponding voting right;
- (III) to supervise the operation of the Company, and to make proposals or enquiries in relation thereto;

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- (IV) to transfer, donate or pledge shares in accordance with laws and administrative regulations, rules governing the listing of securities of the place where the shares of the Company are listed and the provisions of these Articles of Association;
- (V) to receive information in accordance with laws and regulations and provisions of these Articles of Association ~~in Hong Kong~~, including:
- (1) these Articles of Association upon payment of the cost thereof;
 - (2) upon payment of reasonable charges, be entitled to inspect and copy:
 1. all of the register of shareholders;
 2. personal particulars of the directors, supervisors and senior management of the Company, including:
 - (a) present and former names and aliases;
 - (b) principal address (residence);
 - (c) nationality;
 - (d) full-time occupation and all other part-time occupations or positions;
 - (e) identification document and the number thereof.
 - (3) a report showing the status of the issued share capital of the Company;
 - (4) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose; ~~the latest audited Financial Statements of the Company;~~
 - (5) the latest audited Financial Statements and the Directors', Auditors' and Supervisors' Reports of the Company;
 - (6) Stubs of corporate bonds, minutes of general meetings, ~~which will only be available for inspection by the shareholders, special resolutions of general meetings,~~ minutes of Board meetings, minutes of ~~Board~~board of ~~Supervisorssupervisors~~ meetings;

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(7) copy of the latest annual return submitted to ~~China's~~ State Administration for ~~Industry and Commerce~~ Market Regulation of PRC or other competent authorities.

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

(VII) to acquire shares held by shareholders who vote against the resolution proposed in the general meeting on the merger or division of the Company upon their request;

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

Article 52 When shareholders request to inspect the relevant information or to obtain materials as mentioned in the preceding Article, they shall notify the Company in writing in advance and provide the Company with written proof in relation to the class and number of shares of the Company held by them. The Company shall satisfy such requests upon verification of their identities as shareholders.

Article 53 If a resolution passed at a general meeting or Board meeting of the Company violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to a people's court to render the same as invalid.

Where the procedures for convening or the means of voting at a general meeting or Board meeting violate the laws, administrative regulations or these Articles of Association, or the contents of a resolution violate these Articles of Association, shareholders shall be entitled to submit a petition to a people's court to rescind such resolutions within 60 days from the date on which such resolution is made.

Article 54 Shareholders individually or jointly holding 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request the ~~Board~~ board of ~~Supervisor~~ supervisors in writing to bring a legal action in the ~~People's~~ people's Court ~~court~~ against any director or senior management for loss of Company resulting from their violation of any laws, administrative regulations or provisions of these Articles of Association in the course of performing their duties; shareholders may request the ~~board of directors~~ Board in writing to bring a legal action against the ~~Board~~ board of ~~Supervisor~~ supervisors for the loss of the Company resulting from their violation of any laws, administrative regulations or provisions of these Articles of Association in the course of performing the duties.

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The shareholders described in the preceding paragraph may bring legal action in the ~~People's~~people's Court~~court~~ directly in their own names in the interest of the Company in the event that the ~~Board of Supervisors or the board of directors~~supervisors or the Board refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest.

Shareholders as referred to in the first paragraph of this ~~article~~Article may also initiate legal proceedings in the ~~People's~~people's Court~~court~~ under the provisions set out in the preceding two paragraphs if any third parties infringe on the lawful interests of the Company which caused damage to the Company.

Article 55 Shareholders may initiate legal proceedings against any director or senior management for violation of any laws, administrative regulations or the provisions of these Articles of Association which has damaged the interests of shareholders.

Article 56 Shareholders of the Company shall perform the following obligations:

- (I) to abide by laws, administrative regulations and these Articles of Association;
- (II) to pay share capital according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw the shares unless required by the laws and regulations;
- (IV) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;

Shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law;

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

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(V) other obligations imposed by laws, administrative regulations and these Articles of Association.

Article 57 Where a shareholder holding 5% or more of voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares.

Article 58 The controlling shareholders and beneficial controller of the Company shall not exploit their connected relationship with the Company to harm the interests of the Company. In the case of having violated such provision and caused damage to the company, they shall be liable for compensation.

The controlling shareholders of the Company and de facto controllers of the Company shall have fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights as investors strictly in accordance with the laws and shall not make use of profit distribution, assets restructuring, external investment, use of capital, loan and guarantee, etc., which may be prejudicial to the lawful rights of the Company and other shareholders. The controlling shareholders shall not use their privileged position to cause damage to the interests of the Company and other shareholders.

Save for the obligations required under the laws, administrative regulations or the Listing Rules of the stock exchange(s) on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his/her voting rights to make the following decisions which would prejudice the interests of all or part of the shareholders:

- (I) to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;
- (II) to authorise the directors or supervisors (in the interests of himself/herself or other persons) to deprive the Company in any manner of its properties, including but not limited to any opportunities beneficial to the Company;
- (III) to authorise the directors or supervisors (in the interests of himself/herself or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganization of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles of Association.

Section 2 General Provisions on the General Meeting

Article 59 The general meeting is the organ of authority of a company, which exercises the following functions and powers:

- (I) to determine the business policies and investment plans of the Company;
- (II) to appoint and replace directors, supervisors who are not employee representative and to decide on matters relating to the remuneration of directors, supervisors;
- (III) to consider and approve the report of the ~~board of directors~~Board;
- (IV) to consider and approve the report of the ~~Board~~board of ~~Supervisor~~supervisors;
- (V) to consider and approve the annual financial budgets and final accounts of the Company;
- (VI) to consider and approve the plans for profit distribution and making up of losses of the Company;
- (VII) to adopt resolutions relating to increase or reduction in the registered capital of the Company;
- (VIII) to adopt resolutions on matters such as merger, division, dissolution, liquidation or change of nature of the Company;
- (IX) to adopt resolutions on the issue of debentures, shares of any class, warrants and other similar securities by the Company;
- (X) to amend these Articles of Association;
- (XI) to adopt resolutions on the appointment, dismissal of the accounting firm of the Company;
- (XII) to consider and approve the provisions of guarantee which are required in these Articles of Association;
- (XIII) to consider and approve the purchase and sale of major assets exceeding ~~50 million or the value of which accumulated exceeding 10~~30% of the total assets of the Company as shown in the latest audited financial statements of the Company;
- (XIV) to consider and approve the change of the use of proceeds from fund raising;

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

(XVI) to consider and approve any motion put forward by shareholders representing in aggregate 3% or more of the voting rights of the Company;

(XVII) to consider and approve on other matters which, according to laws, administrative regulations, regulations of the authorities, rules governing the listing of securities of the place where the shares of the Company are listed or these Articles of Association, need to be approved by shareholders in general meetings.

~~Article 60~~ General meetings may authorize or appoint the Board to deal with such matters as authorized or appointed to be dealt with. Matters that shall be decided by the general meeting as stipulated by the laws, regulations and the Articles of Association, must be considered and approved at such a meeting to safeguard the shareholders' right of decision-making for such matters.

Article 60 The following external guarantees of the Company shall be considered and approved by the Board before being submitted to the shareholders at general meeting for approval:

(I) a single guarantee for an amount in excess of 10% of the Company's latest audited net assets;

(II) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the Company's latest audited net assets;

(III) guarantees provided for anyone with a asset-liability ratio of above 70%;

(IV) guarantees exceeding 30% of the Company's latest audited total assets based on the principle of cumulative calculation of the guarantee amount for 12 consecutive months;

(V) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 30% of the Company's latest audited total assets;

(VI) guarantees provided to shareholders, de facto controllers and their related parties;

(VII) other guarantees as stipulated under laws, administrative regulations, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

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A guarantee which falls within the authorities of the Board requires the affirmative vote of not less than two-thirds of all the directors attending the board meeting, in addition to the affirmative vote of a simple majority of all the directors. The guarantee set out in the preceding item (IV) shall be approved by more than two-thirds of voting rights held by the shareholders attending the general meeting.

For the purpose of these Articles of Association, “external guarantees” refer to the guarantees provided by the Company for others, including the guarantees provided by the Company to its controlling subsidiaries; “total amount of external guarantees provided by the Company and its controlling subsidiaries” refers to the sum of the Company’s total external guarantees, including the Company’s guarantees to its controlling subsidiaries, and the total external guarantees provided by its controlling subsidiaries.

When the Company provides guarantees to a related person, it should be based on reasonable commercial grounds, timely disclosure is required upon consideration and approval of the Board, and the same should be submitted to the general meeting for consideration. When the Company provides guarantees to a controlling shareholder, de facto controller and their related parties, such controlling shareholder, de facto controller and their related parties shall provide reverse guarantees accordingly.

Where the shareholders consider a resolution at the general meeting on provision of guarantees in favour of a shareholder, de facto controller and their related persons, such shareholder or shareholders under the control of such de facto controller shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by other shareholders present at the general meeting.

Article 61 The following issues concerning financial assistance of the Company shall be considered and approved by the general meeting:

- (I) The amount of a single financial assistance exceeds 10% of the latest audited net assets of the Company;
- (II) The asset-liability ratio showed in the latest financial statement of the target of financial assistance exceeds 70%;
- (III) The cumulative amount of financial assistance within the last 12 months exceeds 10% of the latest audited net assets of the Company;

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(IV) Other circumstances as stipulated under laws, administrative regulations, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

If the target of financial assistance is a controlling subsidiary within the scope of consolidated statement of the Company, and the other shareholders of such controlling subsidiary do not include the controlling shareholders, de facto controllers and their related persons of the Company, they are exempted from the provisions of the first three items.

Article 62 Transactions of the Company (save for the daily operations, financial assistance and provision of guarantee) that satisfy one of the following criteria shall be submitted to the general meeting for consideration:

- (I) the total assets involved in the transaction (the higher of the book value and the assessed value thereof as the case may be) accounts for more than 30% of the Company's latest audited total assets;
- (II) the transaction amount (including debts and expenses undertaken) accounts for more than 50% of the Company's latest audited net assets, with the absolute amount of more than RMB50 million;
- (III) profit from the transaction accounts for more than 50% of the audited net profit of the Company in the most recent accounting year, with the absolute amount of more than RMB5 million;
- (IV) the relevant operating income of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 50% of the audited operating income of the Company in the most recent accounting year, with the absolute amount of more than RMB50 million;
- (V) the relevant net profit of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 50% of the audited net profit of the Company in the most recent accounting year, with the absolute amount of more than RMB5 million;
- (VI) the net assets involved in the transaction subject (e.g. equity) (the higher of the book value and the assessed value thereof as the case may be) account for more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million.

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If the figure involved in the above indexes is negative, the absolute value thereof shall be taken.

“Transactions” as mentioned in this Article refer to the purchase or disposal of assets; external investments (including entrusted wealth management, investment in subsidiaries, etc.); transferring or acquiring of research and development projects; signing license agreements; lease-in or lease-out of assets; asset and business management as consignor or consignee; donating or receiving assets; credit or debt reorganization; waiver of rights (including waiver of pre-emptive rights, preferential subscription rights, etc.); and other transactions as determined by the Shanghai Stock Exchange.

“Transaction amount” as mentioned in item (I) of this Article refers to the transaction amount paid and the debts and expenses assumed. If a transaction arrangement involves possible future payment or receipt of consideration, and neither specific amount is involved nor the amount has been determined according to the set conditions, the expected maximum amount shall be the transaction amount.

Article 63 General meetings can be divided into annual general meeting (“**AGM**”) and extraordinary general meeting (“**EGM**”). Annual general meetings shall be held within six months after the end of the last accounting year, and the meeting shall be held on yearly basis.

Article 61-64 The Company shall convene an EGM within two months after the occurrence of any one of the following events:

- (I) when the number of directors is less than the quorum prescribed by the Company Law or less than two-thirds of the quorum required by ~~the~~these Articles of Association;
- (II) when the unrecovered loss of the Company is higher than one-third of the total paid-up capital;
- (III) when shareholders individually or collectively holding 10% or more of the shares of the Company make a written request;
- (IV) when the Board consider it necessary;
- (V) when the ~~Board~~board of ~~Supervisors~~supervisors propose to convene an extraordinary meeting; proposes to convene the same;
- (VI) ~~Other~~other circumstances stipulated by laws, administrative regulations and regulations of authorities or these Articles of Association.

Article 6265 The place for holding the Company's general meeting shall be the registered office of the Company or other place as determined by the Board.

The general meeting shall be held in the form of on-site meeting. The Company will provide internet services or other methods such as communication means to help the shareholders to participate in the general meeting. Shareholders shall be deemed to have attended the general meeting by way of the aforesaid methods.

~~Article 63~~ The Company shall engage lawyers to attend the general meeting and issue a legal opinion on the following issues:

- (I) whether the procedures relating to the convening and the holding of such meeting comply with laws, administrative regulations and these Articles of Association;
- (II) the legality and validity of the qualifications of the attendees and the convenor of the meeting;
- (III) the legality and validity of the voting procedures and voting results;
- (IV) legal opinions issued on other related matters as requested by the Company.

Section 3 Convening of the General Meeting

Article 6466 The general meeting shall be convened by the ~~board of directors~~Board and shall be presided over by the chairman of the ~~board of directors~~Board.

~~Article 65~~Article 67 More than one-half of the independent non-executive director has the right to propose the Board to convene extraordinary general meeting and such proposal shall be made in writing. 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 these Articles of Association.

If the Board agrees to convene the extraordinary general meeting, the notice of convening the extraordinary general meeting shall be issued within five days after a resolution is reached. If the Board does not agree to convene such extraordinary general meeting, reasons shall be explained and an announcement shall be made.

Article 6668 The ~~Board~~board of ~~Supervisor~~supervisors has the right to propose the Board to convene extraordinary general meeting and such proposal shall be made in writing. 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 these Articles of Association.

If the Board agrees to convene the extraordinary general meeting, the notice of convening the extraordinary general meeting shall be issued within five days after a resolution is reached. Should there be alterations to the original requests in the notice, consent has to be obtained from the ~~Board~~board of ~~Supervisor~~supervisors.

If the Board does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, the Board will be considered as unable or refused to fulfill the obligation to convene general meetings and the ~~Board~~board of ~~Supervisor~~supervisors may convene and preside over the meeting on its own initiative.

Article 6769 A shareholder holding, or shareholders holding in aggregate, 10% or more of the shares of the Company shall have the right to propose the Board to convene extraordinary general meetings and such proposal shall be made in writing. 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 these Articles of Association.

If the Board agrees to convene the extraordinary general meeting, the notice of convening the extraordinary general meeting shall be issued within five days after a resolution is reached. Should there be alterations to the original requests in the notice, consent has to be obtained from the relevant shareholders.

If the Board does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, a shareholder holding, or shareholders holding in aggregate, 10% or more of the shares of the Company shall have the right to propose the ~~Board~~board of ~~Supervisor~~supervisors to convene an extraordinary general meeting by way of written request(s).

If the ~~Board~~board of ~~Supervisor~~supervisors agrees to convene the extraordinary general meeting, the notice of 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 relevant shareholders.

If the ~~Board~~board of ~~Supervisor~~supervisors does not issue notice of the general meeting within the specified period, it will be considered as not going to convene and preside over the general meeting, and shareholders individually or jointly holding 10% or more of the shares of the Company for 90 or more consecutive days shall have the right to convene and preside over the meeting on their own initiative.

Article 6870 If shareholders want to convene an extraordinary general meeting or class shareholders' meeting, the following procedure should be followed:

- (I) Two or more shareholders jointly holding 10% or more of the shares with voting right of the meeting to be held can sign one or several written request with the same form content, and to propose the Board to convene an extraordinary general meeting or class shareholders' meeting, and illuminate the issues of the meeting. Upon receiving the above-mentioned written request, the Board shall convene an extraordinary general meeting or class shareholders' meeting as soon as possible. Above-mentioned number of shares shall be calculated ~~according to~~as of the close of the date of written on which such Shareholders request ~~made by~~to convene the meeting in writing or, if it falls on a non-trading date, the prior trading date on which such shareholders request to convene the meeting in writing.
- (II) If the Board fails to issue the notice to convene the meeting within 30 days after receiving above-mentioned written notice, the shareholders who made the request can call the meeting by themselves four months after the Board receiving their request. The procedure of calling the meeting shall be the same as the procedure for the Board to call a general meeting, to the largest extent.

If the meeting is called by shareholders as a result of the Board's failure to hold the meeting in accordance with above-mentioned requirements, reasonable expenses incurred shall be borne by the Company and deducted from the payments owned by the Company to negligent directors.

Article 6971 The ~~Board~~board of ~~Supervisor~~supervisors or shareholders shall notify the Board in writing if they decide to convene the general meeting on their own initiative, and shall put on the records of the stock exchange(s).

The shareholder(s) convening the general meeting must hold no less than 10% of shares in the Company before the resolution of such meeting is announced.

The board of supervisors or the convening shareholder shall submit relevant supporting materials to the stock exchange(s) when issuing the notice of the general meeting and publishing the announcement of the resolution of the general meeting.

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Article 7072 With regard to the general meeting convened by the ~~Board~~board of ~~Supervisor~~supervisors or shareholders on their own initiative, the Board and the secretary to the Board shall provide assistance. The Board shall provide the register of shareholders on the record date of equity interests.

Article 7173 With regard to the general meeting convened by the ~~Board~~board of ~~Supervisor~~supervisors or shareholders on their own initiative, the necessary expenses incurred in relation to the meeting shall be assumed by the Company.

Section 4 Proposals and Notices of the General Meeting

Article 7274 The content of such proposals shall be within the scope of the terms of reference of a general meeting, and contains specific subjects and concrete matters for approval, and in accordance with the requirements of laws, administrative regulations and relevant requirements in these Articles of Association. A proposal to a general meeting must be submitted or delivered in writing to the Board.

Article 7375 When the Company holds a general meeting, the Board, the ~~Board~~board of ~~Supervisor~~supervisors and shareholders who individually or jointly hold 3% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or jointly holding 3% or more of the shares of the Company can put forward a temporary proposal ten days before the general meeting is held and submit the proposal to the convener of the meeting. The convener shall issue a supplemental notice within two days upon receiving such proposals and notify shareholders of the temporary proposals.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals in the notice of the general meeting or add new proposals after sending the notice of the general meeting.

The general meeting shall not vote or resolve on proposals not contained in the notice of the general meeting or not in compliance with ~~Article 72 of~~ these Articles of Association.

Article 7476 When the Company convenes an annual general meeting, a notice shall be given to the shareholders 20 business days before the date of the meeting by way of an announcement; when the Company convenes an extraordinary general meeting, a notice shall be given 40 business days or to the shareholders 15 days (whichever is longer) before the date of the meeting. The notice shall notify all registered shareholders of the matters to be considered at such meeting, the date and the place of the general meeting. by way of an announcement.

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When calculating the starting date of the aforesaid periods, the date of such ~~announcement and the date of the meeting~~ shall be excluded. ~~The “business day” in this Articles of Association shall mean days on which the Hong Kong Stock Exchange is open for dealing in securities.~~

Article ~~7577~~ 7677 ~~Extraordinary general~~General meeting shall not decide matters that are not set out in ~~the notice~~the notice. If the Company is unable to convene a general meeting within the prescribed period, it shall disclose the reason and the follow-up plan before the expiration.

Article ~~7678~~ 7678 The notice of a general meeting shall satisfy the following requirements:

- (I) It shall be made in written form;
- (II) It shall specify the time, location and time limit of the meeting;
- (III) It shall set out the items and proposals to be reviewed at the meeting;
- (IV) It shall provide data and explanation needed by shareholders to make wise decisions for items to be discussed; this principle includes (but not limited to) specific conditions and contracts (if any) of proposed trade made by the Company to merger, repurchase of shares, reorganization of shares capital or other reorganizations; serious explanation for the causes and consequences shall be made;
- (V) If any director, supervisor, general manager and other senior management personnel has important interests with the items to be discussed, the nature and extent of the interests shall be disclosed. If the items to be discussed have different influence over that directors, supervisors, general manager and other senior management personnel as shareholders as compared with shareholders of other classes, the differences shall be explained;
- (VI) It shall set out the full text of the special resolution proposed at the meeting for approval;
- (VII) It shall specify with clear note: all shareholders are entitled to participate in the general meeting and authorize proxy in written form to attend the meeting and vote. Proxy of the shareholder does not have to be a shareholder of the Company;
- (VIII) It shall specify the share registration date of the shareholders who are eligible to attend the meeting;
- ~~(VIII)~~(IX) It shall set out the time and place of the delivery of power of attorney;

~~(X)~~(X) It shall set out the names and telephone numbers of the contact persons of the general meeting;

(XI) It shall set out the time of voting and voting procedures via the internet or other means.

Article 7779 The notice of general meeting shall be sent to shareholders (whether the shareholders are entitled to vote in general meeting or not) by any means permitted by the stock exchange(s) where shares of the Company are listed (including, but not limited to, by specially-assigned personnel, prepaid mail, email, facsimile, announcement or publish on the website of the Company or the stock exchange(s) on which the shares of the Company are listed). If sent by mail, the address of the recipient shall be based on the registered address in register of shareholders. For shareholders of Domestic Shares, the notice of general meeting can also be made by means of public announcement.

Announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities competent authority of the State Council. Once the announcement is made, it shall be considered that all shareholders of Domestic Shares have been notified about the general meeting. For shareholders of Overseas-listed Foreign-invested Shares, subject to the rules governing the securities of the place(s) where the Company's shares are listed, the notice of a general meeting may also be issued or given in accordance with other means endorsed by these Articles of Association. Subject to compliance with the rules governing the securities of the place(s) where the Company's shares are listed and these Articles of Association, once the announcement is made, it shall be deemed that all shareholders of Overseas-listed Foreign-invested Shares have received the notice of the relevant general meeting.

~~**Article 78** If the persons entitled to receive the notice are not notified due to negligence, or such persons have not received the notice for the meeting, the meeting and resolutions made at the meeting will not be invalidated.~~

~~**Article 79**~~**Article 80** In case the general meeting plans to discuss the election of directors and supervisors, the notice of the general meeting shall fully disclose the detailed information about the candidates for directors or supervisors, including at least the following particulars:

- (I) personal particulars such as educational background, work experience and other concurrent engagements;
- (II) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company;

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- (III) the number of shares held in the Company;
- (IV) whether one has been punished by securities regulatory authorities and other relevant departments or reprimanded by ~~relevant department;~~the stock exchange(s);
- ~~(V) information about the newly appointed, re-elected or transferred Directors or Supervisors that needs to be disclosed according to the Hong Kong Listing Rules.~~

Unless a director or supervisor is elected via the cumulative voting system, each candidate for director or supervisor shall be proposed via a single ~~proposal~~resolution.

Article 8081 After issuing a notice of general meeting, the general meeting shall not be delayed or canceled without justified reasons, and proposals listed in the notice shall not be called off. Once delay or cancellation occurs, the convener shall make announcement and explanation at least two working days before the original convening date.

Section 5 Holding of the General Meeting

Article 8182 The Board or any other convener shall take necessary measures to ensure the proper order of the general meeting. The Board or any other convener shall take measures to stop any act disturbing the general meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall report such act to the relevant authority for investigation and treatment.

Article 8283 All shareholders or their proxies whose names are set out in the register of ~~members~~shareholders on the share registration date are entitled to attend the general meeting and exercise their voting rights according to relative laws, regulations and these Articles of Association.

Shareholders may either attend the general meetings in person or appoint their proxies to attend and vote instead of them.

Article 8384 An individual shareholder who attends the general meeting in person shall produce his identification documents or other valid document or certificate which can prove his identity and stock account cards; Where a proxy is appointed to attend the meeting, the proxy shall produce his own identification documents and the proxy form.

Corporate shareholder should attend the meeting by its legal representatives or the proxy appointed by the legal representative. Legal representative who attends the meeting should produce his own identity card, and valid certificates evidencing his capacity as a legal representative. While appointing proxy to attend the meeting, the proxy should produce his identity card and a written authorisation instrument produced by its legal representative of the shareholder representative.

If the shareholder is a recognized clearing house (or agent thereof) as defined in the relevant ordinance as enacted from time to time of Hong Kong, the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any general meetings or class shareholders' meetings; however, one or more persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons, ~~and~~. The power of attorney shall be signed by an authorised person of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its agent) to attend the meeting and exercise its right as if the persons are individual shareholders of the Company, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they has/have been duly authorised.

Article 8485 Any shareholder who has the right to attend general meeting and the right to-vote can entrust one or more than one persons (whether such person is a shareholder or not) as his proxy to attend general meeting and to vote. The proxy has the right to exercise the following rights with the authorization of the shareholder:

- (I) the right to speak as shareholders in the general meeting;
- (II) the right to make the request on one's own or together with others to vote by poll;
- ~~(III) unless otherwise stipulated by relevant laws, administrative regulations and relevant stipulations of securities supervision institution where the Company's shares are listed, the voting right can be exercised by raising hands or casting votes. But when more than one proxy has been appointed, the proxies only have the right to vote by poll.~~

(III) the right to vote by poll.

Article 85-86 A shareholder shall appoint the proxy in written form. The proxy letter issued by a shareholder to entrust a proxy to attend general meeting shall contain the following:

- (I) ~~nam~~ names of the consignor and the proxy;
- ~~(II)~~ the number of shares held by the consignor as represented by the shareholder's proxy;

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~~(H)~~(III) voting right of the proxy;

~~(H)~~(IV) the instructions to vote in favor of, vote against each deliberation contained in the general meeting agenda or abstain from voting respectively;

~~(V)~~(V) date and effective period of the proxy letter;

~~(V)~~(VI) consignor's signature (or chop). If the consignor is the legal person Shareholder, the document shall be stamped with the corporate seal.

Article 8687 The proxy letter shall specify that in the absence of instructions from the shareholder, the proxy may vote as he/she thinks fit.

Article 8788 The power of attorney shall be placed at the domicile of the Company or other place specified in the notice of the meeting at least 24 hours before the relevant meeting of the voting for the power of attorney starts or 24 hours before the set time of voting. If the power of attorney is sign by other personnel authorized by consignor, the power of attorney or other authorization documents should be certified by a notary. The certificate of authorization or other authorization documents certified by a notary, together with the power of attorney appointing the proxy shall be placed at the domicile of the Company or other location specified in the notice of the meeting. Where the relevant stock exchange(s) where shares of the Company are listed or regulatory authorities provide otherwise, such provisions shall prevail.

If the consignor is a legal person, the legal representative or any person authorized by resolutions of the Board or other decision-making institutions can attend the general meeting on behalf of the consignor.

Article 8889 The format of power of attorney appointing the proxy sent to shareholders by directors of the Company shall enable shareholders to freely instruct the authorized agent to vote for, against or abstain from voting, and separate instructions being given in respect of each matter to be voted at the meeting. If there is no instruction from the shareholders, the power of attorney shall specify that shareholder's proxy can vote according to his own will.

Article 8990 If the consigner has deceased, has been incapacitated, has withdrew the signed authorization or relevant shares has been transferred before the start of the voting in the meeting, as long as the Company has not received the written notice in respect of such matters before the beginning of the meeting, the vote made by the shareholder's proxy according to the power of attorney is still valid.

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Article 90-91 The meeting attendance lists shall be prepared by the Company. The register-of names is to be set out, participants' (or entities) names, identity card numbers, addresses, shares held or represented carrying voting rights, the appointer's (or entities) names, etc.

Article 91-92 The convener and the legal advisers retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the ~~foreign~~ agency securities registration and clearing institution and shall register the name of the shareholders together with the numbers of shares with voting rights in their possession. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, registration for the meeting shall be ended.

Article 92-93 In convening a general meeting, all directors, supervisors and the secretary to-the Board of the Company shall attend the meeting in person while the general manager and other senior management shall attend the meeting as non-voting participants.

Article 93-94 General meeting shall be presided over by the chairman of the Board. Should-the chairman is unable or fails to perform his duties, the meeting shall be presided over by a director elected by half or more members of the Board. If directors elected by half or more members of the Board fail to convene and preside over the general meeting, the general meeting shall be chaired by a shareholder co-elected by the shareholders attending the meeting. If the shareholder cannot chair the meeting due to any reason, the shareholder (or his proxy) present at the meeting who holds the highest number of voting rights shall chair the meeting.

The general meeting convened by the ~~Board~~board of ~~Supervisor~~supervisors shall be presided over by the chairman of the ~~Board~~board of ~~Supervisor~~supervisors. If the chairman of the ~~Board~~board of ~~Supervisor~~supervisors cannot perform or fails to perform its duties, a supervisor shall be jointly elected by half or more of the supervisors to chair the meeting.

Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting.

When the general meeting is held and the chairman of the meeting violates the rules of the procedures of the general meeting which makes it difficult for the general meeting-to continue, a person may be elected at the general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 9495 The Company shall formulate rules of procedure for the general meetings defining the convening and voting procedures of the general meetings, covering notification, registration, consideration of proposal, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing and announcements thereof, and the principle and contents of authorization of the Board on the general meetings. The rules of procedures for the general meetings are appendix to ~~the~~these Articles of Association and shall be formulated by the Board and approved on the general meetings.

Article 9596 The Board and the ~~Board~~board of ~~Supervisors~~supervisors shall report their work in the preceding year at the annual general meeting. Every independent non-executive director shall also make his work reports.

Article 9697 Directors, supervisors and the senior management should respond and explain to the enquiries and advices of shareholders at the general meeting.

Article 9798 Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares held by them with voting rights, and the number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights shall be the number recorded by the meeting.

Article 9899 The general meetings shall have minutes, which shall be recorded by the secretary ~~of~~to the Board. The minutes of the meeting shall specify:

- (I) the date, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the ~~presider~~chairman, and the directors, supervisors, general manager and other senior management attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;
- (IV) the process of discussion in respect of each proposal, highlights of speeches and the voting result;
- (V) details of inquiries or suggestions of the shareholders, and the corresponding response or explanations;
- (VI) the names of ~~the counting officer~~lawyer, tellers and ~~monitoring officers~~scrutineers;

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(VII) other contents that shall be recorded in the minutes in accordance with these Articles of Association.

Article 99100 The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors, supervisors, secretary to the Board, convener or representative thereof, and chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept for at least ten years together with the book of signatures of the shareholders present in person, the power of attorney of the attending proxies, ~~votes and other~~ valid information on voting via the internet and other means.

Article 100101 The convener shall ensure the general meeting is held continuously until final resolutions are arrived at. If the general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, immediate action shall be taken to resume the general meeting as soon as possible or directly terminate the general meeting- and an announcement shall be timely published. Meanwhile, the convener shall report the same to the local office of the CSRC in the place(s) where the Company is located and the stock exchange(s).

Section 6 Voting and Resolutions of the General Meeting

Article 101102 Resolutions of general meeting can be divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting can only be approved with half or more of the votes of shareholders (including their proxies) who participate in the meeting.

A special resolution of a general meeting can only be approved with two-thirds or more of the votes of shareholders (including their proxies) who participate in the meeting.

Article 102103 The following issues shall be approved by ordinary resolutions at a general meeting:

- (I) work reports of the Board and the ~~Board~~ board of ~~Supervisor~~ supervisors;
- (II) profit distribution plan and plan for making up losses prepared by the Board;
- (III) appointment and removal of the members of the Board and the ~~Board~~ board of ~~Supervisor~~ supervisors, their remunerations and the method of payment thereof;

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- (IV) annual budget ~~report~~, final accounting report, ~~balance sheet, income statement and other~~annual financial statements of the Company;
- (V) others issues apart from those should be approved by special resolutions in accordance with the requirements of laws, administrative regulations, listing rules of the stock exchange ~~in(s)~~ on which the shares of the company are listed or provisions of these Articles of Association.

Article ~~103~~104 The following issues shall be approved by special resolution at a general meeting:

- (I) increasing or reducing share capital of the Company, and issuing shares of any class, warrants and other similar securities;
- (II) the issuance of corporate bonds;
- (III) division, spin-off, merger, dissolution and liquidation or change in the form of the Company;
- (IV) amendment of these Articles of Association;
- (V) any purchase or disposal of substantial assets made or guarantee provided by the Company within one year exceeding 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (VI) the equity incentive scheme;
- (VII) other important issues prescribed in laws, administrative regulations or these Articles of Association and considered by the general meeting by means of ordinary resolution to be significantly influential to the Company and shall be approved by means of special resolution.

Article ~~104~~105 Shareholders (including their proxies) shall exercise voting power with the number of voting shares represented by them, and each share has one vote.

When material issues affecting the interests of minority investors are considered at a general meeting, the votes of minority investors shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's shares held by the Company do not have voting right, and such shares are not counted in the total number of shares that have voting power upon attendance at a general meeting.

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If a shareholder purchases shares with voting rights of the Company in violation of the relevant provisions of the Securities Law on the acquisition of shares of listed companies, the shares exceeding the prescribed proportion shall not be allowed to exercise voting rights within 36 months after the purchase and shall not be counted as part of the total number of voting shares present at the general meeting.

The Board, independent non-executive directors and shareholders conforming to relevant prescribed conditions can call for Shareholders', or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC can call for Shareholders' voting rights. When soliciting voting rights from shareholders, information such as specific voting intentions should be fully disclosed to the shareholders being solicited. Soliciting voting rights from the shareholders with compensation or disguised compensation is prohibited. Except for the statutory conditions, the Company must not set any minimum shareholding percentage on soliciting the voting rights.

Article 105106 For connected transactions to be considered at a general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the total number of shares with valid voting rights; the meeting minutes on resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders on the transactions.

Article 106107 Subject to the legality and validity of the general meeting, the Company shall provide convenience for the public shareholders' participation in the general meeting through various viable means.

Article 107108 Without a prior approval by way of special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, general managers and other senior management whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

Article 108109 List of candidate directors and supervisors who are not employee representatives to the general meeting shall be submitted in the form of proposals to the general meeting for vote. The election process of directors and supervisors shall fully reflect the opinion of the minority shareholders.

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When voting on the election of directors and supervisors, ~~the general meeting may~~ if the proportion of shares owned by a single shareholder of the Company and its concert parties reaches 30% or more and the general meeting intends to elect more than 2 directors and supervisors, the general meeting shall implement accumulative voting system ~~according to these Articles of Association or the resolution of the shareholder's general meeting.~~

Accumulative voting system referred in the preceding paragraph means a system whereby each share, at voting to elect directors or supervisors at a general meeting, carries the number of voting rights equivalent to the number of the directors or supervisors to be elected, and a shareholder may concentrate his or her voting rights or separate the voting rights on a number of candidates. The Board shall make public to the shareholders the resume and general information of directors and supervisors to be elected.

~~Methods and procedures to nominate directors or supervisors are as follows:~~

The implementation rules for the cumulative voting system are as follows:

- (I) The notice of the general meeting shall notify the shareholders that a cumulative voting system will be adopted for the election of director or supervisor. The conveners of the general meeting shall prepare ballots suitable for cumulative voting method, and shall give descriptions and explanations in writing regarding the cumulative voting system, the completion of the ballots and the methods of counting the votes.
- (II) When electing directors by way of exercising the cumulative voting system, independent non-executive directors and other directors shall be elected separately, so as to ensure the proportion of independent non-executive directors in the Board.
- (III) A shareholders may freely allocate his or her votes among the candidates for directors or supervisors and may vote for several candidates separately or only one candidate. Where the total number of votes exercised by a shareholder more than the total number of votes entitled to it for such category of candidate, such voting shall be invalid; where the total number of votes exercised by a shareholder less than the total number of votes entitled to it for such category of candidate, such voting shall be valid and the difference shall be regard as abstention.
- (IV) Where the last two or more candidates have received the same number of votes and all of them being elected would result in the number of directors or supervisors exceeding the number of candidates that to be elected, such candidates shall be re-elected in accordance

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with the prescribed procedures in these Articles of Association. If the number of directors or supervisors elected is less than the number specified in these Articles of Association, the Company shall restart the cumulative voting procedure for the vacancy.

The methods and procedures for nomination of directors and supervisors who are not employee's representatives are as follows:

- (I) Director candidates shall be proposed by the Board within the number of candidates as set out in these Articles of Association, and shall be presented to the general meeting for election after approved by the Board; supervisors candidates who represent the Shareholders shall be proposed by the ~~Board~~board of ~~Supervisors~~supervisors and shall be presented to the general meeting for election after approved by the ~~Board~~board of supervisors.

- (II) Shareholders individually or jointly holding 3% or more of the total issued shares with voting right for 180 or more consecutive days of the Company may, by written proposals, propose candidates for directors or supervisors who represent the shareholders to the Board, but the number of persons nominated shall ~~comply with the provisions of the Articles of Association~~be no more than one-fifth of all directors and shall not exceed the number of persons proposed to be elected.

- (III) An independent non-executive director candidate may be nominated by the Board, of the Board~~Company~~, the board of ~~Supervisors~~supervisors, or shareholders separately or jointly holding 1% or more of the issued shares of the Company for 90 or more consecutive days, but the number of candidates proposed by such ~~shareholders must comply with the provisions~~method shall be no more than one-third of these Articles of Association, all directors and ~~must~~shall not exceed the number of ~~people~~persons proposed to be ~~selected~~delected. The party nominating any ~~independent non-executive director~~ candidate shall have obtained the nominee's consent prior to the nomination, and shall be fully aware of such particulars of the nominee such as his occupation, academic qualification, title, detailed work experience and information regarding all his part-time positions held concurrently and be responsible for providing to the Company his opinions in relation to the nominee's qualification ~~as an independent non-executive director~~ and independence. The nominee shall make a public announcement stating that there exists no relation between the Company and him that may affect his independent and objective judgment.

Article 109110 Apart from the cumulative voting system, the general meeting will vote on all resolutions individually. If one matter has different resolutions, they will be voted in the chronological order of the proposals being proposed. Except under special circumstances such as force majeure, leading to the suspension or inability to make resolutions at the general meeting, the general meeting shall not set aside the resolutions and leave the resolutions undecided.

Article 110111 No amendment shall be made on the proposals during its consideration at a general meeting. Any such amendments to a proposal shall be deemed as a new proposal and shall not be voted at the current general meeting.

~~**Article 111** At a general meeting, a resolution shall be decided on a show of hands unless a poll is demanded before or after a vote is carried out by a show of hands: (I) by the chairman of the meeting; (II) by at least two shareholders or by proxies who are entitled to vote at the meeting; (III) by one or more shareholders (including their proxies) separately or jointly representing 10% or more of all shares carrying the right to vote at the meeting. Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against voting in such resolution. The demand for a poll may be withdrawn by the person who demands the same.~~

~~If a poll is demanded to elect a chairman, or to adjourn the meeting, it shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting directs, and any other business may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.~~

~~On a poll taken at a meeting, a shareholder (including his/her proxy) who shall be entitled to two or more votes need not cast all his votes in favour of or against the resolution.~~

~~In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.~~

~~**Article 112** **Article 112** The voting right of the same shares shall be exercised only by one of the ways of on-site voting, online voting or other means of voting. In case of repeated voting for the same shares, the result of the first vote shall prevail.~~

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Article 113 In addition to the chairman of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands, the general meeting shall apply the voting methods of disclosed ballot or other methods required by the securities regulatory authority of the places where the Company's shares are listed.

Article 114 Two representatives of shareholders shall be elected to participate in counting and scrutinizing ballots before a general meeting puts a proposal to vote. Where a shareholder has conflict of interests to matters to be considered, relevant shareholders and their proxies must not participate in counting and scrutinizing ballots.

~~**Article 113**~~ When a proposal is voted at a general meeting, lawyers, shareholders' representatives and supervisors' representatives shall be responsible for counting and scrutinizing ballots and announce the voting results on the spot, which will be recorded in the minutes of the meeting.

~~**Article 114**~~ The president Shareholders of the Company or their proxies who cast their votes online or by other means shall have the right to check the results of their votes by way of the pertinent voting system.

Article 115 The ending time of the on-site general meeting shall not be earlier than ending time of voting via the internet or other means. The chairman of the meeting shall announce the voting results on each proposal and whether the proposal is adopted based on the voting results.

Before the formal announcement of the voting results, the companies, tellers, scrutineers, substantial shareholders, internet service provider, and other relevant parties involved in ~~the on-the-spot~~ site voting, the internet and other means of voting shall be under confidentiality obligation in relation to the voting.

~~**Article 115**~~ **116** Shareholders attending the general meeting shall submit their voting in the following ways: "for", "against" or "abstain", except for the reporting by securities registration and clearing institution acting as the nominal holder of stock under the connect mechanism between the mainland China and Hong Kong stock markets, based on the intentions of the de facto holders of relevant shares.

Ballot papers that are left in blank, unduly completed or illegible or that have not been used, are deemed as void votes to mean that the voter has waived his/her rights, and the voting results corresponding to the shares in their possession shall be treated as "Abstain from voting".

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Where any shareholder is, under the ~~Hong Kong Listing Rules~~rules governing the securities where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only in favor of (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted.

Article ~~116~~117 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

Article ~~117~~118 If votes are counted at a general meeting, the result of the count shall be recorded in the minutes. The minutes of meetings shall be kept at the Company's place of residence together with the shareholders' attendance lists and proxy forms for the Company's records.

Article ~~118~~119 Copies of the minutes of meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests a copy of such minutes from the Company, the Company shall verify the identity of shareholders and send a copy of such minutes to him/her within seven days after receipt of reasonable fees.

Article ~~119~~120 Any resolution of the general meeting shall indicate the number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion to the total voting shares of the Company, the means of voting, the voting results of each proposal as well as the details of each resolution adopted in the timely announcements.

Article ~~120~~121 In the event a proposal is not adopted, or the general meeting makes any modification to any resolution adopted at the previous general meeting, a specific indication shall be made in the ~~minutes of resolutions~~announcement of the general meeting.

Article ~~121~~122 Where any proposal on the election of directors or supervisors is adopted at the general meeting, new directors or supervisors shall take their posts at the time of the close general meeting.

Article ~~122~~123 Should a general meeting pass proposals regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within two months after the close of the general meeting.

Section 7 Special Procedures for Voting by Class Shareholders

Article ~~123~~124 Those shareholders who hold different classes of shares are class shareholders. Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and these Articles of Association.

Article ~~124~~125 Rights conferred on class shareholders may not be varied or cancelled save with the approval of a special resolution in a general meeting and by affected holders of shares of that class at a separate meeting conducted in accordance with Articles ~~126~~127 to ~~130~~131 hereof.

Article ~~125~~126 The following circumstances shall be deemed to be variation or cancellation of the rights attaching to a particular class of ~~share~~shareholders:

- (I) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having equal or better voting, distribution or other rights to those of shares of that class;
- (II) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;
- (III) to remove or reduce rights to accrued dividends or to cumulative dividends attaching to shares of that class;
- (IV) to reduce or remove preferential rights attaching to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (V) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attaching to shares of that class;
- (VI) to remove or reduce rights to receive payment from the Company in specific currencies attaching to shares of that class;
- (VII) to create a new class of shares having equal or better voting, distribution rights or other privileges to those of the shares of that class;
- (VIII) to impose or increase restrictions on the transfer or ownership of shares of that class;

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(IX) to issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;

(X) to increase the rights or privileges of shares of another class;

(XI) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;

(XII) to vary or abrogate the provisions of this Section.

Article ~~126~~127 Affected class shareholders, whether or not otherwise having the right to-vote at general meetings, have the right to vote at class shareholders' meetings in respect of matters concerning sub-paragraphs (II) to (VIII), (XI) and (XII) of Article ~~125~~126 hereof, but interested shareholder(s) shall not be entitled to vote at such class shareholders' meetings.

Interested shareholder(s) ~~means~~mentioned in preceding paragraph refer to:

(I) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of an on-market repurchase of shares pursuant to Article ~~28~~27, an interested shareholder is a controlling shareholder within the meaning of Article ~~250~~265;

(II) in the case of a repurchase of shares by an off-market agreement pursuant to the Article ~~28~~27 hereof, a holder of the shares to which the proposed agreement relates;

(III) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligations than the obligations imposed on other shareholders of the same class or who has an interest different from the interests of other shareholders of that class.

Article ~~127~~128 Resolutions of a class shareholders' meeting shall only be passed by votes representing two-thirds or more of the voting rights of shareholders of that class presented at the relevant meeting who, according to Article ~~126~~127, are entitled to vote.

Article ~~128~~129 Notice of a class shareholders' meeting shall be given to all-shareholders who are registered as holders of that class in the register of shareholders in accordance with the notice period requirement of an annual and extraordinary general meeting as stipulated in Article ~~74~~76 of ~~these~~ Articles of Association. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class shareholders' meeting.

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Article ~~129~~130 Notice of class shareholders' meetings need only be served on shareholders entitled to vote at the meetings. Class shareholders' meetings shall be conducted in the same manner as general meetings, to the extent possible. The provisions of these Articles-of Association relating to the manner for the conduct of the general meetings are also applicable to class shareholders' meeting.

Article ~~130~~131 Apart from the holders of other classes of shares, the holders of the Domestic Shares and holders of Overseas-listed Foreign-invested Shares shall be deemed to be holders of different classes of shares.

The special procedures for approval by a class of shareholders shall not apply in the following circumstances:

- (I) where the Company issues, upon the approval by special resolution in a general meeting, either separately or concurrently once every 12 months, no more than 20% of each of its outstanding Domestic Shares and Overseas-listed Foreign-invested Shares;
- ~~(H)~~ where ~~the Company's plan to issue Domestic Shares and Overseas-listed Foreign-invested Shares at the time of its establishment is carried out within 15 months from the date of approval of the securities regulatory authorities under the State Council;~~
- ~~(H)~~(II) where the shares held by shareholders of Domestic Shares of the Company become foreign shares and listed for trading in the overseas stock exchange(s) with the approval of the securities regulatory authorities under the State Council.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article ~~131~~132 Directors of the Company shall be natural persons and they are not required to hold any shares in the Company.

The election, ~~appointment or engagement~~ of directors shall be invalid if the election ~~or appointment~~ violates the requirements of these Articles of Association. The Company shall remove a director if any of the circumstances stated in Article ~~185~~184 applies during his term of office.

Article 132~~133~~ Directors shall be elected or changed at the general meeting and each has a term of three years. Upon the expiry of the term of office of a director, the term is renewable upon re-election. The term of office of any independent director may not be renewed for more than six years. Prior to the maturity of his/her term, a director shall not be removed without reason from his/her office by a general meeting.

The term of office of a director shall commence from the date of appointment until the expiry of the current session of the ~~board of directors~~Board. If the term of office of a director expires but re-election is not made, the original directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the provisions of these Articles of Association until a new director is elected and assumes office. Subject to such exceptions specified in ~~the these~~ Articles of Association ~~as the Hong Kong Stock Exchange may approve~~, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her associates have a material interest nor shall he be counted in the quorum present at the meeting.

Directors may concurrently serve as general manager or other senior management, provided that the total number of directors who concurrently serve as general manager or other senior management, directors served by employees' representatives shall not exceed half of the total number of the Company's directors.

Representative of employees of the Company is eligible to be elected as a member of the ~~board of directors~~Board, the employee representatives are elected from employees' general meeting, employee representatives' meeting, labor union or by other democratic manner join directly into the Board.

Article 133 ~~The directors are required to comply with the laws, administrative regulations and these Articles of Association, and to carry out their following duties in good faith and diligence:~~

- ~~(I) not to make use of their powers to accept bribes or other unlawful income and appropriate the Company's properties;~~
- ~~(II) not to misappropriate the Company's funds;~~
- ~~(III) not to deposit the Company's assets or funds into accounts under their own names or the name of other individuals;~~

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- ~~(IV) not to lend the Company's funds to others or provide guarantees in favor of others with the Company properties as collaterals in violation of these Articles of Association or without the approval of the general meeting or board of directors;~~
- ~~(V) not to enter into contracts or dealing with the Company in violation of these Articles of Association or without prior approval of general meeting;~~
- ~~(VI) not to make use of their positions to procure business opportunities for themselves or others that shall have otherwise been available to the Company, or operate for their own benefit or managing on behalf of others businesses similar to those of the Company without approval of the general meeting;~~
- ~~(VII) not to accept for their own benefits commission in any deal with the Company;~~
- ~~(VIII) not to divulge without authorization confidential information of the Company;~~
- ~~(IX) not to take advantage of their connected relationship to prejudice the interests of the Company;~~
- ~~(X) to perform other fiduciary duties specified in the laws, administrative regulations, departmental rules and the Articles of Association.~~

~~Income generated by directors in violation of this Article shall be of the benefit of the Company. A director who incurs any loss to the Company shall be liable to the Company for compensation.~~

Article 134 ~~The directors shall comply with the laws, administrative regulations and these Articles of Association, and shall owe the following diligent duties to the Company:~~

- ~~(I) exercising the rights conferred by the Company prudentially, carefully and diligently to ensure that commercial operations of the Company are conform with the laws, administrative regulations and various requirements of economic policies, and that commercial activities of the Company shall not exceed the scope of business specified in the business license;~~
- ~~(II) treating all of the shareholders equally;~~
- ~~(III) understanding the Company's business operation and management in a timely manner;~~
- ~~(IV) providing relevant facts and information truthfully to the Board of Supervisors, and not hindering the Board of Supervisors or the supervisors from exercising their authorities;~~

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~~(V) other diligent duties specified in the laws, administrative regulations, department rules and the Articles of Association.~~

Article 135~~135~~ If a director fails to attend the Board meetings ~~of the board of directors~~ in person or fails to appoint any other director to attend on his/her behalf as his/her proxy for two consecutive times, he/she shall be deemed to be unable to perform his/her duties, and the ~~board of directors~~Board shall propose to the general meeting to dismiss him.

Article 136~~135~~ A director may resign prior to the expiry of his/her term of service. When a director intends to resign, he/her shall submit a written resignation to the ~~board of directors~~Board. If the number of directors is less than the minimum number of directors required by law due to the resignation of a director, then such director shall continue to perform his/her duties in accordance with the laws, administrative regulations, department rules and these Articles of Association until a new director is elected and assumes his/her office.

Except the aforesaid circumstances, the resignation of a director shall become effective when the report of resignation is served to the ~~board of directors~~Board.

~~Any director appointed by the Board to fill a casual vacancy or as an addition to the Board should expire at the next general meeting and he/she is eligible for re-election.~~

Where not otherwise provided by law, the Company in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his/her term of office.

The minimum length of period during which the notice of the intention to propose a person for election as director and the written notice by such candidate of his willingness to accept the nomination shall be given to the Company no less than seven days. The period for lodgment of the aforesaid notice(s) shall commence no earlier than the date after the dispatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such general meeting.

Article 137~~136~~ Directors shall complete all the handover procedures to the ~~board of directors~~Board upon resignation or expiry of their term of office. The obligations of fidelity to the Company and shareholders shall not automatically discharge with the expiry of their terms of office and should survive after the expiry of their terms of office within one year.

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Article ~~138~~137 A director may not act personally on behalf of the Company or the ~~board of directors~~Board unless otherwise provided by these Articles of Association or legal authorization is granted by the ~~board of directors~~Board. If such director acts personally and the third party may believe such director is acting on behalf of the Company or the ~~board of directors~~Board, he/she shall declare his/her own position and identity in advance.

Article ~~139~~138 Directors who are in breach of laws, administrative regulations, department rules or these Articles of Association in the course of performing their duties shall be liable to compensate the Company for any loss so caused.

This Article shall concurrently apply to the general manager and senior management of the company.

Article ~~140~~139 The independent non-executive directors shall carry out responsibilities in accordance with relevant requirements of the laws, administrative regulations, securities regulatory authorities and ~~department rules~~stock exchange(s).

Article ~~141~~140 The Company shall conclude written contracts with each director and senior management, and such contracts shall include at least the following provisions:

- (I) directors or senior management warrant to the Company that they will observe the Company Law, the Special Provisions, the Hong Kong Listing Rules, these Articles of Association and other relevant provisions ~~established by the HKEX~~, and agree that the Company will enjoy the remedial actions set forth under these Articles of Association, and that such contract and its position shall not be transferred;
- (II) directors or senior management warrant to the Company that they will observe and perform their responsibilities owed to the shareholders specified in these Articles of Association; and
- (III) the arbitration article ~~contained in Article 263 of~~ as stipulated in these Articles of Association.

Section 2 Board of Directors

Article 142~~141~~ The Board of the Company shall be established to report to the general meeting.

Article 143~~142~~ The Board shall consist of nine directors and one chairman, among which three are independent non-executive directors.

Article 144~~143~~ The ~~board of directors~~ Board shall be accountable to the general meeting and shall have the following duties and powers:

- (I) convening general meetings and presenting reports thereto;
- (II) implementing the resolutions made at the general meetings;
- (III) determining the Company's business and investment plans;
- (IV) working out the Company's annual financial budget plans and final account plans;
- (V) working out the Company's profit distribution plans and loss recovery plans;
- (VI) working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of shares, bonds or other securities and listing plans;
- (VII) formulating proposals for material acquisitions, purchase of shares of the Company, merger, split-up, dissolution and change of the Company nature;
- (VIII) deciding on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations, etc. of the Company within the scope authorized by the general meeting;
- (IX) deciding on the establishment of the Company's internal management departments;
- (X) deciding on the appointment or dismissal of general manager ~~and~~ the ~~Board~~ secretary of the Company; ~~decide on the appointment or dismissal of the Board secretary and deputy general manager, chief accountant to the Board and other senior management personnel according to the nomination of Chairman of the Board and the general manager, respectively as well as their remuneration, rewards and ~~incentives~~ punishments;~~
- (XI) formulating the Company's basic management system;

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(XII) formulating the plan for modification of these Articles of Association;

(XIII) managing information disclosure of the Company;

(XIV) proposing the employment or replacement of the accounting firm which audits the Company's accounts to the general meeting;

(XV) hearing the manager's work report and check the general manager's work;

~~(XV) checking any major transaction, very material disposal, very material acquisition and anti-acquisition action of the Company under the Hong Kong Listing Rules, and report to the general meeting for approval;~~

~~(XVI) approving any transaction under the Hong Kong Listing Rules except those major transactions, very material disposal, very material acquisitions and anti-acquisition actions which must be published;~~

~~(XVII) approving the connected transactions without the approval or announcement at the general meeting and under the Hong Kong Listing Rules;~~

~~(XVIII) approving the connected transactions requiring the approval at the general meeting under the Hong Kong Listing Rules;~~

~~(XIX)~~(XVI) exercising other powers regulated in laws, regulations and the listing rules of the stock exchange(s) where the Company's shares are listed and conferred by the general meeting and these Articles of Association.

Article 145 ~~The board of directors~~The Board of the Company shall establish the audit committee and relevant special committees such as strategic committee, nomination committee and remuneration and assessment committee. The special committees shall be responsible to the Board, and perform their duties according to these Articles of Association and the authorization granted by the Board. The proposals shall be submitted to the Board for consideration and approval. All members of the special committees are composed of directors, among which the number of independent directors shall be the majority of the audit committee, nomination committee and remuneration and assessment committee, and they shall act as the chairman of the committees. The chairman of the audit committee shall be an accounting professional. The Board is responsible for formulating the working rules of the special committees and standardizing the operation of the special committees.

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Article 144 ~~The Board~~ shall also be responsible for the followings:

- (I) implementing, reviewing and improving the corporate governance system and condition of the Company;
- (II) reviewing and supervising the training and continuing professional development of directors and senior management;
- (III) reviewing and supervising the compliance of the Company's policies with laws and relevant regulations of the securities regulatory authority where the shares are listed and making the relevant disclosure;
- (IV) formulating, reviewing and supervising the code of conduct and relevant compliance manual of employees and directors.

The ~~board of directors~~Board shall be responsible for the aforementioned corporate governance functions. It may also delegate the duties to one or more of its special committees.

Article 146~~145~~ The Board of the Company shall explain to the general meeting any non- standard audit opinions issued by the certified public accountants on the Company's financial report.

Article 147~~146~~ The Board shall formulate the rules of procedures of the Board in order to ensure the Board to implement resolutions approved at general meeting of shareholders, to improve working efficiency, and to ensure scientific decision-making. The rules of procedure of the Board shall set out holding and voting procedures of the Board meeting. The rules of procedure of the Board shall be included in the Company's Articles of Association or attached to the Company's Articles of Association, which shall be drawn up by the Board and approved by the general meeting.

~~**Article 148**~~The Board shall determine the right relating to external investment,~~–~~acquisition and disposal of assets, asset mortgage, external guarantees, consigned financial management~~–~~and, connected transactions, external donations, etc. and shall establish strict examination and decision making procedure; and organize relevant experts and professionals to make assessments on material investment projects and submit them to the general meeting for approval.

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Except as otherwise provided herein, the transactions (except for daily operation, financial assistance and provision of guarantee) that should be approved by the Board are as follows:

~~The authority to approve significant matters such as investments, guarantees and loans of the Company is as follows:~~

~~(I) investment (including equity interest investment to other company, enterprise and other legal person, but excluding establishment branch company)~~

~~(1) an individual investment amount reaching or exceeding 50% of the Company's latest audited net assets shall be considered and decided at the general meeting of the Company;~~

~~(2) any individual investment amount not reaching 50% of the Company's latest audited net assets shall be considered and decided by the Board of the Company.~~

~~(3) any individual investment amount not reaching 2% of the Company's latest audited net assets shall be considered and decided by the chairman, general manager and other senior management of the Company.~~

~~(I) Guarantee~~

~~The following external guarantees provided by the Company shall be submitted to the general meeting for approval after the consideration and approval by the Board:~~

~~(1) an amount of single guarantee exceeding 10% of the latest audited net assets of the Company;~~

~~(2) any provision of external guarantee, where the total amount of assets involved in transactions provided by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets of the Company;~~

~~(3) provision of guarantee to anyone whose liability-asset ratio exceeds 70%;~~

~~(4) guarantee fund exceeding 30% (if both book value and appraised value exist, whichever is higher) account for more than 10% of the latest audited total assets of the Company for a consecutive period of twelve months;~~

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- ~~(5) provision for a consecutive period of twelve months~~ (II) the transaction amount (including debts and expenses undertaken) accounts for more than ~~50%~~ 10% of the Company's latest audited net assets, with the absolute amount of more than RMB~~30~~ 10 million;
- ~~(6) provision of guarantee to shareholders, de facto controllers and their connected parties;~~
- ~~(7) the Company~~
- (III) profit from the transaction accounts for more than 10% of the audited net profit of the Company in the most recent accounting year, with the absolute amount of more than RMB1 million;
- (IV) the relevant operating income of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 10% of the audited operating income of the Company in the most recent accounting year, with the absolute amount of more than RMB10 million;
- (V) the relevant net profit of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 10% of the audited net profit of the Company in the most recent accounting year, with the absolute amount of more than RMB1 million;
- (VI) the net assets involved in the transaction subject (e.g. equity) (the higher of the book value and the assessed value thereof as the case may be) accounts for more than 10% of the Company's latest audited net assets, with the absolute amount of more than RMB10 million.

If the figure involved in the above indexes is negative, the absolute value thereof shall be taken.

The Board is authorized at the general meeting to consider and approve the above matters within the scope of authority. The matters exceeding the scope of authority shall be submitted at the general meeting for consideration and approval. Where the Company violates the authority or procedures of the approval in relation to external guarantee, shareholders and supervisors shall have the right to demand the relevant responsible persons to bear their legal responsibility.

The "Transaction" as mentioned in this Article shall have the same meaning as defined in the preceding paragraphs of these Articles of Association.

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~~When a guarantee is raised for consideration and discussion at a board meeting, it shall be considered and approved by at least~~Article 147 ~~The Board of Directors shall have the right to approve other guarantees and financial assistance out of the scope of authority of the general meeting provided in these Articles of Association.~~

~~A guarantee and financial assistance which falls within the authorities of the Board, in addition to being required to be passed by exceeding half of all directors, requires also the approval of more than two-thirds of the directors attending the board meeting. The guarantee of connected person(s) should be regulated by the Hong Kong Listing Rules concurrently.~~

~~When the general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller or connected persons, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by half or more of the voting rights of the other attending shareholders.~~

(III) Borrowings

~~The Company may borrow from financial institutions or other persons due to its operation requirements.~~

- ~~(1) loan in an individual borrowing amount exceeding RMB50 million and the asset-liability ratio of the Company exceeding 65% (including 65%) shall be subject to the consideration and approval of the Board.~~
- ~~(2) loan in an individual borrowing amount not exceeding RMB50 million and the asset-liability ratio of the Company less than 65% shall be subject to the approval of the general manager of the Company.~~

~~The Company shall not provide loan to other company or enterprise, but may provide loan to its controlled subsidiaries in the manner as permitted by the law and regulation.~~

~~Aforementioned individual borrowing amount refer to the borrowing amount, credit line and maximum amount in a single borrowing contract, the general credit contract and maximum loan contract.~~

~~The review and approval permissions of the Company to dispose of any fixed assets set out as follow:~~

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~~In respect of disposal of fixed assets, the Board of Directors shall not, without prior approval of shareholders in a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any disposal of fixed assets in the four months immediately preceding the proposed disposal exceeds 33% of the value of the Company's fixed assets as stated in the latest balance sheet approved by the general meeting. A Disposal of fixed assets includes the transfer of interest in certain assets but excludes the usage of fixed assets for provision of guarantee. The effectiveness of transaction of the Company's disposal of fixed assets will not be affected by a breach of the first paragraph of the Article.~~

~~Article 149~~**Article 148** The Board shall have a chairman of the board. The chairman shall be elected by more than half of all directors.

~~Article 150~~**Article 149** The chairman of the board of directors shall perform the following duties and powers:

- (I) to preside over general meetings and to convene and preside over ~~board~~Board meetings;
- (II) to supervise and ~~check~~inspect the implementation of resolutions of Board;
- (III) other duties and powers as authorised by the Board.

~~Article 151~~**Article 150** If the chairman is unable or fails to perform his/her duties, a director shall be elected jointly by half or more of all directors to perform such duties.

~~Article 152~~**Article 151** The Board shall hold at least four regular meetings every year, which shall be convened by the chairman, with the notice of meeting sent in writing to all the directors and supervisors ~~ten~~14 days in advance.

The writing notice referred in this Article shall include served by hand, post, facsimile and email etc.

~~Article 153~~**Article 152** Extraordinary board meetings may be convened upon proposal by shareholders representing at least one-tenth of the total voting rights, by at least one-third of the Board or ~~Board~~board of ~~Supervisors~~supervisors. The chairman shall convene and preside over a board meeting within ten days after receipt of the proposal.

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~~Article 154~~—The notice on convening a provisional ~~board~~Board meeting can be served by hand, post, facsimile, email and telephone; and shall be sent at least one to five days prior to the convening of an interim meeting of the Board.

However, upon unanimous agreement by all the directors, time of the notice on convening a provisional ~~board~~Board meeting for any emergency shall not be subject to the aforesaid Article.

~~Article 155~~—Notice of board meeting shall include:

- (I) time and venue of the meeting;
- (II) duration of the meeting;
- (III) reasons for and agenda of the meeting;
- (IV) the date of issue of such notice.

~~Article 156–153~~ No ~~board~~Board meeting shall be held unless more than half of the directors are present. Otherwise provided for in these Articles of Association, resolutions made by the board of directors must be approved by a majority of all the directors.

For the voting on a resolution of the Board, each director shall have one vote only. If pros and cons are equal, the chairman shall be entitled to an additional vote.

~~Article 157~~154 If any director has connection with the enterprise involved in the resolution made at a ~~board~~Board meeting, the said director shall not vote on the said resolution for himself or on behalf of other director. The said ~~board~~Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the ~~board~~Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the ~~board~~Board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

~~Article 158~~155 Resolutions of the ~~board~~Board meetings shall be ~~voted~~decided on voting by show of hands. The written resolutions shall be signeddisclosed ballot or other voting methods permitted by laws and confirmed by directorsregulations and agreed with the content of resolutionrules governing the securities of the place(s) where the Company's shares are listed.

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The extraordinary ~~board~~Board meetings may be held and the resolution may be voted by facsimile on the basis that directors' opinions can be expressed adequately and shall be signed by directors. ~~But the following material matters reviewed by the Board shall not be voted by facsimile or other communication means:~~

- ~~(I) increase or reduction of capital register of the Company;~~
- ~~(II) division, merger, dissolution and liquidation of the Company;~~
- ~~(III) amendments to these Articles of Association;~~
- ~~(IV) the equity incentive scheme.~~

Article 159156 The directors shall attend the ~~board~~Board meeting in person; in the event that directors are unable to attend the meeting for some reason, the directors may appoint in writing other directors to attend the ~~board~~Board meetings. The proxy letter shall specify the proxy's name, authorized matters, scope of authorization and the valid term, and shall be affixed with the signature or seal of the principal. The director who attends the meeting on behalf of another director shall exercise the right of the director within the scope of authorization. If any director fails to attend the meeting of the board of directors or authorize a proxy to be present on his/her behalf, such director shall be deemed to have waived his voting rights at that meeting.

Article 160157 Matters determined in a ~~board~~Board meeting shall be recorded in minutes of meetings. Minutes of meetings shall be signed by directors attending such meetings. Directors attending the meeting shall have the right to request to record in the minutes details of the speech made by them at the meeting.

Directors shall be liable for board resolutions. If a board resolution is against the law, administrative rules or these Articles of Association and resolutions of the general meetings, which causes the Company to suffer any loss, the directors who participate in voting shall assume the liability to compensate the Company; directors who have been proved as having expressed dissenting opinions on the resolution during the voting as recorded in the minutes of meeting shall be exempted from liability.

The minutes of the ~~board~~Board meeting shall be kept as the Company's files for a period of not less than ten years.

Article ~~164~~158 The minutes of the Board meeting shall include the following:

- (I) date and place of the meeting and the name of the convener;
- (II) names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the ~~board~~Board meeting;
- (III) agenda of the meeting;
- (IV) main points of the speeches of the directors;
- (V) method and results of the voting for each proposal (the voting results shall state the numbers of votes for or against the proposal or abstention).

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Article ~~162~~159 The Company shall have one general manager, who shall be appointed or dismissed by the board of directors.

The Company shall appoint certain deputy general managers, one chief accountant, and one secretary of the Board, ~~one chief safety director and one chief machinist~~ according to the requirements of the Company, and senior management shall be appointed and dismissed by the Board. The Board shall engage in other senior management as necessary.

Article ~~163~~160 The Company's general manager, deputy general manager, chief accountant, the secretary ~~of~~to the Board, ~~chief machinist, chief safety director~~ and other employees as confirmed by the Board resolution are the senior management officers of the Company.

Article ~~164~~161 The circumstances hereof with respect to disqualified directors of the Company are applicable to senior management of the Company.

Requirements hereof with respect to the directors' obligations of integrity and diligence shall also be applicable to the senior management.

Article ~~165~~162 ~~The~~ Persons who hold executive positions other than directors and supervisors in the controlling shareholders of the Company and actual or de facto controllers who hold positions other than directors shall not serve as a member of the Company's senior management.

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The remuneration of the Company's senior management shall not be paid by the controlling shareholder on behalf of the Company.

Article 166163 The term of the general manager is usually three years; the general manager may serve consecutive terms if reappointed.

Article 167164 The general manager is accountable to the Board and exercises the duties below:

- (I) to take charge of the production operations and management tasks and organize the implementation of the Board's resolution, and to report his/her work to the Board;
- (II) to organize the implementation of the Company's annual operating plan and investment plan;
- (III) to devise the set-up of the Company's internal management structure;
- (IV) to devise the basic management policy of the Company;
- (V) to formulate the basic rules of the Company;
- (VI) to propose the appointment or dismissal of the deputy general manager, chief accountant, ~~chief machinist, chief safety director~~ and other senior management;
- (VII) to appoint or dismiss management personnel, aside from those requiring the Board in approving their appointment or dismissal;
- (VIII) to sign documents related to the operation of the Company as the legal representative of the Company;
- (IX) other duties as granted by the Company's Articles of Association and the Board. ~~General manager shall attend board meetings.~~

~~**Article 168**~~ General manager shall attend Board meetings. The general manager shall formulate detailed working rules for the manager and submit the same to the Board for approval and, upon such approval, implement such rules.

Article 169165 The detailed working rules formulated for the general manager shall include the following:

- (I) conditions and procedures for convening and participants of the general manager's meetings;

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- (II) specific duties of the general manager and other senior management;
- (III) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting to the Board and ~~Board~~board of ~~Supervisor~~ssupervisors;
- (IV) other matters as deemed necessary by the Board.

Article ~~170~~166 The general manager may resign prior to the expiration of his/her term of office. The detailed procedures for the general manager's resignation shall set out in the service contract entered into between the general manager and the Company.

Article ~~171~~167 The Company shall have a secretary to the Board. The office of the secretary ~~ø~~to the Board shall be held by a natural person with necessary professional knowledge and experience, who shall be appointed by the Board. The major duties of the secretary ~~ø~~to the Board are:

- (I) be responsible for the preparation of general meetings and Board meetings, documents custody and management of the shareholders' information;
- ~~(H)~~(II) to keep the Company's organizational documents and records intact;
- ~~(H)~~(III) to ensure the Company prepares and delivers such reports and documents as required by competent authorities in compliance with laws;
- ~~(H)~~(IV) to ensure the Company's registers of shareholders are properly maintained, and that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;
- ~~(H)~~(V) to handle information disclosure matters;
- (VI) to fulfill other duties specified in laws and regulations, these Articles of Association and other duties required by the securities regulatory authorities in the place(s) where the shares of the Company are listed.

The Company shall facilitate the performance of duties by the secretary to the Board. Directors, supervisors, other senior management members and relevant staff shall cooperate with the work of the secretary to the Board. No institution or individual may interfere with the normal duty performance of the secretary to the Board.

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The secretary to the Board is entitled to know the Company's operation and financial situation, attend relevant meetings, consult relevant documents, and request relevant departments and personnel to provide materials and information.

Article 172168 A director or other senior management of the Company may concurrently serve as the secretary to the Board. No accountant of the accounting firm engaged by the Company shall concurrently serve as the secretary to the Board.

Where a director concurrently serves as the secretary to the Board and a certain act needs to be done by directors and the secretary to the Board respectively, he/she shall not do the act in his double capacities.

Article 173169 The senior management shall be liable for any losses caused to the Company-by their breach of any law, administrative regulations, department rules or these Articles of Association in performing their duties.

Senior management of the Company shall faithfully perform their duties to safeguard the best interests of the Company and all shareholders. If the senior management of the Company fails to faithfully perform their duties or violates their obligations of good faith and causes damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

CHAPTER 7 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 174170 Circumstances prohibiting any person serving as a director as stipulated in-these Articles of Association shall be applicable to supervisors. The directors, general manager and other senior management shall not act as supervisors concurrently.

Article 175171 The Company shall conclude written contracts with each supervisor, and such contracts shall include at least the following provisions:

- (I) the supervisors undertake to the Company that they will abide by the Company Law, the Special Provisions, Hong Kong Listing Rules, these Articles of Association and ~~other provisions established by~~ rules governing the HKEX listing of securities of the place where the shares of the Company are listed, and agrees that the Company will enjoy the remedial actions set forth under these Articles of Association, and that such contract and its position shall not be transferred;

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(II) supervisor undertakes to the Company—that he or she will abide by and perform they responsibilities owed to the shareholders specified in these Articles of Association; and ~~(H) the arbitration article contained in Article 263 of these Articles of Association.~~

(III) the arbitration article contained in Article 264 of these Articles of Association.

~~Article 176~~**Article 172** Supervisors shall abide by the laws, administrative regulations and these Articles of Association, owe fiduciary duties and due diligence duties to the Company. They shall not use the authority to take bribes or solicit other illegal incomes, and never encroach upon the Company property.

~~Article 177~~**173** The term of office of a supervisor shall be three years. A supervisor may take another term if he/she is re-elected after the expiration of his/her term.

~~Article 178~~**174** If the re-election is not conducted in time after the term of a supervisor expires or the resignation of the supervisor causes the members of the ~~Board~~board of ~~Supervisors~~supervisors to fall short of the quorum, the supervisor shall still perform the supervisor’s duty in line with the laws, administrative regulations and these Articles of Association until the new supervisor takes office.

~~Article 179~~**175** Supervisors may attend the ~~board~~Board meeting as non-voting participants, ~~and question or make recommendations on the resolutions to be passed by the Board, and ensure that the information disclosed by the Company is true, accurate and complete, and shall sign a written confirmation of the periodic report.~~

~~Article 180~~**176** Supervisors shall not use their connections to prejudice the interest of the Company. If any loss is thus incurred by the Company, they shall be held liable.

~~Article 181~~**177** If a supervisor violates the laws, administrative regulations, department rules—or these Articles of Association in the performance of their duties in the Company and incurs a loss to the Company, he/she shall be held liable.

Section 2 Board of Supervisors

Article 182178 The Company shall have a ~~Board~~board of ~~Supervisor~~supervisors. The ~~Board~~board of ~~Supervisor~~supervisors shall consist of five Supervisors and one chairman. The appointment and dismissal of the chairman shall be voted and adopted by more than two-thirds (including two-thirds) of the members of the Board of Supervisors.

The ~~Board~~board of ~~Supervisor~~supervisors shall consist of shareholders' representatives and appropriate proportion of employee representatives of the Company. The proportion of staff representatives shall not be less than one-third. The supervisor who is not an employee's representative shall be elected and removed by the general meeting. The employee's representative shall be democratically elected and removed by the employees of the Company.

Article 183179 Board of ~~Supervisor~~supervisors shall perform the following duties:

- (I) to review the reports prepared by the Board on a regular basis and to comment in writing;
- (II) to inspect the financial status of the Company;
- (III) to supervise the performance of duties by the directors, senior management, and propose to remove directors and senior management who have violated the laws, administrative regulations, these Articles of Association or resolutions of the general meeting;
- (IV) to require the directors and senior management to correct the conduct of the directors, senior management officers that may harm the interest of the Company;
- (V) to propose to hold an extraordinary general meeting, and convene and preside over the general meeting when the Board is unable to fulfill its duty to convene and preside over the general meeting specified by the Company Law;
- (VI) to submit proposals to the general meeting;
- (VII) to take legal action against the directors, other senior management according to ~~Rule 151 of~~ the Company Law;
- (VIII) to conduct an investigation when finding irregularities in the operation of the Company. Professional organizations including accounting firms and law firms may be engaged when necessary, with the relevant costs to be borne by the Company;

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(IX) other powers and functions as provided for in these Articles of Association or authorized by the general meeting.

Article 184180 ~~General meeting of the~~ meetings of the board of supervisors consist of regular meetings and extraordinary meetings. Regular Board meetings of Supervisors shall be held at least once every six months. Meetings of the Board of Supervisors shall be convened and presided over by the chairman of the Board of Supervisors. A-supervisor may propose to hold an extraordinary meeting of the Board of Supervisors. If the chairman of the Board of Supervisors is unable to or fails to perform such duties, half or more of the supervisors shall jointly recommend a supervisor, who shall convene and preside over the meetings.

A resolution made by the Board of Supervisors shall be voted and adopted by more than two-thirds (including two-thirds) of the members of the Board of Supervisors. The notice on a regular meeting of the Board of Supervisors or extraordinary meeting of the Board of Supervisors shall be served by hands, post, fax, email and telephone. The notice shall be notified or served ~~one to five~~ 10 days before convening the regular meeting of the Board of Supervisors or 1 to 5 days before convening the extraordinary meeting of the Board of Supervisors.

Article 185181 The Board of Supervisors shall formulate the rules of procedure for the Board of Supervisors which specifies method of discussion and voting procedure of the Board of Supervisors, to ensure the working efficiency and scientific decision-making of the Board of Supervisors.

Rules of procedure for Board of Supervisors shall be drafted by the copy and approved by the general meeting and is attached as an appendix to these Articles of Association.

Article 186182 The Board of Supervisors shall record the decisions made on the issues discussed at the meeting in the minutes, which shall be signed by the supervisors present at the meeting.

Any Supervisor shall have the right to have certain explanatory note entered into the minutes regarding his/her statements at the meeting. The minutes of the Board of Supervisors shall be saved in the archives of the Company for a period of ten years.

Article 187183 The notice of the meeting of the Board of Supervisors shall include the following:

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(I) date, venue and duration of the meeting;

(II) purposes and topics;

(III) date of notice.

**CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS,
 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OF THE COMPANY**

Article 188184 A person may not serve as a director, supervisor, the general manger or the senior management of the Company if any of the following circumstances applies:

(I) a person without legal or with restricted legal capacity;

(II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;

(III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;

(IV) a person who is a former legal representative of a company or enterprise, which had its business license revoked or was ordered to close down due to a violation of the law and who incurred personal liability, ~~where less than~~ and it has not been three years ~~has elapsed~~ since the date of the revocation of the business license;

(V) a person who has a relatively large amount of debts due and outstanding;

(VI) A person who are prohibited from entering into the securities market by the securities regulatory authority for a period which has not yet expired;

(VII) a person who is under criminal investigation by a judicial organization for violation of the criminal law where said investigation is not yet concluded;

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(VIII) a person who is not eligible for enterprise leadership according to laws and administrative regulations;

(IX) a non-natural person;

(X) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years has elapsed since the date of the conviction;

(XI) other contents required by the laws, administrative regulations or departmental rules.

Article 185 The directors and senior management are required to comply with the laws, administrative regulations and these Articles of Association, and to bear their following fiduciary duties to the Company:

(I) not to exploit their position to accept bribes or other illegal income and not to appropriate the Company's properties;

(II) not to misappropriate the Company's funds;

(III) not to deposit the Company's assets or funds into accounts under their own names or the name of other individuals;

(IV) not to lend the Company's funds to others or provide guarantees in favor of others with the Company properties as collaterals in violation of these Articles of Association or without the approval of the general meeting or the Board meetings;

(V) not to enter into contracts or dealing with the Company in violation of these Articles of Association or without approval of general meeting;

(VI) not to exploit their positions to procure business opportunities for themselves or others that shall have otherwise been available to the Company, or operate businesses similar to those of the Company for their own benefit or managing on behalf of others without approval of the general meeting;

(VII) not to accept the commissions for their own benefits in any transaction of the Company;

(VIII) not to disclose confidential information of the Company without permission;

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(IX) not to harm the interests of the Company by taking advantage of their connected relationship;

(X) to perform other fiduciary duties specified in the laws, administrative regulations, departmental rules and these Articles of Association.

Income generated by directors or senior management in violation of this Article shall be of the benefit of the Company. A director or a senior management who incurs any loss to the Company shall be liable to the Company for compensation.

Article 186 The directors and senior management shall comply with the laws, administrative regulations and these Articles of Association, and shall bear the following diligent duties to the Company:

(I) exercising the rights conferred by the Company prudentially, carefully and diligently to ensure that commercial operations of the Company comply with the laws, administrative regulations and various requirements of economic policies, and that commercial activities of the Company shall not exceed the scope of business specified in the business license;

(II) treating all of the shareholders equally;

(III) timely keeping abreast of the Company's business operation and management;

(IV) signing written confirmation opinions on regular reports of the Company and to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;

(V) providing relevant facts and information truthfully to the board of supervisors, and not hindering the board of supervisors or the supervisors from exercising their authorities;

(VI) other diligent duties specified in the laws, administrative regulations, department rules and these Articles of Association.

In the event that the directors, supervisors and senior management cannot ensure the truthfulness, accuracy and completeness of contents in documents for the issuance of securities and regular reports of the Company, they shall express their opinions and state the reason in the written opinions for confirmation, which the Company shall disclose. In the event that the Company chooses not to disclose it, the directors, supervisors and senior management shall directly apply for disclosure.

Article ~~189~~187 The validity of anything done by the directors, general manager and other senior management of the Company representing the Company to a third party acting in good faith shall not be impaired by any non-compliance of such directors, general manager and other senior management officers in respect to their appointment, election or qualification.

Article ~~190~~188 In addition to the obligations required by the laws, administrative regulations or listing rules of the stock exchange ~~of the region(s)~~ where the Company's shares are listed, the directors, supervisors, general manager and other senior management of the Company shall also undertake the following obligations to each shareholder when performing the duties and authorities granted by the Company:

- (I) not to cause the Company to go beyond its business scope as specified in its business licenses;
- (II) to act in good faith to maximize the interests of the Company;
- (III) not to deprive the property of the Company in whatever form, including (but not limited to) the opportunities in favor of the Company;
- (IV) not to deprive the personal rights and interests of the shareholders, including (but not limited to) the right of distribution and voting right, but excluding the Company reorganization proposal submitted to the general meeting in line with these Articles of Association.

Article ~~191~~189 The directors, supervisors, general manager and other senior management of the Company shall do as they are expected with the prudence, diligence and skills that are demonstrated by a person of reason and prudence under a similar situation in the performance of their rights or duties.

Article ~~192~~190 When performing their duties, the directors, supervisors, general manager and other senior management of the Company shall observe the principles of honesty and integrity, and shall not put themselves in a situation where their personal interests may conflict with their obligations. This principle includes (but not limited to) the performance of the following obligations:

- (I) to act in good faith to maximize the interests of the Company;
- (II) to exercise their authority within the scope specified and not to exceed their authority;

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- (III) to exercise the right of discretion available to them in person, and refuse to be manipulated by others; and never transfer their right of discretion to others, unless permitted by the laws and administrative regulations or agreed by the informed of shareholders in general meeting;
- (IV) to treat shareholders of the same category equally, and treat shareholders of different categories fairly;
- (V) not to sign any contract, deal or make any arrangements with the Company, unless otherwise specified by these Articles of Association, or approved by the informed of shareholders in general meeting;
- (VI) not to use the Company's property in whatever form to seek personal interests for themselves, unless otherwise allowed by the informed of shareholders in general meeting;
- (VII) not to use the authority to take bribes or solicit other illegal incomes, and never encroach upon the Company property in whatever form, including (but not limited to) the opportunity in favor of the Company;
- (VIII) not to accept commissions related to the dealings of the Company, unless otherwise agreed by the informed of shareholders in general meeting;
- (IX) to observe these Articles of Association, to perform the roles loyally, to safeguard the interests of the Company, and not to use their position and authority in the Company to seek private gains;
- (X) not to compete against the Company in any way, unless otherwise agreed by the informed of shareholders in general meeting;
- (XI) not to embezzle the Company's funds or make loans to others out of the funds of the Company, not to deposit the assets of the Company in an account opened under their personal names or any other names, and not to use assets of the Company as security for loans to shareholders of the Company or others;
- (XII) not to disclose any confidential information of the Company obtained during their term, nor use such information for any purpose other than for the interests of the Company, unless otherwise agreed by the informed of shareholders in general meeting.

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Nevertheless, such information may be disclosed to the court or other competent government authority in the following cases:

- (I) disclosure is required by the laws;
- (II) there is a duty to the public to disclose;
- (III) it is in the personal interests of such director, supervisor, general manager and other senior management to require disclosure.

Article 193191 The directors, supervisors, general manager and other senior management of the Company shall not incite the following persons or institutions (hereafter referred to as “**related persons**”) to do such things as such director, supervisor, general manager and other senior management is prohibited from doing:

- (I) spouses or minor children of the directors, supervisors, general manager and other senior management of the Company;
- (II) the trustees of directors, supervisors, general manager and other senior management of the Company or any persons as described in paragraph (I) above;
- (III) the partner of directors, supervisors, general manager and other senior management of the Company or any persons as set forth under paragraphs (I) and (II) above;
- (IV) a company controlled de facto by the directors, supervisors, general manager or other senior management of the Company alone or jointly with the persons named in paragraphs (I), (II) and (III) above or other directors, supervisors, general manager and other senior management of the Company has a de facto controlling interest;
- (V) The directors, supervisors, general manager and other senior management of the controlled company as described in paragraph (IV) above.

Article 194192 The fiduciary duty of a director, supervisor, general manager and other senior management of the Company does not necessarily cease upon the termination of his tenure of office. The obligation of confidence in relation to the trade secrets of the Company shall survive after the termination of his tenure. Other obligations may continue for such period as to be determined under the principle of fairness, depending on the time lapse between the acts concerned and the termination and the circumstances and the conditions under which the relationship with the Company terminated.

Article ~~195~~193 Except as provided in Article 58 of ~~these~~ Articles of Association, directors, supervisors, general manager and other senior management of the Company may be exempted from liabilities for specific breach of duties with informed consent by the general meeting.

Article ~~196~~194 Where the directors, supervisors, general manager and other senior management of the Company have a major interest, directly or indirectly, in the contract, deal or arrangement already ongoing or proposed to be executed by the Company (except the employment contracts between the Company and the directors, supervisors, general manager and other senior management), they shall disclose to the board of directors as soon as possible why and how they are relevant thereto, no matter the relevant issue require the approval from the board of directors or not.

Except pursuant to provisions in paragraph 4(1) of the Appendix 3 to the Hong Kong Listing Rules or otherwise exempted by the Hong Kong Stock Exchange, directors do not have the right to vote on the contracts, transaction or arrangements or other proposals in which he/she or his/her close associates (refer to the definition in applicable securities listing rules from time to time) has material interest. The concerned director shall not be counted in the quorum of a meeting.

Exceptions permitted by the Hong Kong Stock Exchange include:

- (I) (1) provide any pledge or indemnity to the director or his/her associate(s) in respect of money lent to the Company or any of its subsidiaries or obligations incurred—or undertaken by him/her or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or (2) provide any pledge or indemnity to a third party by the Company or any of its subsidiaries in respect of its debt or obligation for which the director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (II) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the director or his/her associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (III) any proposal made by any other company in which the director or his/her associate(s) is/are interested, whether directly or indirectly (as an officer or executive or shareholder); or any proposal made by any other company in which the director or his/her associate(s) is/are beneficially interested in shares of that company, provided that such director and any of

his/her associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his/her interest or that of his/her associates is derived) or of the voting rights;

(IV) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries, including:

- (1) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his/her associate(s) may benefit; or
- (2) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any director, or his/her associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(V) any contract or arrangement in which the director or his/her associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/her/their interest in shares or debentures or other securities of the Company.

Unless the connected director, supervisor, general manager or other senior management of the Company has disclosed his/her connection to the Board in accordance with the preceding paragraph of ~~the~~these Articles of Association and the above matter has been approved by the Board at a meeting in which the connected director, supervisor or senior management is not counted in the quorum and has refrained from voting, such contract, transaction or arrangement is voidable by the Company except against a bona fide third party who is unaware of the facts about the breach of duty on the part of the said directors, supervisors, general manager and other senior management.

If the related persons of the directors, supervisors, general manager and other senior management of the Company have related interests in a contract, deal or arrangement, the relevant directors, supervisors, general manager and other senior management shall also be considered as having an interest therein.

Article 197~~195~~195 If, prior to the Company beginning to consider signing a contract, deal or making an arrangement, a director, supervisor, general manager or other senior management of the Company notifies the board of directors in writing, stating that such contract, deal or arrangement

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to be executed by the Company in the future would be relevant to him due to the contents contained in the notice, he/she shall be deemed to have made the disclosure specified in the previous Article of this Chapter to the extent of the scope stated in the notice.

Article ~~198~~196 The Company shall in no way whatsoever pay taxes for its directors, supervisors, general manager and other senior management officers.

Article ~~199~~197 The Company shall not provide loans or loan guarantees directly or indirectly to the directors, supervisors, general manager and other senior management of the Company and its parent company, or to the related persons of the aforesaid persons.

The preceding provision shall not apply to the following cases:

- (I) the Company provides loans or loan guarantees for subsidiaries;
- (II) the Company provides loans, loan guarantees or other funds for the Directors, Supervisors, General manager and other senior management according to the employment contract approved by the general meeting so that they may pay the expenses incurred for the purpose of the Company or for the performance of their duties;
- (III) if the normal business scope of the Company includes provision of loans and loan guarantees, the Company may provide loans, loan guarantees to concerned directors, supervisors, general manager and other senior management as well as their related persons, provided only that these are based on the general commercial terms.

Article ~~200~~198 If the Company provides a loan in violation of the previous Article, the recipient of the loan shall be immediately returned, regardless of the terms by which it was granted.

Article ~~201~~199 A loan guarantee provided by the Company in breach of provision under paragraph (I) of Article ~~196~~197 shall be unenforceable against the Company, except under the following circumstances:

- (I) the lender is not informed when offering loans to related persons of the directors, supervisors, general manager and other senior management of the Company or its parent company;
- (II) the collateral provided by the Company has been sold by the borrower legally to a bona fide buyer.

~~Article 202~~ The guarantee as described in the preceding articles of this Chapter shall include an undertaking by the guarantor or property provided to secure the performance of obligations by the obligor.

Article 203200 When the directors, supervisors, general manager and other senior-management of the Company breach their obligations to the Company, the Company shall have the right to take the following measures in addition to the various rights and remedies provided by the laws and administrative regulations:

- (I) to require relevant directors, supervisors, general manager and other senior management to compensate the loss incurred by the Company on account of their delinquency;
- (II) to rescind any contract or deal executed by the Company with relevant directors, supervisors, general manager and other senior management as well as any contract or deal concluded by the Company with a third person (when such third person clearly knows or is reasonably expected to know of the breach of obligations by the Directors, Supervisors, General manager and other senior management officers representing the Company);
- (III) to require directors, supervisors, general manager and other senior management to give up the income obtained as a result of the breach of their obligations;
- (IV) to recover the money received by relevant directors, supervisors, general manager and other senior management that should have been received by the Company, including (but not limit to) commissions;
- (V) to require relevant directors, supervisors, general manager and other senior management to return the interests earned or possibly earned on the money that should have been paid to the Company.

Article 204201 The Company shall establish written contracts on remunerations of the directors and supervisors of the Company, and such contracts shall be approved by the general meeting in advance. The aforesaid remunerations shall include:

- (I) remunerations for being the directors, supervisors or senior management of the Company;
- (II) remunerations for being the directors, supervisors or senior management of subsidiaries of the Company;

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(III) remunerations for other services rendered for the management of the Company and its subsidiaries;

(IV) compensation paid to relevant directors or supervisors for the loss of positions or retirement.

Except for the aforesaid contract, the directors and supervisors shall not take a legal action against the Company over the interests they shall obtain because of the aforesaid issues.

Article 205202 There shall be a provision in a contract made between the Company and a director or supervisor in respect of their remuneration that the director or the supervisor shall, with the prior approval of the shareholders in the general meeting, be entitled to payment by way of compensation for loss of office or other amounts as consideration for his retirement from office in connection with the takeover of the Company. The takeover of the Company as described in the previous paragraph refers to any one of the following:

(I) a takeover offer made to all shareholders by any person; or

(II) a takeover offer made by any person with a view to the offeror of becoming the controlling shareholder. ~~The definition of controlling shareholder shall be the same as the one defined in the Article 264 of these Articles of Association~~

If a relevant director or supervisor fails to observe this Article, then any amount he/she receives shall be owned by those persons who accept the takeover offer and sell their shares, and such director or supervisor shall pay the expenses arising out of the distribution of such amount in proportion, and such expenses shall not be deducted out of such amount.

CHAPTER 9 PARTY COMMITTEE

Article 203 The Company shall establish the Party Committee consisting of a secretary and several other members. The Party Committee of the Company shall perform the following duties in accordance with the Constitution of the Communist Party of China and other internal rules of the Party:

(I) ensure and supervise the Company's implementation of guidelines and policies of the Party and the State, implement major strategic decisions of the Central Committee of the Party and the State Council.

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(II) to research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and to provide comments and suggestions thereon.

(III) to undertake the main responsibility to overall and strictly administer the Party. Lead the Company's ideological and political work, united front work, spiritual civilization construction, corporate culture construction and the work of mass organizations such as the labor union and the communist youth league.

**CHAPTER 10 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION
AND AUDIT**

Section 1 Financial and Accounting System

Article 206204 The Company shall establish a financial and accounting system in line with the laws, administrative regulations and provisions of accounting standard of the PRC stipulated by the finance supervisory department of the State Council.

Article 207205 The Company shall prepare a financial report at the end of each accounting year, and such financial report shall be ~~reviewed and verified~~ audited by accounting firm according to the laws.

Article 208206 The Company shall publish its annual financial reports within four months from the ending date of each accounting year, publish the interim financial reports within two months from the ending date of the first six months of each accounting year, and publish the quarterly reports within one month from the ending dates of the first three months and first nine months of each accounting year respectively.

In the event that the securities regulatory rules where shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 207 The Board of the Company shall, at each annual general meeting, submit to the shareholders the financial reports that shall be prepared by the Company under relevant laws, administrative regulations and regulatory documents promulgated by the regional governments and departments in charge.

Article ~~209~~208 The financial report of the Company shall be kept at the Company and shall be made available to the shareholders at least 20 days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.

~~The Company shall send a copy of the said reports or the report of directors together with the balance sheet (including all documents required to be annexed to the balance sheet according to the relevant regulations), the income statement or profit or loss statement or a summary of the financial report to each shareholder of Overseas-listed Foreign-invested Shares in person and by pre-paid post at least 21 days prior to the convening of the annual general meeting at the address appearing on the register of shareholders. Subject to the obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, the notice of the meeting may also be given by way of public announcement (including publishing on the website of the Company).~~

Article ~~210~~209 The financial statement of the Company shall be prepared in line with the accounting standards, laws and regulations of China.

Article ~~211~~210 The quarterly/interim/annual results or financial information published or disclosed by the Company shall be prepared according to the Chinese accounting standards, laws and regulations.

~~**Article 212** The Company shall publish the financial report twice each accounting year, namely, publish the interim financial report within 60 days after the end of the first 6 months of the accounting year, and publish the annual financial report within 120 days after the end of the accounting year.~~

~~**Article 213**~~**Article 211** The Company shall not maintain a separate accounts book except the one required by law. The assets of the Company shall not be deposited in any account opened under a personal name.

Article ~~214~~212 The capital reserve includes the amounts named below:

- (I) premium obtained from the share issuance at a price higher than the face value;
- (II) other incomes that shall be listed in the capital reserves according to the provisions of the finance administration authority of the State Council.

Article 215213 The Company shall, when distributing the post-tax profit of an accounting year, accrue 10% of the profit to list it in the legal reserves of the Company. The Company may not further accrue the legal reserves when its accumulative amount represents 50% or more of the registered capital of the Company.

When the legal reserves of the Company falls short to offset the loss of prior years, the Company shall use the profit earned during the year to offset the loss before accruing the legal reserves according to the previous paragraph.

After accruing the legal reserves out of the post-tax profit, the Company may, subject to the resolution of the general meeting, accrue the free reserve out of the post-tax profit.

Subject to the resolution of the general meeting, the post-tax profit left after the loss recovery and accrual of the reserves shall be distributed in proportion according to the shareholding proportions of the shareholders. If the shareholders' general meeting breaches the preceding paragraph by distributing the profit to the shareholders before the loss recovery and accrual of the legal reserves, the shareholders shall return to the Company the profit distributed in violation of the law.

The company shares held by the Company shall not participate in the profit distribution.

Article 216214 The reserves of the Company are used to offset the losses of the Company, expand business scale or bolster registered capital. Nevertheless, the capital reserves will not be used to offset the losses of the Company.

When the legal reserve is converted into registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

Article 217215 After a resolution on the profit distribution plan is made at the general meeting, the board of directors of the Company shall complete the distribution of the dividend (or shares) within two months after the said meeting.

Article 218216 The Company may distribute its profit in the form of cash or in other ways 's profit distribution policy is as permitted by the laws follows:

(I) Basic principles of the profit distribution

1. The profit distribution policy of the Company shall maintain consistent take fully into account the returns for its investors and distribute the dividends to its shareholders according to the stipulated proportion of the profits in the consolidated financial statements available for distribution achieved during the year;
2. The Company shall keep an on-going and stable in the form of cash or shares. The implementation profit distribution policy and also consider the long-term interest of the Company, the overall interests of Company's profit distribution policy shall be observe the following rules:HHV Vall shareholders and the sustained development of the Company;
3. TheThe Company shall formulate the profit distribution of the Company shall focus on providing shareholders scheme in accordance with reasonable investment return, and the Company relevant laws and regulations and these Articles of Association and shall maintain distribute its profit by way of cash dividend as priority. Where the Company satisfies the conditions for cash dividend distribution, it shall distribute profit by way of cash.

(II) Detailed policies for profit distribution

- (H)1. Form of profit distribution: Subject to the relevant laws and regulations and regulatory documents while maintaining the continuity and stability of the profit distribution policy as much as possible., the Company may distribute profits by way of cash dividends, scrip dividends or a combination of both. The Board shall formulate an annual or interim dividend distribution plan in accordance with the Company's current profit size, cash flow, development stage and capital requirements;
2. Specific conditions and ratio of cash dividends: Except for special circumstances, if the Company is profitable in the current year and the accumulated undistributed profits are positive, the Company shall give priority to the distribution of dividends in cash after full appropriation of statutory reserve and discretionary reserve. Provided that the conditions for cash dividends are met, the accumulated profits distributed in cash in the last three years shall not be less than 30% of the average annual distributable profits realized in the last three years.

Special circumstances refer to:

- (1) where the production and operation of the Company is significantly affected by force majeure events (such as war, natural disasters, etc.);
- (2) where the net cash flow from operating activities for the year is negative and the distribution of cash dividends will affect the subsequent sustainable operation of the Company;
- (3) the auditor has not issued a standard unqualified audit report on the Company's financial report for the year;
- (4) where the Company has significant investment plans or other significant cash expenditures (except for the fund-raising projects).

Significant investment plan or significant cash expenditures refer to the Company's proposed external investment, acquisition of assets or purchase of equipment within the next twelve months with a total amount equivalent to 30% or above of the Company's latest audited net assets.

3. Specific conditions for distribution of scrip dividends by the Company: The Company may propose for distribution of scrip dividends when it maintains stable operation and when the board of directors believes that the price of the Company's shares does not match the size of the Company's share capital and that the distribution of scrip dividends is beneficial to the overall interests of all shareholders of the Company, provided that the above conditions for cash dividends are satisfied. When the Company distributes profits by way of scrip dividends, it shall be conducted on the premise of giving shareholders a reasonable cash dividend return and maintaining an appropriate size of share capital, and the Company shall take into account actual conditions and reasonable factors such as the growth of the Company and dilution of net assets per share.

(III) Differentiated cash dividend policy

When distributing dividends, the Board shall take into account the characteristics of the industry in which it operates, the stage of development, its own business model, the level of profitability and whether there are significant capital expenditure arrangements, distinguish the following circumstances and propose a differentiated cash dividend policy in accordance with the procedures stipulated in the Articles of Association:

1. Where the conditions for cash dividends are met and the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distributed during the profit distribution;
2. Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distributed during the profit distribution;
3. Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distributed during the profit distribution.

If it is difficult to determine the Company's stage of development while it has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions. The specific stage of the Company at the time of actual dividend distribution shall be determined by the board of directors of the Company according to the specific circumstances.

(IV) Decision-making procedures and mechanisms for profit distribution of the Company

1. The profit distribution plan of the Company shall be prepared by the management and submitted to the board of directors and the board of supervisors of the Company for consideration. The board of directors shall thoroughly discuss the reasonableness of the profit distribution plan and form a special proposal and submit it to the general meeting for consideration. When the Company has achieved profitability in the previous accounting year but the board of directors does not distribute cash dividends or distributes profits at a ratio lower than the cash dividend ratio stipulated in the articles of association, the independent non-executive directors shall provide independent opinions and the Company shall provide online voting to facilitate the public shareholders to vote at the general meeting;
2. When the Company formulates a specific proposal for cash dividends, the board of directors shall carefully study and discuss matters such as the timing, conditions and minimum ratio of the Company's cash dividends, and the requirements of its decision-making procedures, and the independent non-executive directors shall provide independent opinions. The independent non-executive directors may solicit the opinions of the minority shareholders and put forward dividend distribution proposal and submit it directly to the board of directors for consideration;

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3. Before considering the specific cash dividend proposal at the general meeting, the Company shall communicate and exchange views with shareholders (especially the minority shareholders) through various channels (including but not limited to telephone, fax, email, physical meeting, etc.), fully listen to the opinions and demands of the minority shareholders and promptly respond to the concerns of the minority shareholders;

4. Where the Company does not pay cash dividends due to the special circumstances specified above, the board of directors shall make special explanations on the specific reasons for not paying cash dividends, the exact purpose for the Company's retained earnings and the estimated investment yields, etc. and submit the same to the general meeting for consideration after the independent non-executive directors have expressed their opinions, and disclose it in the media designated by the Company.

(V) Adjustment of profit distribution policy of the Company

In the event of force majeure such as war, natural disasters, or changes in the Company's external business environment (such as adjustments in national policies and regulations) that have a significant impact on the Company's production and operation, or if the Company's own operating conditions change significantly, the Company may adjust its profit distribution policy.

The resolution in respect of adjustment of profit distribution policy shall be approved by the Board and board of supervisors before submitting to the general meeting of the Company for approval by way of special resolution, and the independent non-executive directors shall provide independent opinions on this. The Company shall provide the shareholders with the online voting method when considering the matters of change of profit distribution policy. The general meeting shall fully consider the opinions of the minority shareholders when considering the matter of change of policy on profit distribution plan.

Article ~~The Company may distribute its profit in the form of cash, shares, and may distribute interim profit.~~ 217 The cash dividends and other amounts paid by the Company to its shareholders of Domestic Shares shall be distributed in RMB. The cash dividends and other amounts paid by the Company to its shareholders of Overseas-listed Foreign-invested Shares shall be calculated and declared in RMB and paid in foreign currency. All foreign currency required for payment of cash dividends and other amounts by the Company to its shareholders of Overseas-listed Foreign-invested Shares shall be handled in accordance with the relevant provisions of the foreign exchange administration of the PRC.

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In the event of distributing the dividends to shareholders of the Company, the payable taxes on the dividend incomes of the shareholders shall be withdrawn in accordance with the ~~relevant~~ requirements of ~~law~~ Taxation Law of the PRC and ~~regulations~~ in consideration of the distributed sum.

~~Amendments to the profit distribution policy on the basis of the Company's production and operation conditions, investment plan or long-term development needs shall not contravene relevant requirements imposed by the CSRC and stock exchange. The proposal for the amendments to the Company's profits distribution policy shall seek approval from the general meeting after being reviewed by the Board.~~

~~(H) Article 219~~ Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to participate in respect thereof in a subsequent dividend declaration.

Article 220~~218~~ The Company shall appoint receiving agents in Hong Kong on behalf of the holders of Overseas-listed Foreign-invested Shares to receive and keep on behalf of the relevant shareholders the dividends distributed by the Company in respect of Overseas-listed Foreign-invested Shares and other payables, and make payment to such shareholders.

The receiving agents appointed by the Company shall meet the requirements of the laws of the place(s) where the Company's shares are listed or the relevant regulations of the stock exchange(s).

The receiving agents appointed by the Company for holders of foreign shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Subject to the ~~relevant laws, regulations and requirements of the Hong Kong Stock Exchange,~~ securities regulatory authority or stock exchange(s), the Company may exercise the right to confiscate unclaimed dividends, but such right shall be exercised only after the applicable time expires.

Section 2 Internal Audit

Article 221~~219~~ The Company shall have an internal audit system, arrange special auditors, and conduct the internal audit supervision of the financial incomes and expenditures and economic activities of the Company.

Article 222220 The internal audit system of the Company and the responsibilities of auditors shall be implemented upon the approval of the Board. The principal of the audit department shall be responsible and report to the Board.

Section 3 Engagement of Accounting Firms

Article 223221 The Company shall engage a firm that has the “qualification to engage in securities related business” to audit and review the Financial Statements of the Company, verify the net assets and offer other consulting services.

Article 224222 The engagement of an accounting firm by the Company shall be decided by the general meeting, and the board of director shall not engage an accounting firm before any resolution made by the general meeting.

The term of the accounting firm engaged by the Company shall commence when the current annual general meeting finishes and end when next annual general meeting concludes.

Article 225223 The general meeting may dismiss any accounting firm through an ordinary resolution before the term of such accounting firm expires, regardless of the contract made by the Company with such accounting firm. If the relevant accounting firm enjoys the right to claim compensation from the Company because of the disengagement, the relevant rights shall not be influenced by this provision.

Article 226224 The accounting firm engaged by the Company shall enjoy the following rights:

- (I) to have the access to the books, records or vouchers of the Company at any time, and have the right to require the directors, general manager or other senior management officers of the Company to provide relevant materials and statements;
- (II) to require the Company to take every reasonable measure to obtain the materials and statements of the subsidiaries necessary for the accounting firm to perform its duties;
- (III) to attend the general meeting, obtain the meeting notices any shareholder is entitled to and other information related to the meeting, and address any general meeting over the issues concerning the accounting firm.

Article 227225 The Company guarantees that the accounting evidence, accounting books, financial report and other accounting information provided to the accounting firm engaged are true and complete without refusal, withholding or false information.

Article ~~228~~226 The auditing fee of the accounting firm shall be determined by the general meeting.

Article ~~229~~227 When the Company dismisses or disengages the accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm shall be given the opportunity to state their opinion during the voting of resolutions to dismiss the accounting firm at the general meeting of the Company.

When the accounting firm requests to resign from the position, the accounting firm shall explain to the general meeting whether there is anything inappropriate with the Company.

Article ~~230~~228 The general meeting shall observe the following rules when engaging a candidate accounting firm not in position now to fill any vacancy of the position of the accounting firm, or re-engage an accounting firm who was appointed by the Board to fill a casual vacancy, or dismiss an accounting firm whose term has not yet expired:

- (I) the proposal on engagement or disengagement shall be sent to the accounting firm proposed for engagement or proposed for departure, or the accounting firm that has departed within the accounting year, before the meeting notice of the general meeting is distributed. Departure includes disengagement, resignation and termination of the term.
- (II) if the accounting firm about to depart from the position makes a written statement and requires the Company to furnish such statement to the shareholders, the Company shall take the following measures, unless the Company receives such written statement too late:
 - (1) specify the accounting firm about to depart from the position has made the statement on the notice distributed to make a resolution; and
 - (2) distribute the duplicate of the statement as an appendix to the notice in the manner specified in these Articles of Association.
- (III) If the Company fails to distribute the statement of the accounting firm as specified in paragraph (II) of this Article, the accounting firm may require the statement to be read out at the general meeting and further appeal.
- (IV) the accounting firm that has departed from the position shall have the right to participate in the following meetings:
 - (1) the general meeting for which the term of the accounting firm shall expire;

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- (2) the general meeting that incurs a vacancy because of the dismissal of the accounting firm;
- (3) The general meeting convened because of the active resignation of the accounting firm.

The accounting firm that has left the office shall have the right to receive all the notices or other information related to the aforesaid meetings, and to address such meetings over the issues concerning itself as the former accounting firm of the Company.

Article 231229 The accounting firm may resign from the position by submitting a written notice of resignation to the registered address of the Company. The notice shall take effect on the date on which it is submitted to the legal address of the Company or such later date as may be specified in the notice. Such notice shall include the following statements:

- (I) the statement that its resignation does not involve any situation that shall be stated to the shareholders or creditors of the Company; or
- (II) statement on any situation that shall be stated.

The Company shall deliver a copy of the notice to the relevant competent authorities within 14 days after receipt of such notice. If the notice contains the statement mentioned in (II) under this Article, the Company shall keep a duplicate of such statement in the Company and make it available to the shareholders. The Company shall also send a duplicate of such statement to each shareholder who has the right to receive the financial report of the Company through mail with prepaid postage to the addresses registered in the list of shareholders.

Article 232230 If the notice of resignation of the accounting firm contains the statement referred in item (II) of Article 231229, the accounting firm may require the Board to hold an extraordinary general meeting to hear the explanation about relevant situations concerning its resignation.

CHAPTER 4011 NOTICES AND ANNOUNCEMENTS

Article 233231 The notices, communications or other written materials, documents (including but not limited to annual reports, interim reports, notices of meetings, listing documents, circulars and proxy forms) of the Company ("**Corporate Communications**") shall be delivered by one or more of the following means:

- (I) by hand;

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(II) by letter (including ordinary mail, registered mail and express delivery service);

(III) by email, facsimile;

(IV) by ~~mail~~ announcements;

(V) ~~by other means stipulated~~ recognized by the Company, or agreed by the recipient of the notice in advance or recognized by the recipient of the notice after receiving such notice;

(VI) by other ways which are recognized by the securities regulatory authority of the place(s) where the shares of the Company are listed or provided in these Articles of Association.

Article 232 Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once the announcement is published.

Article 233 Unless otherwise provided in these Articles of Association, all means of s notice as set out in the preceding Article may also be applicable to notices for general meeting, Board meetings or the board of supervisors.

Article 234 For any notice delivered by hand, the addressee shall sign or seal with chop on the receipt slip and the date of delivery shall be the date of the confirmation of receipt by such addressee. For any notice delivered by letter, the date of delivery shall be the third working day upon the delivery to the post office. For any notice delivered by fax, the date of delivery shall be the record date of fax. For any notice delivered by e-mail, the date of delivery shall be the date of sending. For any notice delivered by phone, the date of delivery shall be the record date of call. For any notice of the Company given by announcement, the notice shall be deemed to be served on the date when such announcement is initially published.

Article 235 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at such meeting.

~~Article 236~~ **Article 236** From the date of completion of listing and trading of the Company's shares on the Shanghai Stock Exchange, media designated by the Company, the Company's website, the official website of the Hong Kong Stock Exchange and the official website of the Shanghai Stock Exchange as the media for publishing the Company's announcements and other necessary information disclosure.

Article 237 Where power is taken to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

Article 237~~238~~ Where power is taken to sell the shares of a member who is untraceable it will not be exercised unless:

- (I) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (II) on expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the ~~Stock Exchange~~stock exchange(s) of such intention.

Article 238~~239~~ Unless otherwise specified in these Articles of Association, for notice issued by the Company to the holders of Overseas-listed Foreign-invested Shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the rules of the listing place. The announcement shall also be published on the Company's website at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of shareholders of Overseas-listed Foreign-invested Shares by personal delivery or postage paid mail, so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Holders of the Company's Overseas-listed Foreign-invested Shares may elect in writing to receive the ~~corporate communication~~Corporate Communications that the Company is required to send to shareholders either by electronic means or by post, and may also elect to receive either the English or Chinese version only, or both the English and Chinese versions. They shall have the right to change their choices as to the manner of receiving the same and the language at any time by reasonable prior written notice to the Company in accordance with applicable procedures.

Article 239~~240~~ All notices or any other documents of the Company to be submitted to the Hong Kong Stock Exchange according to Chapter 13 of the Hong Kong Listing Rules shall either be written in English or accompanied by a signed and certified English translation.

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Article 240241 For any notice delivered by hand, the addressee shall sign or seal with chop on the receipt slip and the date of delivery shall be the date of the confirmation of receipt by such addressee. When a notice is delivered by mail, it shall be having been delivered to the extent that the envelope is properly addressed, the postage is prepaid, the notice is contained in the envelope and the envelope which contains the notice is put into the postbox. The notice shall be deemed as having received 48 hours upon the delivery. For any notice delivered by announcement, the date of delivery shall be the first day on which such announcement is published. For any notice delivered by fax or email, the date of delivery shall be the date of sending or publishing.

Article 241242 Notwithstanding the aforesaid provision which specifies providing and/or dispatching written ~~corporate communication~~ Corporate Communications to shareholders, for the purpose of the means by which the Company provides and/or dispatches its ~~corporate communication~~ Corporate Communications to shareholders according to the Hong Kong Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and relevant requirements of the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide ~~corporate communication~~ Corporate Communications to its shareholders by electronic means or via its website. Corporate ~~communication~~ communications includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of ~~corporate communication~~ Corporate Communications as specified in the Hong Kong Listing Rules. Where power is taken to give notice by advertisement, such advertisement may be published in the newspapers. And there is no restrictions on announcement to the shareholders whose registered addresses are outside Hong Kong.

**CHAPTER ~~11~~2 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION,
DISSOLUTION AND LIQUIDATION**

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 242243 Merger of the Company may take place by absorption or by the establishment of a new company.

Absorption means a company absorbs another company and the absorbed company will be dissolved. Otherwise, two or more companies will combine together for the establishment of a new company, and the original companies will be dissolved.

Article 243244 In the event of merger or division of the Company, a plan shall be proposed by the Board and shall be approved in accordance with the procedures stipulated in these Articles of Association and the relevant examining and approving formalities shall be carried out as required

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by law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request that the Company or the shareholders who consent to such plan purchase their shares at a fair price. A special document of the Company's resolution on the merger or division should be prepared for inspection by the shareholders.

For holders of Overseas-listed Foreign-invested Shares of the companies listed in Hong Kong, the aforesaid document shall be despatched by mail or other means specified by these Articles of Association.

Article 244245 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days as of the date of the Company's resolution on merger and shall make newspaper announcement within 30 days as of the date of the Company's resolution on merger.

Creditors may, within 30 days after receipt of such notice from the Company, or within 45 days as of the date of the announcement for those who do not receive such notice, to demand that the Company repay their debts or provide a corresponding guarantee for such debts.

Article 245246 Upon merger, the credits and liabilities of each of the merged parties shall be assumed by the surviving party or the newly established company.

Article 246247 Where there is a division of the Company, its assets shall be divided accordingly.

The parties to the division shall prepare their balance sheet and inventory of assets. The Company shall notify its creditors within ten days of the date of the division resolution and shall publish an announcement on ~~provincial~~ press for information disclosure within 30 days of the date of the division resolution.

Article 247248 Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before division, liabilities of the Company prior to the division shall be jointly assumed by surviving companies after division.

Article 248249 Where the Company needs to reduce its registered capital, it shall prepare balance sheet and an inventory of assets.

The Company shall notify its creditors within ~~ten~~30 days from the date of the resolution for reduction of capital and shall publish an announcement on ~~provincial~~ press for information disclosure within ten days from the date of such resolution. A creditor has the right within 30 days

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of receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.

The registered capital of the Company after reduction shall not be less than the statutory minimum amount.

Article 249250 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law; when the Company dissolves, the Company shall finish its deregistration in accordance with the law; when a new company is established, its establishment shall be registered in accordance with the law.

The Company shall go through the formality of changes in respect of any increase or decrease in its registered capital with the relevant company registration authorities.

Section 2 Dissolution and Liquidation

Article 250251 The Company shall be dissolved due to any of the following reasons:

- (I) the term of operation expires, or any dissolution events as stipulated in these Articles of Association occur;
- (II) a resolution for dissolution is passed at a general meeting;
- (III) dissolution as a result of a merger or division of the Company;
- (IV) the business license of the Company is revoked, or the Company is ordered to close down or revoked in accordance with laws;
- (V) Shareholders holding 10% or more of all the voting rights of the Company applies to the ~~People's~~people's court for dissolution when the Company experiences severe difficulties in its operations and management and continual operation of the Company will bring significant losses to the interest of Shareholders while there are no other ways to resolve the difficulties.

Article 251252 In the event that the situation described in item (I) of Article 250251 in these Articles of Association occurs, the Company may continue its operation through amending these Articles of Association.

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Amendments to these Articles of Association pursuant to the preceding article shall be passed by two-thirds or more of the voting rights held by the shareholders present at a general meeting.

Article 252253 A liquidation committee shall be set up within 15 days of the Company being dissolved pursuant to items (I), (II), (IV) and (V) of Article 250251 in these Articles of Association. The composition of the liquidation committee of the Company shall be determined by the Board or by a general meeting. If the Company fails to set up the liquidation committee within the period, the creditors may apply to the ~~People's Court~~ people's court for appointment of relevant persons to form a liquidation committee and carry out liquidation.

Article 253254 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to verify the assets of the Company, prepare a balance sheet and an inventory of assets;
- (II) to notify the creditors or to publish public announcements;
- (III) to handle any unfinished businesses of the Company in relation to the liquidation;
- (IV) to pay all outstanding taxes and taxes incurred in the process of liquidation;
- (V) to settle claim and debts;
- (VI) to deal with the surplus assets remaining after the debts of the Company have been repaid;
- (VII) to represent the Company in any civil proceedings.

Article 254255 The liquidation committee shall inform the creditors within ten days of its establishment and an announcement shall be published on ~~provincial~~ newspaper for information disclosure within 60 days. The creditors shall declare their claims to the liquidation team within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors shall provide explanation for the relevant matters and evidence of the claims upon declaration of such claims. The liquidation team shall carry out registration of the creditors' claims.

The liquidation team shall not make any repayment to the creditors during the period of declaration of claims.

Article 255256 After the liquidation committee has cleared the assets of the Company and prepared a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the ~~People's Court~~people's court for confirmation.

The assets of the Company shall settle liquidation expenses, remuneration, social security and statutory compensation payable to employees, as well as tax payable remaining assets of the Company after payment respectively, the Company shall distribute to its shareholders according to the proportion of shares held.

During the liquidation, the Company remains subsisting but may not commence any business activities not related to the liquidation. The assets of the Company shall not be distributed to shareholders before repayments have been made pursuant to the preceding article.

Article 256257 If after verifying the assets of the Company and preparing a balance sheet and an inventory of assets, the liquidation committee finds that the assets of the Company are insufficient to repay the debts of the Company in full, it shall immediately apply to the ~~People's Court~~people's court for a declaration of insolvency.

After the Company is declared insolvent by the ~~People's Court~~people's court, the liquidation of the Company shall be taken up by the ~~People's Court~~people's court.

Article 257258 Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, submit them to a general meeting of or the ~~People's Court~~people's court for confirmation, and submit to the company registration authority for cancellation of the Company's registration and announce the termination of the Company.

Article 258259 The members of the liquidation committee shall perform their duties with due diligence and in accordance with the laws.

The members of the liquidation committee shall not exploit their position to accept bribes or other illegal income or expropriate the property of the Company in any way.

The members of the liquidation committee shall be liable to compensate the Company or creditors for any loss caused intentionally or by material default.

Article 259260 In the event that the Company is legally declared insolvent, insolvent liquidation shall be carried out pursuant to the relevant regulations on enterprise insolvency.

CHAPTER 1213
AMENDMENTS TO ~~THE~~THESE ARTICLES OF ASSOCIATION

Article 260261 Amendments shall be made to these Articles of Association by the Company in any of the following circumstances:

- (I) where after any change in the Company Law or the relevant law and administrative regulations, there is conflict between the provisions under these Articles of Association and those under the revised versions of the Company Law, the relevant laws and administrative regulations;
- (II) where there is any change to the Company which is different from the statements as set out in the Company's Articles of Association;
- (III) upon resolution of a general meeting to make any amendment to these Articles of Association.

Article 261262 The amendments to these Articles of Association as adopted by resolution of the general meeting which should be approved by competent authorities shall be submitted to the approval competent authorities for approval. Amendment of these Articles of Association involving the contents of the Mandatory Provisions shall become effective upon receipt of approval from the companies examining and approving department authorized by the State Council and the ~~China Securities Regulatory Commission~~.CSRC. Amendment of the Company's Articles of Association involving changes in the particulars of registration of the Company shall be made through a change in registration in accordance with laws.

Article 262263 The Board shall amend these Articles of Association in accordance with the resolution to amend the Company's Articles of Association passed at the general meeting and the review opinions from the relevant competent authorities. Matters in respect of amendments to these Articles of Association belong to information required to be disclosed under the laws and regulations and should be announced accordingly.

CHAPTER ~~13~~14 DISPUTE RESOLUTIONS

Article ~~263~~264 Unless otherwise provided in these Articles of Association, the Company shall abide by the following principles for dispute resolution:

- (I) For any disputes or claims arising between holders of the Overseas-listed Foreign- invested Shares and the Company, or between holders of the Overseas-listed Foreign- invested Shares and the directors, supervisors, general manager or other senior management of the Company; or between holders of the Overseas-listed Foreign- invested Shares and holders of domestic shares, in respect of any rights or obligations under these Articles of Association, or any rights or obligations conferred or imposed by relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights referred above is referred to arbitration, the entire claim or dispute must be referred to arbitration and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall agree with the arbitration if such person is the Company, the shareholders, directors, supervisors, general manager or other senior management of the Company.

Disputes in respect of the identification of shareholders and disputes in relation to the register of shareholders need not be resolved by arbitration.

- (II) A claimant may elect to refer the same for arbitration to either the China International Economic and Trade Arbitration Commission in accordance with its Rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant refers the same for arbitration to Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (III) If any disputes or claims of rights are settled by way of arbitration in accordance with item (I), the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.

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- (IV) The award of an arbitral body shall be final and conclusive and binding on all parties.
- (V) The arbitration agreement shall be reached by directors or senior management and the Company which represents both itself and each of the shareholders.
- (VI) Any arbitration submitted shall be deemed as authorizing the arbitration tribunal to conduct a public hearing and announce its verdict.

CHAPTER 1415 SUPPLEMENTARY

Article 264265 Definitions

- (I) All directors refer to all members of the board of directors as stipulated in these Articles of Association.
- (II) All supervisors refer to all members of the board of supervisors as stipulated in these Articles of Association.
- (III) Renminbi refers to the legal currency of the PRC.
- (IV) Law refers to the applicable laws, administrative regulations, departmental rules, local regulations, local government rules and government regulatory documents with legal binding force that are in force in the PRC on the effective date of these Articles of Association and are promulgated or modified from time to time. However, when used only with “regulations”, it refers specifically to the legal norms adopted by the National People’s Congress and its standing committee.
- (V) Regulations refers to the legal norms formulated by the State Council of the PRC in accordance with the Constitution and laws and promulgated as decree of the State Council.
- (VI) Subsidiary refers to a company that is directly or indirectly controlled by the Company and has legal personality and independently bears civil liability.
- (VII) Controlling Shareholdersshareholder refers to ~~anya~~ any person~~(including holders of Depository Receipts)~~ who is ~~a group or persons (including any holders of Depository Receipts)~~ who are ~~together~~ meets one of the following conditions:
1. he/she alone or acting in concert with others has the power to elect more than half of the Board;

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~~(H)2.~~ he/she alone or acting in concert with others, is entitled to exercise or to control the exercise of 30% (or such other percentage as may from time to time be specified in the Code of Takeovers, as being the level for triggering a mandatory general offer) or or more of the voting power of general meeting of the Company or who is or are in a position to control the composition of a majority of the Board of the Company. rights of the Company;

~~Actual~~

3. he/she alone or acting in concert with others, holds 30% or more of the issued shares of the Company;

4. he/she alone or acting in concert with others, in any other manner has de facto control of the Company.

(VIII) Acting in concert refers to two or more persons who, by way of agreement (whether verbal or written) or other arrangements, enlarge the proportion of the shares in the Company which are under their control or consolidate their control over the Company, so that when exercising the voting rights, the same expression of opinions will be made.

(IX) ~~(H)~~ De facto controller refers to anyone (even though not a shareholder of the Company) who can actually control the actions of the Company through investment relationships, agreements or any other arrangements. The Company shall objectively and prudently determine the ownership of control according to the shareholding structure, nomination, appointment and removal of Directors and senior management and other internal governance conditions.

(X) ~~(H)~~ Connected relationship shall have For the meaning ascribed to it under regulatory requirements of the place(s) where the Company's securities are listed, the definition of "connected" in the Company's Articles of Association is the same as that of "related" in the Listing Rules of the ~~Hong Kong~~ Shanghai Stock Exchange.

These Articles of Association are written in Chinese. Where versions in other languages or different versions have different interpretations or meanings, the latest verified Chinese version registered in ~~Xinjiang Uygur Autonomous Region Administration of Industry and Commerce~~ the competent registration authority of the Company shall prevail.

Article 265~~266~~ The expressions of "or more", "within", "below" shall include the figures mentioned whilst the expressions of "short of", "without", "less than" and "more than" shall not include the figures mentioned.

Article 266~~267~~ The interpretation of these Articles of Association shall be vested to the Board of the Company.

Article 267 Issues not covered in these Articles of Association shall be dealt with pursuant to the laws, administrative regulations and securities regulatory rules of the place(s) where the Company's shares are listed and in line with the actual circumstances of the Company. In the event of any discrepancy between these Articles of Association and the promulgated laws, administrative regulations or securities regulatory rules of the place(s) where the Company's shares are listed, the latter shall prevail.

Article 268 the attachments of these Articles of Association include rules of procedure of the shareholders' general meeting, rules of procedure of the Board of Directors and rules of procedure of the board of supervisors.

Article 269 Upon consideration and approval by the general meeting, these Articles of Association shall take effect from the date of listing of the Company on the ~~Hong Kong~~ Shanghai Stock Exchange.

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(APPLICABLE AFTER THE A SHARE OFFERING AND LISTING)**

This page has no text, it is the signature page of these Articles of Association of Xinte Energy Co., Ltd.

XINTE ENERGY CO., LTD.
[•] 2022

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

XINTE ENERGY CO., LTD.
RULES OF PROCEDURES FOR THE GENERAL MEETINGS

CHAPTER 1 GENERAL PROVISIONS

Article 1 These rules (the “**Rules**”) are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period of Convening General Meetings and Other Matters Applicable to Overseas Listed Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules of General Meeting of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and the Articles of Association of Xinte Energy Co., Ltd. (the “**Articles of Association**”) in order to regulate activities of the Company and ensure that the general meeting exercises its functions and powers according to the laws.

Article 2 The Company shall convene the general meetings in strict accordance with relevant provisions of the laws, administrative regulations, the securities regulatory rules of the place(s) where the Company’s shares are listed, the Articles of Association and the Rules to ensure the shareholders can exercise their rights according to the law.

Article 3 The board of directors of the Company (the “**Board**”) shall perform its duties with due diligence and shall organize the general meetings in a serious and timely manner. All the directors of the Company shall act diligently and responsibly to ensure the general meetings can be held properly and exercise of functions and powers according to laws.

Article 4 A general meeting shall exercise its functions and powers within the scope as prescribed by the Company Law, administrative regulations, the securities regulatory rules of the place(s) where the Company’s shares are listed and the Articles of Association.

Article 5 The Rules are binding on all shareholders of the Company and relevant personnel attending the general meetings.

Article 6 In the event of convening a Company's general meeting, the Company shall engage lawyers to attend the general meeting and issue a legal opinion on the following issues and make an announcement:

- (I) whether or not the convening of the general meeting and its procedures comply with laws, administrative regulations, the Rules of Procedures for General Meeting of Listed Companies and the Articles of Association;
- (II) the legality and validity of the qualifications of the attendees and the convenor of the meeting;
- (III) the legality and validity of the voting procedures and voting results;
- (IV) legal opinions issued on other related matters as requested by the Company.

CHAPTER 2 FUNCTIONS AND POWERS OF THE GENERAL MEETING

Article 7 The general meeting is the organ of authority of a company, which exercises the following functions and powers:

- (I) to determine the business guidelines and investment plans of the Company;
- (II) to appoint and replace directors, supervisors who are not employee representative and to decide on matters relating to the remuneration of directors and supervisors;
- (III) to consider and approve the report of the board of directors;
- (IV) to consider and approve the report of the board of supervisors;
- (V) to consider and approve the proposed annual financial budgets and final accounts of the Company;
- (VI) to consider and approve the plans for profit distribution and recovery of losses of the Company;
- (VII) to resolve on the increase or reduction in the registered capital of the Company;
- (VIII) to resolve on matters such as merger, division, dissolution, liquidation or change of nature of the Company;

- (IX) to resolve on the issuance of bonds, shares of any class, warrants and other similar securities by the Company;
- (X) to amend the Articles of Association;
- (XI) to resolve on the appointment, dismissal of the accounting firm of the Company;
- (XII) to consider and approve the provisions of guarantee which are required in the Articles of Association;
- (XIII) to consider and approve the purchase and sale of major assets exceeding 30% of the total assets of the Company as shown in the latest audited financial statements of the Company;
- (XIV) to consider and approve the change of the use of proceeds from fund raising;
- (XV) to consider and approve the share incentive scheme and employee share ownership plan;
- (XVI) to consider and approve any motion put forward by shareholders representing in aggregate 3% or more of the voting rights of the Company;
- (XVII) to consider and approve on other matters which, according to laws, administrative regulations, regulations of the authorities, rules governing the listing of securities of the place of listing or the Articles of Association, need to be approved by shareholders in general meetings.

General meetings may authorise or appoint the Board to deal with such matters as authorised or appointed to be dealt with. Matters that shall be decided by the general meeting as stipulated by the laws, regulations and the Articles of Association, must be considered and approved at such general meeting to safeguard the shareholders' right of decision-making for such matters.

Article 8 The following external guarantees of the Company shall be considered and approved by the general meeting:

- (I) a single guarantee for an amount in excess of 10% of the Company's latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the Company's latest audited net assets;
- (III) guarantees provided for anyone with a asset-liability ratio of above 70%;
- (IV) guarantees exceeding 30% of the Company's latest audited total assets based on the principle of cumulative calculation of the guarantee amount for 12 consecutive months;
- (V) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 30% of the Company's latest audited total assets;
- (VI) guarantees provided to shareholders, de facto controllers and their related parties;
- (VII) other guarantees as stipulated under laws, administrative regulations, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

A guarantee which falls within the authorities of the Board requires the affirmative vote of not less than two-thirds of all the directors attending the board meeting, in addition to the affirmative vote of a simple majority of all the directors. The guarantee set out in the preceding item (IV) shall be approved by more than two-thirds of voting rights held by the shareholders attending the general meeting.

For the purpose of the Rules, "external guarantees" refer to the guarantees provided by the Company for others, including the guarantees provided by the Company to its controlling subsidiaries; "total amount of external guarantees provided by the Company and its controlling subsidiaries" refers to the sum of the Company's total external guarantees, including the Company's guarantees to its controlling subsidiaries, and the total external guarantees provided by its controlling subsidiaries.

Article 9 When the Company provides guarantees to a related person, it should be based on reasonable commercial grounds, timely disclosure is required upon consideration and approval of the Board, and the same should be submitted to the general meeting for consideration. When the Company provides guarantees to a controlling shareholder, de facto controller and their related parties, such controlling shareholder, de facto controller and their related parties shall provide reverse guarantees accordingly.

Where the shareholders consider a resolution at the general meeting on provision of guarantees in favour of a shareholder, de facto controller and their related persons, such shareholder or shareholders under the control of such de facto controller shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by other shareholders present at the general meeting.

Article 10 The following issues concerning financial assistance of the Company shall be considered and approved by the general meeting:

- (I) The amount of a single financial assistance exceeds 10% of the latest audited net assets of the Company;
- (II) The asset-liability ratio showed in the latest financial statement of the target of financial assistance exceeds 70%;
- (III) The cumulative amount of financial assistance within the last 12 months exceeds 10% of the latest audited net assets of the Company;
- (IV) Other circumstances as stipulated under laws, administrative regulations, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

If the target of financial assistance is a controlling subsidiary within the scope of consolidated statement of the Company, and the other shareholders of such controlling subsidiary do not include the controlling shareholders, de facto controllers and their related persons of the listed company, they are exempted from the provisions of the first three items.

Article 11 Transactions of the Company (save for the daily operations, financial assistance and provision of guarantee) that satisfy one of the following criteria shall be submitted to the general meeting for consideration:

- (I) the total assets involved in the transaction (the higher of the book value and the assessed value thereof as the case may be) accounts for more than 30% of the Company's latest audited total assets;
- (II) the transaction amount (including debts and expenses undertaken) accounts for more than 50% of the Company's latest audited net assets, with the absolute amount of more than RMB50 million;
- (III) profit from the transaction accounts for more than 50% of the audited net profit of the Company in the most recent accounting year, with the absolute amount of more than RMB5 million;
- (IV) the relevant operating income of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 50% of the audited operating income of the Company in the most recent accounting year, with the absolute amount of more than RMB50 million;
- (V) the relevant net profit of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 50% of the audited net profit of the Company in the most recent accounting year, with the absolute amount of more than RMB5 million;
- (VI) the net assets involved in the transaction subject (e.g. equity) (the higher of the book value and the assessed value thereof as the case may be) account for more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million.

If the figure involved in the above indexes is negative, the absolute value thereof shall be taken.

“Transactions” as mentioned in this article refer to the purchase or disposal of assets; external investments (including entrusted wealth management, investment in subsidiaries, etc.); transferring or acquiring of research and development projects; signing license agreements; lease-in or lease-out of assets; asset and business management as consignor or consignee; donating or receiving of assets; credit and debt reorganization; waiver of rights (including waiver of pre-emptive rights, preferential subscription rights, etc.); and other transactions as determined by the Shanghai Stock Exchange.

“Transaction amount” as mentioned in item (I) of this article refers to the transaction amount paid and the debts and expenses assumed. If a transaction arrangement involves possible future payment or receipt of consideration, and neither specific amount is involved nor the amount has been determined according to the set conditions, the expected maximum amount shall be the transaction amount.

Article 12 As to the authority granted by the general meeting to the Board, if the authorized matter falls into the matters subject to ordinary resolution, the grant shall be approved by more than a half of the voting rights held by the shareholders (including the shareholder’s proxy) present at the meeting; if the matters are subject to special resolution, the grant shall be approved by more than two-thirds of the voting rights held by the shareholders (including the shareholder’s proxy) present at the meeting. The authorized content shall be definite and specific.

CHAPTER 3 CONVENING OF THE GENERAL MEETING

Article 13 The Board shall timely convene a general meeting within the period specified in the Rules. The general meeting shall be convened by the board of directors.

Article 14 General meetings can be divided into annual general meeting (“AGM”) and extraordinary general meeting (“EGM”). Annual general meetings shall be held within six months after the end of the last accounting year, and the meeting shall be held on yearly basis.

Article 15 The Company shall convene an EGM within two months after the occurrence of any one of the following events:

- (I) when the number of directors is less than the quorum prescribed by the Company Law or less than two-thirds of the quorum required by these Articles of Association;

- (II) when the unrecovered loss of the Company is higher than one-third of the total paid-up capital;
- (III) when shareholders individually or collectively holding 10% or more of the shares of the Company make a written request;
- (IV) when the Board consider it necessary;
- (V) when the board of supervisors propose to convene an extraordinary meeting; proposes to convene the same;
- (VI) other circumstances stipulated by laws, administrative regulations and regulations of authorities or the Articles of Association.

Above-mentioned number of shares in item (III) shall be calculated according to the date of written request made by shareholders.

In the event that the Company is unable to convene a general meeting within the period of time mentioned above, the Company shall report to the relevant local office of the China Securities Regulatory Commission (“**CSRC**”) at the place where the Company is located and the stock exchange(s) (the “**stock exchange(s)**”) on which its shares are listed for trading, explain the reasons and make an announcement.

Article 16 More than a one-half of the independent non-executive directors have the rights to propose the Board to convene extraordinary general meeting and such proposal shall be made in writing. 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.

If the Board agrees to convene the extraordinary general meeting, the notice of convening the extraordinary general meeting shall be issued within five days after a resolution is reached. If the Board does not agree to convene such extraordinary general meeting, reasons shall be explained and an announcement shall be made.

Article 17 The board of supervisors has the right to propose the Board to convene extraordinary general meeting and such proposal shall be made in writing. 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.

If the Board agrees to convene the extraordinary general meeting, the notice of convening the extraordinary general meeting shall be issued within five days after a resolution is reached. Should there be alterations to the original requests in the notice, consent has to be obtained from the board of supervisors.

If the Board does not agree to convene the extraordinary general meeting or does not reply in written within ten days upon receiving the request, the Board will be considered as unable or refused to fulfill the obligation to convene general meetings and the board of supervisors may convene and preside over the meeting on its own initiative.

Article 18 A shareholder holding, or shareholders holding in aggregate, 10% or more of the shares of the Company shall have the right to propose the Board to convene extraordinary general meetings and such proposal shall be made in writing. 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.

If the Board agrees to convene the extraordinary general meeting, the notice of convening the extraordinary general meeting shall be issued within five days after a resolution is reached. Should there be alterations to the original requests in the notice, consent has to be obtained from the relevant shareholders.

If the Board does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, a shareholder holding, or shareholders holding in aggregate, 10% or more of the shares of the Company shall 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, the notice of 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 relevant shareholders.

If the board of supervisors does not issue notice of the general meeting within the specified period, it will be considered as not going to convene and preside over the general meeting, and shareholders individually or jointly holding 10% or more of the shares of the Company for 90 or more consecutive days shall have the right to convene and preside over the meeting on their own initiative.

Article 19 The Board of Supervisors or shareholders shall notify the Board in writing if they decide to convene the general meeting on their own initiative, and shall put on the records of the stock exchange(s).

The shareholder(s) convening the general meeting must hold no less than 10% of shares in the Company before such meeting is convened.

The board of supervisors or the convening shareholder shall submit relevant supporting materials to the stock exchange(s) when issuing the notice of the general meeting and publishing the announcement of the resolution of the general meeting.

Article 20 With regard to the general meeting convened by the board of supervisors or shareholders on their own initiative, the Board and the secretary to the Board shall provide assistance. The Board shall provide the register of shareholders on the record date of equity interests. If the Board fails to provide the register of shareholders, the convener may request to access the securities registration and clearing institution by presenting the relevant announcement of the notice of general meeting. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the general meeting.

Article 21 With regard to the general meeting convened by the Board of Supervisors or shareholders on their own initiative, the necessary expenses incurred in relation to the meeting shall be assumed by the Company.

CHAPTER 4 PROPOSALS AND NOTICES OF THE GENERAL MEETING

Article 22 The content of such proposals shall be within the scope of the terms of reference of a general meeting, and contains specific subjects and concrete matters for approval, and in accordance with the requirements of laws, administrative regulations and relevant requirements in the Articles of Association. A proposal to a general meeting must be submitted or delivered in writing to the Board.

Article 23 When the Company holds a general meeting, the Board, the Board of Supervisors and shareholders who individually or jointly hold 3% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or jointly holding 3% or more of the shares of the Company can put forward a temporary proposal ten days before the general meeting is held and submit the proposal to the convener of the meeting. The convener shall issue a supplemental notice within two days upon receiving such proposals and the temporary proposals shall be specified in such notice.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals in the notice of the general meeting or add new proposals after sending the notice of the general meeting.

The general meeting shall not vote or resolve on proposals not contained in the notice of the general meeting or not in compliance with the Rules.

Article 24 When the Company convenes an annual general meeting, a notice shall be given to the shareholders 20 days before the meeting by way of an announcement; when the Company convenes an extraordinary general meeting, a notice shall be given to the shareholders 15 days before the meeting by way of an announcement.

When calculating the starting date of the periods, the date of the meeting shall be excluded.

Article 25 General meeting shall not decide matters that are not set out in the notice. If the Company is unable to convene a general meeting within the prescribed period, it shall disclose the reason and the follow-up plan before the expiration.

Article 26 The notice of a general meeting shall satisfy the following requirements:

- (I) It shall be made in written form;
- (II) It shall specify the time, location and time limit of the meeting;
- (III) It shall set out the items and proposals to be reviewed at the meeting;
- (IV) It shall provide data and explanation needed by shareholders to make wise decisions for items to be discussed; this principle includes (but not limited to) specific conditions and contracts (if any) of proposed trade made by the Company to merger, repurchase of shares, reorganization of shares capital or other reorganizations; serious explanation for the causes and consequences shall be made;

- (V) If any director, supervisor, general manager and other senior management personnel has important interests with the items to be discussed, the nature and extent of the interests shall be disclosed. If the items to be discussed have different influence over that directors, supervisors, general manager and other senior management personnel as shareholders as compared with shareholders of other classes, the differences shall be explained;
- (VI) It shall set out the full text of the special resolution proposed at the meeting for approval;
- (VII) It shall specify with clear note: all shareholders are entitled to participate in the general meeting and authorize proxy in written form to attend the meeting and vote. Proxy of the shareholder does not have to be a shareholder of the Company;
- (VIII) It shall specify the share registration date of the shareholders who are eligible to attend the meeting;
- (IX) It shall set out the time and place of the delivery of power of attorney;
- (X) It shall set out the names and telephone numbers of the contact persons of the general meeting;
- (XI) It shall set out the time of voting and voting procedures via the internet or other means.

The notice and the supplementary notice of the general meeting shall fully and completely disclose the specific content of all the resolutions. In the event that advice from the independent non-executive directors is needed for the matters to be discussed, the advice and reasons of the independent non-executive directors shall be disclosed when the notice or the supplementary notice of the general meeting is issued.

In the event where the internet or other means will be adopted at the general meeting, the time and procedures for voting via internet or by other means shall be clearly stated in the notice of the general meeting. The online voting or other voting methods of the general meeting shall commence no earlier than 3:00 p.m. (Beijing time, same below) of a day prior to the date of the general meeting but no later than 9:30 a.m. on the date of the general meeting and it shall terminate no earlier than 3:00 p.m. on the date of conclusion of the general meeting.

The interval between the share registration date and the meeting date shall be no more than 7 working days. The share registration date shall not be changed once confirmed.

Article 27 The notice of general meeting shall be served on shareholders (whether or not entitled to vote at general meeting) by any means permitted by the stock exchange(s) where shares of the Company are listed (including, but not limited to, by specially-assigned personnel, prepaid mail, email, facsimile, announcement or publish on the website of the Company or the stock exchange(s) on which the shares of the Company are listed). If sent by mail, the address of the recipient shall be based on the registered address in register of shareholders. For shareholders of Domestic Shares, the notice of general meeting can also be made by means of public announcement.

Announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council. Once the announcement is made, it shall be considered that all shareholders of Domestic Shares have been notified about the general meeting. For shareholders of overseas-listed foreign shares, subject to the rules governing the securities of the place(s) where the Company's shares are listed, the notice of a general meeting may also be issued or given in accordance with other means endorsed by the Articles of Association. Subject to compliance with the rules governing the securities of the place where the Company's shares are listed and the Articles of Association, once the announcement is made, it shall be deemed that all shareholders of overseas-listed foreign shares have received the notice of the relevant general meeting.

Article 28 In case the general meeting plans to discuss the election of directors and supervisors, the notice of the general meeting shall fully disclose the detailed information about the candidates for directors or supervisors, including at least the following particulars:

- (I) personal particulars such as educational background, work experience and other concurrent engagements;
- (II) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company;
- (III) the number of shares held in the Company;
- (IV) whether one has been punished by securities regulatory authorities and other relevant departments or reprimanded by the stock exchange(s).

Unless a director or supervisor is elected via the cumulative voting system, each candidate for director or supervisor shall be proposed via a single proposal.

Article 29 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at such meeting.

Article 30 After issuing a notice of general meeting, the general meeting shall not be delayed or canceled without justified reasons, and resolutions listed in the notice shall not be called off. Once delay or cancellation occurs, the convener shall make announcement and explanation to the shareholders at least two working days before the original convening date.

CHAPTER 5 HOLDING OF THE GENERAL MEETING

Article 31 The place for holding the Company's general meeting shall be the registered office of the Company or other place as determined by the Board.

The general meeting shall be held in the form of on-site meeting. The Company will provide internet services or other methods such as communication means to help the shareholders to participate in the general meeting. Shareholders shall be deemed to have attended the general meeting by way of the aforesaid methods. Online voting is not applicable to the holders of H shares.

Article 32 The Board or any other convener shall take necessary measures to ensure the proper order of the general meeting. The Board or any other convener shall take measures to stop any act disturbing the general meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall report such act to the relevant authority for investigation and treatment.

Article 33 All shareholders or their proxies whose names are set out in the register of shareholders on the share registration date are entitled to attend the general meeting and exercise their voting rights according to relative laws, regulations and the Articles of Association.

Shareholders may attend the general meetings and vote in person or appoint their proxies to attend the general meeting on his/her behalf and exercise the voting rights within the scope of authorization.

Article 34 An individual shareholder who attends the general meeting in person shall produce his identification documents or other valid document or certificate which can prove his identity and stock account cards; Where a proxy is appointed to attend the meeting, the proxy shall produce his own identification documents and the proxy form.

Corporate shareholder should attend the meeting by its legal representatives or the proxy appointed by the legal representative. Legal representative who attends the meeting should produce his own identity card and valid certificates evidencing his capacity as a legal representative. While appointing proxy to attend the meeting, the proxy should produce his identity card and a written authorisation instrument produced by its legal representative of the shareholder representative.

If the shareholder is a recognized clearing house (or agent thereof) as defined in the relevant ordinance as enacted from time to time of Hong Kong, the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any general meetings or class shareholders' meetings; however, one or more persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The power of attorney shall be signed by an authorised person of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its agent) to attend the meeting and exercise its right as if the persons are individual shareholders of the Company, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they has/have been duly authorised.

Article 35 Any shareholder who has the right to attend general meeting and the right to vote can entrust one or more than one persons (whether such person is a shareholder or not) as his proxy to attend general meeting and to vote. The proxy has the right to exercise the following rights with the authorization of the shareholder:

- (I) the right to speak as shareholders in the general meeting;
- (II) the right to make the request on one's own or together with others to vote by poll;
- (III) the right to vote by poll.

Article 36 A shareholder shall appoint the proxy in written form. The proxy letter issued by a shareholder to entrust a proxy to attend general meeting shall contain the following:

- (I) names of the consignor and the proxy;
- (II) the number of shares held by the consignor as represented by the shareholder's proxy;

- (III) voting right of the proxy;
- (IV) the instructions to vote in favor of, vote against each deliberation contained in the general meeting agenda or abstain from voting respectively;
- (V) date and effective period of the proxy letter;
- (VI) consignor's signature (or chop). If the consignor is the legal person Shareholder, the document shall be stamped with the corporate seal.

The proxy letter shall specify that in the absence of instructions from the shareholder, the proxy may vote as he/she thinks fit. If it is not indicated on the proxy form, the Company may consider it as a discretionary proxy, and the shareholders' proxies may vote on the matters considered at the meeting according to their own will.

Article 37 The power of attorney shall be placed at the domicile of the Company or other place specified in the notice of the meeting at least 24 hours before the relevant meeting of the voting for the power of attorney starts or 24 hours before the set time of voting. If the power of attorney is sign by other personnel authorized by consignor, the power of attorney or other authorization documents should be certified by a notary. The certificate of authorization or other authorization documents certified by a notary, together with the power of attorney appointing the proxy shall be placed at the domicile of the Company or other location specified in the notice of the meeting. Where the relevant stock exchange(s) where shares of the Company are listed or regulatory authorities provide otherwise, such provisions shall prevail.

If the consignor is a legal person, the legal representative or any person authorized by resolutions of the Board or other decision-making institutions can attend the general meeting on behalf of the consignor.

Article 38 The format of power of attorney appointing the proxy sent to shareholders by directors of the Company shall enable shareholders to freely instruct the authorized agent to vote for, against or abstain from voting, and separate instructions being given in respect of each matter to be voted at the meeting.

Article 39 If the consigner has deceased, has been incapacitated, has withdrawn the signed authorization or relevant shares has been transferred before the start of the voting in the meeting, as long as the Company has not received the written notice in respect of such matters before the beginning of the meeting, the vote made by the shareholder's proxy according to the power of attorney is still valid.

Article 40 The meeting attendance lists shall be prepared by the Company. The register of names is to be set out, participants' (or entities) names, identity card numbers, addresses, shares held or represented carrying voting rights, the appointer's (or entities) names, etc.

Article 41 The convener and the legal advisers retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing institution and shall register the name of the shareholders together with the numbers of shares with voting rights in their possession. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, registration for the meeting shall be ended.

Article 42 In convening a general meeting, all directors, supervisors and the secretary to the Board of the Company shall attend the meeting in person while the general manager and other senior management shall attend the meeting as non-voting participants.

Article 43 General meeting shall be presided over by the chairman of the Board. Should the chairman is unable or fails to perform his duties, the meeting shall be presided over by a director elected by half or more members of the Board. If directors elected by half or more members of the Board fail to convene and preside over the general meeting, the general meeting shall be chaired by a shareholder co-elected by the shareholders attending the meeting. If the shareholder cannot chair the meeting due to any reason, the shareholder (or his proxy) present at the meeting who holds the highest number of voting rights shall chair the meeting.

The general meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors cannot perform or fails to perform its duties, a supervisor shall be jointly elected by half or more of the supervisors to chair the meeting.

Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting.

When the general meeting is held and the chairman of the meeting violates the rules of the procedures which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 44 The Board and the board of supervisors shall report their work in the preceding year at the annual general meeting. Every independent non-executive director shall also make his work reports.

Article 45 Directors, supervisors and the senior management should respond and explain to the enquiries and advices of shareholders at the general meeting.

Article 46 Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares held by them with voting rights, and the number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights shall be the number recorded by the meeting.

Article 47 The convener shall ensure the general meeting is held continuously until final resolutions are arrived at. If the general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, immediate action shall be taken to resume the general meeting as soon as possible or directly terminate the general meeting and make an announcement in a timely manner. Meanwhile, the convener shall report the same to the local office of the CSRC in the place(s) where the Company is located and the stock exchange(s).

CHAPTER 6 VOTING AND RESOLUTIONS OF THE GENERAL MEETING

Article 48 Resolutions of general meeting can be divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting can only be approved with half or more of the votes of shareholders (including their proxies) who participate in the meeting.

A special resolution of a general meeting can only be approved with two-thirds or more of the votes of shareholders (including their proxies) who participate in the meeting.

Article 49 The following issues shall be approved by ordinary resolutions at a general meeting:

- (I) work reports of the Board and the Board of Supervisors;
- (II) profit distribution plan and plan for making up losses prepared by the Board;
- (III) appointment and removal of the members of the Board and the Board of Supervisors, their remunerations and the method of payment thereof;
- (IV) annual budget, final accounting report and annual financial statements of the Company;

(V) others issues apart from those should be approved by special resolutions in accordance with the requirements of laws, administrative regulations, listing rules of the stock exchange(s) on which the shares of the Company are listed or provisions of the Articles of Association.

Article 50 The following issues shall be approved by special resolution at a general meeting:

- (I) increasing or reducing share capital of the Company, and issuing shares of any class, warrants and other similar securities;
- (II) the issuance of corporate bonds;
- (III) division, merger, dissolution and liquidation or change in the form of the Company;
- (IV) amendment of the Articles of Association;
- (V) any purchase or disposal of substantial assets made or guarantee provided by the Company within one year exceeding 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (VI) the equity incentive scheme;
- (VII) other important issues prescribed in laws, administrative regulations or the Articles of Association and considered by the general meeting by means of ordinary resolution to be significantly influential to the Company and shall be approved by means of special resolution.

Article 51 Shareholders (including their proxies) shall exercise voting power with the number of voting shares represented by them, and each share has one vote.

When material issues affecting the interests of minority investors are considered at a general meeting, the votes of minority investors shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's shares held by the Company do not have voting right, and such shares are not counted in the total number of shares that have voting power upon attendance at a general meeting.

If a shareholder purchases shares with voting rights of the Company in violation of the relevant provisions of the Securities Law on the acquisition of shares of listed companies, the shares exceeding the prescribed proportion shall not be allowed to exercise voting rights within 36 months after the purchase and shall not be counted as part of the total number of voting shares present at the general meeting.

The Company's shares held by the Company do not have voting right, and such shares are not counted in the total number of shares that have voting power upon attendance at a general meeting. The Board, independent non-executive directors and shareholders conforming to relevant prescribed conditions can call for Shareholders' voting rights. When soliciting voting rights from shareholders, information such as specific voting intentions should be fully disclosed to the shareholders being solicited. Soliciting voting rights from the shareholders with compensation or disguised compensation is prohibited. The Company must not set any minimum lowest shareholding percentage on soliciting the shareholder voting rights.

Article 52 For connected transactions to be considered at a general meeting, the connected shareholders shall apply to the chairman of the meeting for abstention and the chairman of the meeting shall announce the same to the meeting. Non-connected shareholders (including proxies) and supervisors present at the meeting shall have the right to request the chairman of the meeting for the connected shareholders to abstain from the voting and explain the reasons. If the connected shareholders who are requested to abstain have no objection to the abstention request, they shall not participate in the voting. If the shareholder who is required to abstain considers that he/she is not a connected shareholder and does not need to perform abstention procedures, he/she shall explain the reasons to the general meeting, and the members of the Board and the Board of Supervisors present at the meeting shall make a determination according to the provisions of the Articles of Association and other relevant systems. If the shareholder who is required to abstain is determined to be a connected shareholder, he/she shall not participate in the voting, and the number of shares they represent carrying voting rights shall not be counted into the total number of shares with valid voting rights; the resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders on the transactions.

A resolution of connected transactions must be passed by more than half of the non-connected shareholders holding voting rights present at the general meeting; however, if the connected transaction involves matters required to be approved by a special resolution as stipulated in the Rules, the resolution must be passed by more than two thirds of the non-connected shareholders holding voting rights present at the general meeting.

Article 53 Without a prior approval by way of special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, general managers and other senior management whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

Article 54 List of candidates for directors and supervisors who are not employee representatives to the general meeting shall be submitted in the form of proposals to the general meeting for vote. The election process of directors and supervisors shall fully reflect the opinion of the minority shareholders.

When voting on the election of directors and supervisors, if the proportion of shares owned by a single shareholder of the Company and its concert parties reaches 30% or more and the general meeting intends to elect more than two directors and supervisors, the general meeting shall implement accumulative voting system.

Accumulative voting system referred in the preceding paragraph means a system whereby each share, at voting to elect directors or supervisors at a general meeting, carries the number of voting rights equivalent to the number of the directors or supervisors to be elected, and a shareholder may concentrate his or her voting rights or separate the voting rights on several candidates. The Board shall make public to the shareholders the resume and general information of the directors and supervisors to be elected.

The implementation rules for the cumulative voting system are as follows:

- (I) The notice of the general meeting shall notify the shareholders that a cumulative voting system will be adopted for the election of directors or supervisors. The conveners of the general meeting shall prepare ballots suitable for the adoption of cumulative voting method, and shall give descriptions and explanations in writing regarding the cumulative voting system, the completion of the ballots and the methods of counting the votes.
- (II) When electing directors by way of exercising the cumulative voting system, the independent non-executive directors and other directors shall be elected separately, so as to ensure the proportion of independent non-executive directors in the Board of the Company.
- (III) A shareholders may freely allocate his or her votes among the candidates for directors or supervisors and may vote for several candidates separately or only one candidate. Where the total number of votes exercised by a shareholder more than the total number of votes entitled to it for such category of candidate, such voting shall be invalid; where the total number of votes exercised by a shareholder less than the total number of votes entitled to it for such category of candidate, such voting shall be valid and the difference shall be regard as abstention.
- (IV) Where the last two or more candidates have received the same number of votes and all of them being elected would result in the number of directors or supervisors exceeding the number of candidates that to be elected, such candidates shall be re-elected in accordance with the prescribed procedures. If the number of directors or supervisors elected is less than the number specified in the Articles of Association, the Company shall restart the cumulative voting procedure for the vacancy.

The method and procedure for nominating directors and supervisors are as follows:

- (I) For directors and supervisors candidates who are not employee representatives:
 - 1. Director candidates shall be proposed by the Board within the number of candidates as set out in the Articles of Association, and shall be presented to the general meeting for election after approved by the Board; supervisors candidates who represent the Shareholders shall be proposed by the Board of Supervisors and shall be presented to the general meeting for election after approved by the Board of Supervisors.

2. Shareholders individually or jointly holding 3% or more of the total issued shares with voting right for 180 or more consecutive days of the Company may, by written proposals, propose candidates for directors or supervisors who represent the shareholders to the Board, but the number of persons nominated shall comply with the provisions of the Articles of Association and shall not exceed the number of persons proposed to be elected.
 3. An independent non-executive director candidate may be nominated by the Board of the Company, the Board of Supervisors, or shareholders separately or jointly holding 1% or more of the issued shares of the Company for 90 or more consecutive days, but the number of candidates proposed by such method must comply with the provisions of the Articles of Association, and must not exceed the number of people to be selected. The party nominating any candidate shall have obtained the nominee's consent prior to the nomination, and shall be fully aware of such particulars of the nominee such as his occupation, academic qualification, title, detailed work experience and information regarding all his part-time positions held concurrently and be responsible for providing to the Company his opinions in relation to the nominee's qualification and independence. The nominee shall make a public announcement stating that there exists no relation between the Company and him that may affect his independent and objective judgment.
- (II) The employee representatives in the Board and the Board of Supervisors shall be elected by the employees of the Company at employee representatives' meetings, employees' general meeting or by other democratic manner.
- (III) Independent non-executive directors shall be nominated in the method and procedure as specified by laws, administrative regulations and departmental rules.

Article 55 Apart from the cumulative voting system, the general meeting shall vote on all resolutions individually. If one matter has different resolutions, they shall be voted in the chronological order of the proposals being proposed. Except under special circumstances such as force majeure, leading to the suspension or inability to make resolutions at the general meeting, the general meeting shall not set aside the resolutions and leave the resolutions undecided.

Article 56 No amendment shall be made on the proposals during its consideration at a general meeting. Any such amendments to a proposal shall be deemed as a new proposal and shall not be voted at the current general meeting.

Article 57 The voting right of the same shares shall be exercised only by one of the ways of on-site voting, online voting or other means of voting. In case of repeated voting for the same shares, the result of the first vote shall prevail.

Article 58 In addition to the chairman of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands, the general meeting shall apply the voting methods of disclosed ballot or other methods required by the securities regulatory authority of the places where the Company's shares are listed.

Article 59 Shareholders attending the general meeting shall submit their voting in the following ways: for, against or abstain, except for the reporting by securities registration and clearing institution acting as the nominal holder of stock under the connect mechanism between the mainland China and Hong Kong stock markets, based on the intentions of the de facto holders of relevant shares.

Ballot papers that are left in blank, unduly completed or illegible or that have not been used, are deemed as void votes to mean that the voter has waived his/her rights, and the voting results corresponding to the shares in their possession shall be treated as "Abstain from voting".

Where any shareholder is, under the rules governing the securities where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only in favor of (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted.

Article 60 Two representatives of shareholders shall be elected to participate in counting and scrutinizing ballots before a general meeting puts a proposal to vote. Where a shareholder has relations to matters to be considered, relevant shareholders and their proxies must not participate in counting and scrutinizing ballots.

When a proposal is voted at a general meeting, lawyers, shareholders' representatives and supervisors' representatives shall be responsible for counting and scrutinizing ballots and announce the voting results on the spot, which will be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies who cast their votes online or by other means shall have the right to check the results of their votes by way of the pertinent voting system.

Article 61 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

Article 62 If votes are counted at a general meeting, the result of the count shall be recorded in the minutes. The minutes of meetings shall be kept at the Company's place of residence together with the shareholders' attendance lists and proxy forms for the Company's records.

Article 63 Copies of the minutes of meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests a copy of such minutes from the Company, the Company shall verify the identity of shareholders and send a copy of such minutes to him/her within seven days after receipt of reasonable fees.

Article 64 The ending time of the on-site general meeting shall not be earlier than ending time of voting via the internet or other means. The chairman of the meeting shall announce the voting results on each proposal and whether the proposal is adopted based on the voting results immediately.

Before the formal announcement of the voting results, the companies, tellers, scrutineers, substantial shareholders, internet service provider, and other relevant parties involved in the on site voting, the internet and other means of voting shall be under confidentiality obligation in relation to the voting.

Article 65 Any resolution of the general meeting shall indicate the number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion to the total voting shares of the Company, the means of voting, the voting results of each proposal as well as the details of each resolution adopted in the timely announcements.

Article 66 In the event a proposal is not adopted, or the general meeting makes any modification to any resolution adopted at the previous general meeting, a specific indication shall be made in the announcement of the general meeting.

Article 67 Where any proposal on the election of directors or supervisors is adopted at the general meeting, new directors or supervisors shall take their posts after the general meeting in accordance with the Articles of Association.

Article 68 Should a general meeting pass proposals regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within two months after the close of the general meeting.

Article 69 The general meetings shall have minutes, which shall be recorded by the secretary to the Board. The minutes of the meeting shall specify:

- (I) the date, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the chairman, and the directors, supervisors, general manager and other senior management attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;
- (IV) the process of discussion in respect of each proposal, highlights of speeches and the voting result;
- (V) details of inquiries or suggestions of the shareholders, and the corresponding response or explanations;
- (VI) the names of lawyer, tellers and scrutineers;
- (VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors, supervisors, secretary to the Board, convener or representative thereof, and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept for at least ten years together with the book of signatures of the shareholders present in person, the power of attorney of the attending proxies, and valid information on voting via the internet and other means.

Article 70 The contents of a resolution violate the laws and administrative regulations shall be void.

Where the procedures for convening or the means of voting at a general meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders may submit a petition to a people's court to rescind such resolutions within 60 days from the date on which such resolution is made.

CHAPTER 7 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 71 Those shareholders who hold different classes of shares are class shareholders. Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles of Association.

Article 72 Rights conferred on class shareholders may not be varied or cancelled save with the approval of a special resolution in a general meeting and by affected holders of shares of that class at a separate meeting conducted in accordance with Articles 74 to 78 hereof.

Article 73 The following circumstances shall be deemed to be variation or cancellation of the rights attaching to a particular class of shareholders:

- (I) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having equal or better voting, distribution or other rights to those of shares of that class;

- (II) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;
- (III) to remove or reduce rights to accrued dividends or to cumulative dividends attaching to shares of that class;
- (IV) to reduce or remove preferential rights attaching to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (V) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attaching to shares of that class;
- (VI) to remove or reduce rights to receive payment from the Company in specific currencies attaching to shares of that class;
- (VII) to create a new class of shares having equal or better voting, distribution rights or other privileges to those of the shares of that class;
- (VIII) to impose or increase restrictions on the transfer or ownership of shares of that class;
- (IX) to issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;
- (X) to increase the rights or privileges of shares of another class;
- (XI) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;
- (XII) to vary or abrogate the provisions of this Section.

Article 74 Affected class shareholders, whether or not otherwise having the right to vote at general meetings, have the right to vote at class shareholders' meetings in respect of matters concerning sub-paragraphs (II) to (VIII), (XI) and (XII) of Article 73 hereof, but interested shareholder(s) shall not be entitled to vote at such class shareholders' meetings.

Interested shareholder(s) mentioned in preceding paragraph refer to:

- (I) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of an on-market repurchase of shares pursuant to the Articles of Association, an interested shareholder is a controlling shareholder within the meaning of the Articles of Association;
- (II) in the case of a repurchase of shares by an off-market agreement pursuant to the Articles of Association hereof, a holder of the shares to which the proposed agreement relates;
- (III) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligations than the obligations imposed on other shareholders of the same class or who has an interest different from the interests of other shareholders of that class.

Article 75 Resolutions of a class shareholders' meeting shall only be passed by votes representing two-thirds or more of the voting rights of shareholders of that class presented at the relevant meeting who, according to Article 74, are entitled to vote.

Article 76 Notice of a class shareholders' meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders in accordance with the notice period requirement of an annual and extraordinary general meeting as stipulated in the Rules. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class shareholders' meeting.

Article 77 Notice of class shareholders' meetings need only be served on shareholders entitled to vote at the meetings. Class shareholders' meetings shall be conducted in the same manner as general meetings, to the extent possible. The provisions of the Articles of Association relating to the manner for the conduct of the general meetings are also applicable to class shareholders' meeting.

Article 78 Apart from the holders of other classes of shares, the holders of the Domestic Shares and holders of Overseas-listed Foreign-invested Shares shall be deemed to be holders of different classes of shares.

The special procedures for approval by a class of shareholders shall not apply in the following circumstances:

- (I) where the Company issues, upon the approval by special resolution in a general meeting, either separately or concurrently once every 12 months, no more than 20% of each of its outstanding Domestic Shares and Overseas-listed Foreign-invested Shares;
- (II) where the shares held by shareholders of Domestic Shares of the Company become foreign shares and listed for trading in the overseas stock exchange with the approval of the securities regulatory authorities under the State Council.

CHAPTER 8 SUPPLEMENTARY

Article 79 The expressions of “or more” and “within” shall include the figures mentioned whilst the expressions of “over”, “less than”, “more than” and “higher than” shall not include the figures mentioned.

Article 80 In the event that the Rules are inconsistent with relevant laws, administrative regulations, the rules governing the securities of the place(s) where the Company’s shares are listed or the Articles of Associate, such laws and regulations and rules shall prevail.

Article 81 The Rules shall be an appendix to the Articles of Association, and its interpretation shall be vested to the Board of the Company. Upon consideration and approval by the general meeting, the Rules shall take effect from the date of listing of the Company on the Shanghai Stock Exchange.

XINTE ENERGY CO., LTD.

[•] 2022

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

XINTE ENERGY CO., LTD. RULES OF PROCEDURES FOR THE BOARD MEETING

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further improve corporate governance structure, enhance the terms of reference of the Board, regulate the internal structure and operation process of the Board, and ensure the working efficiency and scientific decision-making of the Board, these rules of procedures for Board meetings are formulated in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China (the "**Securities Law**"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) and the Articles of Association of Xinte Energy Co., Ltd. (the "**Articles of Association**").

Article 2 The Board shall have reasonable professional structure, and its members shall have necessary knowledge, skills and quality to perform their duties.

Article 3 The Board is the decision-making body for the operation and management of the Company and is responsible for the general meeting in strict accordance with the relevant laws, regulations and the Articles of Association to perform their duties. The Board safeguards the interest of the Company and all its shareholders and decides on the development targets and major operating activities of the Company based on the rights of management and operation of the Company within the authorization scope of the Articles of Association and the general meeting.

Article 4 The Board represents the Company externally.

Article 5 The secretary to the Board shall handle daily affairs of the Board and be responsible for keeping the seals of the Board.

Article 6 These rules of procedures are binding on all of the directors of the Company.

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

CHAPTER 2 DIRECTORS

Article 7 Directors of the Company shall be natural persons and they are not required to hold any shares in the Company.

Article 8 A person may not serve as a director of the Company if any of the following circumstances applies:

- (I) a person without legal or with restricted legal capacity;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise, which had its business license revoked or was ordered to close down due to a violation of the law and who incurred personal liability; and it has not been three years since the date of the revocation of the business license;
- (V) a person who has a relatively large amount of debts due and outstanding;
- (VI) a person who are prohibited from entering into the securities market by the securities regulatory authority for a period which has not yet expired;
- (VII) a person who is under criminal investigation by a judicial organization for violation of the criminal law where said investigation is not yet concluded;
- (VIII) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (IX) a non-natural person;

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

(X) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years has elapsed since the date of the conviction;

(XI) other contents required by the laws, administrative regulations or departmental rules.

The election of directors shall be invalid if the election violates the above requirements. The Company shall remove a director if any of the circumstances stated in this Article applies during his term of office.

Article 9 Non-employee representative Directors shall be elected or changed at the general meetings and each has a term of three years. Upon the expiry of the term of office of director, the term is renewable upon re-election. The term of office of any independent non-executive director may not be renewed for more than six years.

The term of office of a director shall commence from the date of appointment until the expiry of the current session of the Board. If the term of office of a director expires but re-election is not made, the original directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the provisions of the Articles of Association until a new director is elected and assumes office. Subject to such exceptions specified in the Articles of Association, a director shall not vote on any board resolution approving any contract or arrangement or any other resolution in which he/she or any of his/her associates have a material interest nor shall he be counted in the quorum present at the meeting.

Directors may concurrently serve as general manager or other senior management, provided that the total number of directors who concurrently serve as general manager or other senior management, directors served by employees' representatives shall not exceed half of the total number of the Company's directors.

Article 10 If a director fails to attend the meetings of the Board in person or fails to appoint any other director to attend on his/her behalf as his/her proxy for two consecutive times, he/she shall be deemed to be unable to perform his/her duties, and the Board shall propose to the general meeting to dismiss him.

Article 11 A director may resign prior to the expiry of his/her term of service. When a director intends to resign, he/her shall submit a written resignation to the Board.

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

If the number of directors is less than the minimum number of directors required by law due to the resignation of a director, then such director shall continue to perform his/her duties in accordance with the laws, administrative regulations, department rules and the Articles of Association until a new director is elected and assumes his/her office.

Except the aforesaid circumstances, the resignation of a director shall become effective when the report of resignation is served to the Board.

Where not otherwise provided by law, the Company in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his/her term of office.

The minimum length of period during which the notice of the intention to propose a person for election as director and the written notice by such candidate of his willingness to accept the nomination shall be given to the Company no less than seven days. The period for lodgment of the aforesaid notice(s) shall commence no earlier than the date after the dispatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such general meeting.

Article 12 In case the general meeting plans to discuss the election of directors, the notice of the general meeting shall fully disclose the detailed information about the candidates, including at least the following particulars:

- (I) personal particulars such as educational background, work experience and other concurrent engagements;
- (II) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company;
- (III) disclosure of the number of shares held in the Company;
- (IV) whether one has been punished by securities regulatory authorities and other relevant departments or reprimanded by the stock exchange(s).

Unless a director is elected via the cumulative voting system, each candidate for director shall be proposed via a single resolution.

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

Article 13 The methods and procedures for nomination of directors who are not employee's representatives are as follows:

- (I) Director candidates shall be proposed by the Board within the number of candidates as set out in the Articles of Association, and shall be presented to the general meeting for election after approved by the Board.
- (II) Shareholders individually or jointly holding 3% or more of the total issued shares with voting right for 180 or more consecutive days of the Company may, by written resolutions, propose candidates for directors to the Board, but the number of persons nominated shall comply with the provisions of the Articles of Association and shall not exceed the number of persons proposed to be elected.
- (III) An independent non-executive director candidate may be nominated by the Board, the Board of Supervisors, or shareholders separately or jointly holding 1% or more of the shares of the Company for 90 or more consecutive days, but the number of candidates proposed by such shareholders must comply with the provisions of the Articles of Association, and must not exceed the number of people to be selected. The party nominating any candidate shall have obtained the nominee's consent prior to the nomination, and shall be fully aware of such particulars of the nominee such as his occupation, academic qualification, title, detailed work experience and information regarding all his part-time positions held concurrently and be responsible for providing to the Company his opinions in relation to the nominee's qualification and independence. The nominee shall make a public announcement stating that there exists no relation between the Company and him that may affect his independent and objective judgment.

Article 14 The directors are required to comply with the laws, administrative regulations and the Articles of Association, and to bear their following fiduciary duties to the Company:

- (I) not to exploit their positions to accept bribes or other illegal income and appropriate the Company's properties;
- (II) not to misappropriate the Company's funds;
- (III) not to deposit the Company's assets or funds into accounts under their own names or the name of other individuals;

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

- (IV) not to lend the Company's funds to others or provide guarantees in favor of others with the Company properties as collaterals in violation of the Articles of Association or without the approval of the general meeting or Board meeting;
- (V) not to enter into contracts or dealing with the Company in violation of the Articles of Association or without approval of general meeting;
- (VI) not to exploit their positions to procure business opportunities for themselves or others that shall have otherwise been available to the Company, or operate businesses similar to those of the Company for their own benefit or managing on behalf of others without approval of the general meeting;
- (VII) not to accept commission for their own benefits in any transaction of the Company;
- (VIII) not to disclose confidential information of the Company without permission;
- (IX) not to harm the interests of the Company by taking advantage of their connected relationship;
- (X) to perform other fiduciary duties specified in the laws, administrative regulations, departmental rules and the Articles of Association.

Income generated in violation of this Article shall be of the benefit of the Company. Those who incurs any loss to the Company shall be liable to the Company for compensation.

Article 15 The directors shall comply with the laws, administrative regulations and the Articles of Association, and shall bear the following diligent duties to the Company:

- (I) exercising the rights conferred by the Company prudentially, carefully and diligently to ensure that commercial operations of the Company comply with the laws, administrative regulations and various requirements of economic policies, and that commercial activities of the Company shall not exceed the scope of business specified in the business license;
- (II) treating all of the shareholders equally;
- (III) timely keeping abreast of the Company's business operation and management;

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

- (IV) signing writing confirmation opinions on regular reports of the Company and to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) providing relevant facts and data truthfully to the Board of Supervisors, and not hindering the Board of Supervisors or the supervisors from exercising their authorities;
- (VI) other diligent duties specified in the laws, administrative regulations, department rules and the Articles of Association.

In the event that the directors, supervisors and senior management cannot ensure or object to the truthfulness, accuracy and completeness of contents in documents for the issuance of securities and regular reports of the Company, they shall express their opinions and state the reason in the written opinions for confirmation, which the Company shall disclose. In the event that the Company chooses not to disclose it, the directors, supervisors and senior management shall directly apply for disclosure.

Article 16 Directors shall complete all the handover procedures to the Board upon resignation or expiry of their term of office. The obligations of fidelity to the Company and shareholders shall not automatically discharge with the expiry of their terms of office and should survive after the expiry of their terms of office within one year.

Article 17 A director may not act personally on behalf of the Company or the Board unless otherwise provided by the Articles of Association or legal authorization is granted by the Board. If such director acts personally and the third party may believe such director is acting on behalf of the Company or the Board, he/she shall declare his/her own position and identity in advance.

Article 18 Directors who are in breach of laws, administrative regulations, department rules or the Articles of Association in the course of performing their duties shall be liable to compensate the Company for any loss so caused.

Article 19 The independent non-executive directors shall carry out responsibilities in accordance with relevant requirements of the laws, administrative regulations, securities regulatory authorities and stock exchange(s).

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

Article 20 The Company shall conclude written contracts with each director, and such contracts shall include at least the following provisions:

- (I) directors warrant to the Company that they will observe the laws, administrative regulations, rules governing the supervision and management of securities where the shares of the Company are listed, the Articles of Association and other relevant provisions, and agree that the Company will enjoy the remedial actions set forth under the Articles of Association, and that such contract and its position shall not be transferred;
- (II) directors warrant to the Company that they will observe and perform their responsibilities owed to the shareholders specified in the Articles of Association;
- (III) the arbitration article as stipulated in the Articles of Association.

CHAPTER 3 THE BOARD AND THE FUNCTIONS AND POWERS

Article 21 The Company established the Board in accordance with the law. The Board is entrusted by the general meeting to operate and manage the corporate property of the Company, and is the operational decision-making center of the Company that is responsible to the general meeting.

Article 22 The Board shall consist of nine directors, among which three are independent non-executive directors, and one of which shall be a professional accountant.

Article 23 The Board shall have the following duties and powers:

- (I) convening general meetings and presenting reports thereto;
- (II) implementing the resolutions made at the general meetings;

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- (III) determining the Company's business and investment plans;
- (IV) working out the Company's annual financial budget plans and final account plans;
- (V) working out the Company's profit distribution plans and loss recovery plans;
- (VI) working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of shares, bonds or other securities and listing plans;
- (VII) formulating resolutions for material acquisitions, purchase of shares of the Company, merger, split-up, dissolution and change of the Company nature;
- (VIII) deciding on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations, etc. of the Company within the scope authorized by the general meeting;
- (IX) deciding on the establishment of the Company's internal management departments;
- (X) deciding on the appointment or dismissal of general manager, the Board secretary to the Company and other senior management personnel as well as their remuneration, rewards and punishments;
- (XI) formulating the Company's basic management system;
- (XII) formulating the plan for modification of the Articles of Association;
- (XIII) managing information disclosure of the Company;

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

(XIV) proposing the employment or replacement of the accounting firm which audits the Company's accounts to the general meeting;

(XV) hearing the manager's work report and check the general manager's work;

(XVI) exercising other powers regulated in laws, regulations and the listing rules of the stock exchange where the Company's shares are listed and conferred by the general meeting and the Articles of Association.

Article 24 The Board shall also be responsible for the followings:

(I) implementing, reviewing and improving the corporate governance system and condition of the Company;

(II) reviewing and supervising the training and continuing professional development of directors and senior management;

(III) reviewing and supervising the compliance of the Company's policies with laws and relevant regulations of the securities regulatory authority where the shares are listed and making the relevant disclosure;

(IV) formulating, reviewing and supervising the code of conduct and relevant compliance manual of employees and directors.

The Board shall be responsible for the aforementioned corporate governance functions. It may also delegate the duties to one or more of its special committees.

Article 25 If the certified accountants issue non-standard audit opinions such as explanatory statements, qualified opinions, disclaimers or negative opinions on the company's financial report, the Board shall make an explanation about the relevant matters that led to the above-mentioned opinions issued by the accountants and the impact on the Company's financial and operating conditions to the shareholders at the general meeting and propose corresponding measures.

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

Article 26 The Board shall report at the annual general meeting on the implementation of the matters that should be implemented by the Board in the resolutions of the general meeting since the previous annual general meeting.

Article 27 The Board shall determine the rights relating to external investment, acquisition and disposal of assets, asset mortgage, external guarantees, entrusted financial management, connected transactions, external donations, etc. and shall establish strict examination and decision making procedure; and organize relevant experts and professionals to make assessments on material investment projects and submit them to the general meeting for approval.

Except as otherwise provided herein, the transactions (except for daily operation, financial assistance and provision of guarantee) that shall be approved by the Board are as follows:

- (I) the total assets involved in the transaction (the higher of the book value and the assessed value as the case may be) accounts for more than 10% of the Company's latest audited total assets;
- (II) the transaction amount (including debts and expenses undertaken) accounts for more than 10% of the Company's latest audited net assets, with the absolute amount of more than RMB10 million;
- (III) profit from the transaction accounts for more than 10% of the audited net profit of the Company in the most recent accounting year, with the absolute amount of more than RMB1 million;
- (IV) the relevant operating income of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 10% of the audited operating income of the Company in the most recent accounting year, with the absolute amount of more than RMB10 million;
- (V) the relevant net profit of the transaction subject (e.g. equity) in the most recent accounting year accounts for more than 10% of the audited net profit of the Company in the most recent fiscal year, with the absolute amount of more than RMB1 million;
- (VI) the net assets involved in the transaction subject (e.g. equity) (the higher of the book value and the assessed value thereof as the case may be) accounts for more than 10% of the Company's latest audited net assets, with the absolute amount of more than RMB10 million.

If the figure involved in the above indexes is negative, the absolute value thereof shall be taken.

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The Board is authorized at the general meeting to consider and approve the above matters within the scope of authority. The matters exceeding the scope of authority shall be submitted at the general meeting for consideration and approval. Where the Company violates the authority or procedures of the approval in relation to external guarantee, shareholders and supervisors shall have the right to demand the relevant responsible persons to bear their legal responsibility.

“Transactions” as mentioned in this Article refer to the purchase or disposal of assets; external investments (including entrusted wealth management, investment in subsidiaries, etc.); lease-in or lease-out of assets; asset and business management as consignor or consignee; donating or receiving assets; credit and debt reorganization; waiver of rights (including waiver of pre-emptive rights, preferential subscription rights, etc.); signing of license agreements; transfer of research and development projects as transferor or transferee; other transactions identified by the securities regulatory authorities or stock exchanges where the Company’s shares are listed.

Article 28 A guarantee and financial assistance which falls within the authorities of the Board, in addition to being required to be passed by exceeding half of all directors, requires also the approval of more than two-thirds of directors attending the board meeting. In case of being found in violation of the provisions of the Articles of Association in relation to the limit of authority for approving the external guarantee, persons liable shall undertake corresponding legal responsibilities and economic responsibilities.

CHAPTER 4 CHAIRMAN AND THE FUNCTIONS AND POWERS

Article 29 The Board shall have a chairman, who shall be a director of the Company, and shall be elected and dismissed by a majority of all the directors.

Article 30 The chairman shall exercise the following functions and powers:

- (I) preside over general meetings, convene and preside over the Board meetings and direct the daily operation of the Board;
- (II) supervise and inspect the implementation of resolutions of the Board;

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

- (III) sign the Company's shares, corporate bonds and other negotiable securities;
- (IV) sign important documents of the Board;
- (V) exercise the special powers in respect of the Company's affairs in compliance with laws and in the interests of the Company in case of force emergent majeure events such as extraordinary natural disasters, and report to the Board and the general meeting of the Company afterwards;
- (VI) nominate to the Board the general manager and secretary to the Board;
- (VII) sign and issue documents for the appointment and removal of senior management such as general manager, deputy general manager, chief accountant and secretary to the Board in accordance with the decision of the Board;
- (VIII) the chairman shall exercise part of the power of the Board when the Board is not in session in accordance with the principles of science, efficiency and prudence:
1. listen to the general manager's report concerning the Company's implementation of the production and operation plan and the investment project;
 2. listen to the general manager's report on the implementation of the Company's financial budget;
 3. listen to the general manager's report regarding the implementation of the Company's basic management system;
 4. inspect the work performed by the general manager;
 5. The chairman of the Board, if necessary, has the right to request the general manager to organize a special meeting of the relevant departments.
- (IX) exercise other duties and powers authorised by the Board.

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

Article 31 The chairman may exercise part of the functions and powers of the Board under the authority of the Board, but shall submit the relevant implementation in writing to the latest Board meeting for record. The chairman of the Board shall not have the right to decide on any matters beyond the scope of the authorization and shall timely propose to convene the Board for collective discussion and decision.

Article 32 Where the chairman of the Board is unable to perform duties or fails to perform duties, more than half of the directors shall elect one director to perform duties.

CHAPTER 5 SPECIAL COMMITTEES

Article 33 The Board of the Company shall establish the audit committee and may establish the strategic committee, nomination committee, the remuneration and appraisal committee, and other relevant special committees. The special committees are accountable to the Board and perform their duties in accordance with the Articles of Association and authorization by the Board. Their proposals shall be submitted to the Board for consideration and decision. The membership of the special committees shall all be composed of directors: independent non-executive directors shall account for a majority of the members and shall be the convener of the audit committee, the nomination committee and the remuneration and appraisal committee; the convener of the audit committee shall be an accounting professional.

Article 34 The Board shall formulate the working rules for each special committee so as to regulate its operation.

CHAPTER 6 CONVENING OF BOARD MEETING

Article 35 Board meetings consist of regular meetings and extraordinary meetings. The Board shall hold at least four regular meetings every year, which shall be convened by the chairman, with the notice of meeting sent in writing to all the directors and supervisors 14 days in advance.

The writing notice referred in this Article shall include served by hand, post, facsimile and email etc.

Article 36 The chairman of the Board shall convene an extraordinary Board meeting within ten days in one of the following situations when it is:

- (I) jointly proposed by one-third or above of the directors;
- (II) proposed by the board of supervisors;

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(III) proposed by the shareholders representing one-tenth or above of the voting rights.

Article 37 If an extraordinary Board meeting is proposed to be convened in accordance with the preceding article, a written proposal signed (seal) by the proposer shall be submitted to the chairman of the Board. The following items shall be stated in the written proposal:

- (I) the name of the proposer;
- (II) the reason for the proposal or the objective reason on which the proposal is based;
- (III) the proposed time or duration, place and method of the convening of the meeting;
- (IV) clear and specific proposals;
- (V) the contact information of the proposer and the date of proposal, etc.

The content of the proposal shall fall within the scope of the Board' powers as stipulated in the Company's Articles of Association, and the materials related to the proposal shall be submitted together.

After receiving the above-mentioned written proposal and relevant materials, the secretary to the Board shall forward it to the chairman of the Board on the same day. If the chairman of the Board considers that the content of the proposal is not clear or specific or the relevant materials are insufficient, he may request the proposer to modify or supplement it.

The chairman of the Board shall convene and preside over the Board meeting within ten days after receiving the proposal.

Article 38 Notice of Board meeting shall include the following contents:

- (I) the date and the venue for the meeting;
- (II) the duration of the meeting;

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(III) the subject and issues to be discussed;

(IV) the date of the notice.

Article 39 The notice of an extraordinary Board meeting shall be served by hands, post, fax, email and telephone. The notice shall be notified or served 1 to 5 days before convening the extraordinary Board meeting.

However, in case of emergency, notice of an extraordinary Board meeting may be given at any time by such means of communication as telephone, fax, express mail, registered mail, e-mail, etc. as the director has left with the Company, and the above means shall be deemed to be delivered to director once made. If a director is present at the meeting and does not propose before the meeting that he has not received notice of the meeting, he shall be deemed to have been given the notice of the meeting.

Article 40 The Board meeting shall be convened in strict accordance with the prescribed procedures. The Board shall provide all directors with sufficient information, including relevant background materials on the subject of the meeting and information and data that will help the directors understand the progress of the Company's business, while giving the notice of the Board meeting. When 2 or more independent non-executive directors consider that the information is insufficient or the arguments are unclear, they may jointly propose in writing to the Board to postpone the Board meeting or to postpone the consideration of such matter, and the Board shall adopt the proposal.

After the written notice of the regular Board meeting is issued, if the time, venue or other item of the meeting needs to be changed, or the meeting proposal needs to be supplemented, modified or cancelled, a notice of change shall be given in writing 3 days prior to the originally scheduled meeting date to specify the situation and the relevant contents and materials of the new proposal. If the notice of change is given within 3 days prior to the originally scheduled meeting date, the meeting date shall be postponed accordingly or convened on schedule upon the approval of all directors who will attend the meeting.

After the notice of the extraordinary Board meeting is issued, if the time, venue or other item of the meeting needs to be changed, or the meeting proposal needs to be supplemented, modified or cancelled, a prior approval from all directors who will attend the meeting shall be obtained and the corresponding records shall be made.

Article 41 All proposals that need to be submitted to the Board for discussion shall be collected by the secretary to the Board and Board meetings shall be convened by the chairman of the Board for discussion and resolutions.

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

CHAPTER 7 PREPARATION OF THE BOARD MEETING

Article 42 Before the Board meeting, the secretary to the Board shall prepare all the information for the meeting.

Article 43 Each director shall review the meeting materials carefully. If any director has any amendment to the meeting materials, he shall submit written amendment before the meeting so that the secretary to the Board may improve the meeting materials and enhance the efficiency of the meeting.

Article 44 The secretary to the Board shall notify the directors in advance of the time, venue and main topics of the meeting. If a director is unable to attend the meeting for any reason, he shall ask for leave from the chairman of the Board and delegate other directors to vote on his behalf in accordance with rules.

Article 45 Matters that need to be submitted to the Board for consideration by the Company's operation management headed by the general manager shall be sent to the secretary to the Board 15 days in advance, and the relevant information shall be prepared in advance. The viewpoints of the meeting materials shall be clear, the reasons shall be sufficient and the data shall be true. The materials submitted by the operation management to the Board for consideration shall be signed and sealed by the general manager or senior personnel and sent to the secretary to the Board for delivery and consultation with each director.

CHAPTER 8 CONVENING OF THE BOARD MEETINGS

Article 46 The Board meeting shall be held upon the attendance of more than half of all directors. Supervisors and financial officers may attend the Board meeting according to actual needs; general manager and secretary to the Board shall attend the Board meeting. If deemed necessary, the chairman of the meeting may notify other relevant persons to attend the Board meeting. The Board may invite intermediaries or experts in the industry, operation, law, finance, etc. to attend the Board meeting and provide professional opinions.

Article 47 Supervisors attending the Board meeting may raise questions or make suggestions on Board resolutions.

Article 48 The Board meeting shall be attended by directors in person. The director unable to attend for certain reason may appoint another director to attend the meeting in a written form. The power of attorney shall clearly state the proxy's name, the matters of proxy, the authority and the validity period, and shall be signed and sealed by the principal. The director who attends the

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meeting on behalf of another director shall exercise the rights of directors within the authority. The director not attending the Board meeting and not entrusting a representative to attend the meeting shall be deemed to have waived the right to vote at the meeting.

The proxy attending the Board meeting shall comply with the following principles:

- (I) when considering related party transactions, a non-connected director may not entrust a connected director to attend on his behalf, nor shall a connected director accept the entrustment of non-connected director;
- (II) the independent non-executive director shall not entrust a non-independent directors to attend on his behalf, nor shall the non-independent director accept the entrustment of an independent non-executive director;
- (III) a director shall not give any other director carte blanche to attend the meeting on his behalf without providing his own opinions and voting intent on the resolutions, and the relevant director shall also not accept the carte blanche or any appointment not well defined;
- (IV) one director shall not accept appointment by more than two directors, and a director shall also not appoint any other director who has been appointed by two other directors to attend the meeting on their behalf.

CHAPTER 9 CONSIDERATION OF THE BOARD RESOLUTIONS

Article 49 The Board shall consider the resolutions in accordance with the procedures on an item-by-item basis.

Article 50 The Directors shall uphold the spirit of democracy and truthfulness when considering resolutions or discussing issues, and shall fully express their opinions on each resolution based on the principle of being responsible to all shareholders.

Article 51 Where more than half of the attending directors or more than two independent non-executive directors consider that they cannot make judgment on the relevant issue because the proposal is not clear or specific or the meeting materials are inadequate, the chairman of the meeting shall ask for suspension of voting on the topic proposed at the meeting. The directors proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for consideration.

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Article 52 The directors shall vote on the resolutions on the basis of a full discussion.

Article 53 Resolutions of the Board meetings shall be decided on voting by disclosed ballot.

The extraordinary Board meetings may be held and the resolution may be voted by facsimile on the basis that directors' opinions can be expressed adequately and shall be signed by directors.

Article 54 Each director shall have one vote. Directors' voting include affirmative, dissenting and abstaining votes. All directors present at the meeting shall make one of the above options. Where any director does not make any option or makes two or more options, the chairman of the meeting moderator shall request the directors to make options again. If the directors refuse to do so, they shall be deemed as having abstained from voting. If the directors leave the meeting venue in the middle of the meeting without making an option, they shall be deemed as having abstained from voting.

If there is equal number of dissenting and affirmative votes, the chairman of the Board has the casting vote.

Article 55 Based on the resolutions considered and approved at the meeting, Board resolutions shall be formed. After signed by all directors attending the meeting, the secretary to the Board shall issue to the general manager of operation management for compliance by way of Board documents. When the Board resolutions encounter significant issues in the course of implementation, the general manager of operation management shall promptly report to the chairman of the Board and, if necessary, form a written report, which shall be submitted by the secretary to the Board to the chairman of the Board, who shall decide whether to submit such report to the Board for further review.

Article 56 Supervisors attending the meeting may express their opinions at the meeting if they find irregularities or matters that are temporarily inappropriate for decision making, etc.

Article 57 Saved as otherwise specified in these rules, the Board's adoption of or resolution on any proposal shall be subject to approval of more than half of all the directors of the Company. Where the relevant laws, administrative regulations, stock exchanges where the shares of the Company are listed and the Articles of Association have any provisions on approval by more directors, such provisions shall apply.

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Any resolution made by the Board on any guarantee within its scope of authority under the Articles of Association shall be subject to the approval of more than half of all the directors and more than two thirds of the attending Directors.

Article 58 Directors shall be liable for the Board resolutions. If a Board resolution violates the laws, regulations, or the Articles of Association and causing losses to the Company, the directors participating in the resolution shall be liable to compensate the Company for the losses. However, if it is verified that a director had stated his objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.

Article 59 In any of the following circumstances, the directors shall abstain from voting on the relevant proposals:

- (I) the Company Law, the Securities Law and other laws and regulations and listing rules of the stock exchange(s) where the shares of the Company are listed provide for abstention of the directors from voting;
- (II) the directors themselves deem necessary to abstain from voting;
- (III) the directors are connected with the enterprises involved in the proposals and shall therefore abstain from voting pursuant to the Articles of Association.

When voting on a connected matter at a Board meeting, a director who is related to the connected matter under consideration shall not exercise his voting rights on the resolution, nor shall he exercise his voting rights on behalf of other directors; other informed directors shall also have the obligation to request the abstention of the related director if he does not voluntarily request such abstention. The Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the Board meeting is smaller than 3, the relevant proposal shall be submitted to the general meeting for consideration.

Article 60 Matters determined in a Board meeting shall be recorded in minutes of meetings, which shall be complete and true. Minutes of meetings shall be signed by directors, secretary to the Board and the recorder attending to the Board meeting. Directors attending the meeting shall have the right to request to record in the minutes details of the speech made by them at the meeting.

APPENDIX III.B RULES OF PROCEDURES FOR THE BOARD MEETING

The minutes of the Board meeting shall be kept as the Company's files for a period of not less than ten years.

Article 61 The minutes of the Board meeting shall include the following:

- (I) date and place of the meeting and the name of the convener;
- (II) names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the Board meeting;
- (III) agenda of the meeting;
- (IV) main points of the speeches of the directors;
- (V) method and results of the voting for each proposal (the voting results shall state the numbers of votes for or against the proposal or abstention).

Article 62 The directors, supervisors, senior management and staff engaged in meeting affairs who attend the meeting shall keep the content of the meeting strictly confidential.

CHAPTER 10 SUPPLEMENTARY

Article 63 The expressions of "or more" and "within" shall include the figures mentioned; the expressions of "over", "less than", "more than" and "higher than" shall not include the figures mentioned.

Article 64 In the event that these rules of procedures are contrary to the relevant laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association, they shall be implemented in accordance with the said laws, regulations or rules.

Article 65 These rules of procedures, as a supplementary to the Articles of Association, shall be interpreted by the Board, and shall become effective from the date of listing and trading of the Company's shares on the Shanghai Stock Exchange after consideration and approval by the general meeting.

XINTE ENERGY CO., LTD.
[•] 2022

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

XINTE ENERGY CO., LTD.
RULES OF PROCEDURES FOR THE BOARD OF SUPERVISORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further regulate the discussion methods and voting procedures of the board of supervisors of the Company (the “**Board of Supervisors**”), urge the supervisors and the Board of Supervisors to effectively fulfill their supervisory duties and improve the corporate governance structure of the Company, these rules of procedures are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》), the Articles of Association of Xinte Energy Co., Ltd. (the “**Articles of Association**”) and other relevant requirements.

Article 2 The Board of Supervisors shall have a reasonable professional structure, and its members shall possess the necessary knowledge, skills and qualities to perform their duties.

Article 3 The Board of Supervisors shall conscientiously perform the duties stipulated in the relevant laws, regulations and the Articles of Association, and ensure that the Company abides by the requirements of laws, regulations and the Articles of Association.

Article 4 These rules of procedures are binding on all supervisors.

CHAPTER 2 SUPERVISORS

Article 5 The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of five supervisors.

The Board of Supervisors shall consist of shareholders’ representatives and appropriate proportion of employee representatives of the Company. The proportion of employee representatives shall not be less than one-third. The supervisor who is not an employee’s representative shall be elected and removed by the general meeting. The employee’s representative of the Board of Supervisors shall be democratically elected and removed by the employees of the Company.

Article 6 A person may not serve as a supervisor of the Company if any of the following circumstances applies:

- (I) a person without legal or with restricted legal capacity;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation due to mismanagement and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise, which had its business license revoked or was ordered to close down due to a violation of the law and who incurred personal liability; and it has not been three years, where less than three years has elapsed since the date of the revocation of the business license;
- (V) a person who has a relatively large amount of debts due and outstanding;
- (VI) a person who is prohibited from entering into the securities market by the securities regulatory authority for a period which has not yet expired;
- (VII) a person who is under criminal investigation by a judicial organization for violation of the criminal law where the said investigation is not yet concluded;
- (VIII) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (IX) a non-natural person;
- (X) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years has elapsed since the date of the conviction;

(XI) other contents required by the laws, administrative regulations or departmental rules.

The election of supervisors shall be invalid if the election violates the requirements of the above provisions. The Company shall remove a supervisor if any of the circumstances stated in this article applies during his or her term of office.

Article 7 The directors, general manager and other senior management shall not act as supervisors concurrently.

Article 8 Candidates for the shareholder representative supervisors can be nominated by the Board of Supervisors and the shareholders individually or jointly holding more than 3% of the total issued shares of the Company with voting rights on a daily basis for over 180 consecutive days.

Article 9 The Company shall conclude written contract with each supervisor, and such contract shall include at least the following provisions:

- (I) the supervisor undertakes to the Company that he or she will abide by laws, administrative regulations, rules governing the listing of securities of the place(s) where the Company's shares are listed, the Articles of Association and other relevant requirements, and agrees that the Company will have the right to take remedial actions set forth under the Articles of Association, and that such contract and its position shall not be transferred;
- (II) the supervisor undertakes to the Company that he or she will abide by and perform their responsibilities owed to the shareholders specified in the Articles of Association; and
- (III) the arbitration article contained in the Articles of Association.

Article 10 The term of office of a supervisor shall be three years. A supervisor may take another term if he/she is re-elected after the expiration of his/her term.

Article 11 If the re-election is not conducted in time after the term of a supervisor expires or the resignation of a supervisor during his or her term of office causes the members of the Board of Supervisors to fall short of the quorum, such supervisor shall still perform the supervisor's duty in line with the laws, administrative regulations and the Articles of Association until the new supervisor takes office.

Article 12 Supervisors should ensure that the information disclosed by the Company is true, accurate and complete, and shall sign a written confirmation of the periodic report.

Article 13 Supervisors may attend the Board meeting as non-voting participants, question or make recommendations on the resolutions to be passed by the Board.

Article 14 Supervisors shall not use their connections to prejudice the interest of the Company. If any loss is thus incurred to the Company, they shall be held liable.

Article 15 Supervisors have the right to know the operation of the Company and shall undertake the confidential duties accordingly.

Article 16 The Company shall take measures to safeguard supervisors' right to know and provide supervisors with necessary assistance for their normal performance of duties, without anyone's intervention or obstruction. The Board of Supervisors has the right to independently engage intermediary agency/agencies to provide professional advice when necessary. Reasonable expenses incurred in supervisors' performing their duties including from engaging intermediary agency/agencies shall be borne by the Company.

Article 17 Supervisors shall abide by the laws, administrative regulations and the Articles of Association, owe fiduciary duties and due diligence duties to the Company. They shall not use the authority to take bribes or solicit other illegal incomes, and never encroach upon the Company's property.

Article 18 Supervisors shall be dismissed by the Board of Supervisors or the shareholders' general meeting at the proposal of shareholders with the right to propose or the employees' general meeting (employee representatives' meeting) at the recommendation of the Board of Supervisors upon occurrence of any of the following:

- (I) changes of duties during the term of office which render such supervisor unsuitable to continue serving as a supervisor;
- (II) having failed to attend the meetings of the Board of Supervisors in person for two consecutive times and without appointing other supervisors in writing to attend on his/her behalf;
- (III) having committed serious misconduct or illegal actions during his/her term of office;
- (IV) other circumstances in which one is not suitable to act as a supervisor under the relevant laws and regulations.

Other than reasons as mentioned in the preceding paragraph, the Company may not dismiss any supervisor at will.

Article 19 If a supervisor violates the laws, administrative regulations, department rules or the Articles of Association in the performance of duties in the Company and incurs any loss to the Company, he/she shall be held liable.

CHAPTER 3 CHAIRMAN OF THE BOARD OF SUPERVISORS

Article 20 The Board of Supervisors shall have one chairman. The appointment and dismissal of the chairman of the Board of Supervisors shall be voted and adopted by more than two-thirds (including two-thirds) of the members of the Board of Supervisors.

Article 21 The chairman of the Board of Supervisors shall enjoy the following functions and powers in accordance with the law:

- (I) to convene and preside over the meetings of the Board of Supervisors;
- (II) to inspect the execution of resolutions of the Board of Supervisors;
- (III) to report work to the general meeting of shareholders on behalf of the Board of Supervisors;
- (IV) to chair the daily work of the Board of Supervisors and organize the preparation of the annual work plan of the Board of Supervisors;
- (V) to sign and issue relevant documents and notices of the Board of Supervisors.

Article 22 If the chairman of the Board of Supervisors is unable to or fails to perform such duties, more than half of the supervisors shall jointly recommend a supervisor to perform the duties of the chairman on his behalf.

CHAPTER 4 BOARD OF SUPERVISORS

Article 23 The Board of Supervisors shall exercise the following functions and powers:

- (I) to review the regular reports of the Company prepared by the Board on a regular basis and to provide written review opinions;
- (II) to inspect the financial status of the Company;
- (III) to supervise the performance of duties by the directors, senior management, and propose to remove directors and senior management who have violated the laws, administrative regulations, the Articles of Association or resolutions of the general meeting;
- (IV) to require a director or senior management to correct his/her conducts when such conducts may harm the interest of the Company;
- (V) to propose to hold an extraordinary general meeting, and convene and preside over a general meeting when the Board fails to fulfill its duty to convene and preside over the general meeting specified by the Company Law;
- (VI) to submit proposals to the general meeting;
- (VII) to take legal action against a director or senior management according to the Company Law;
- (VIII) to conduct an investigation when finding irregularities in the operation of the Company. Professional organizations including accounting firms and law firms may be engaged when necessary, with the relevant costs to be borne by the Company;
- (IX) other functions and powers as provided for in the Articles of Association or authorized by the general meeting.

Article 24 The Board of Supervisors shall report their work in the preceding year at the annual general meeting.

CHAPTER 5 CONVENING AND HELDING OF THE GENERAL MEETINGS OF THE BOARD OF SUPERVISORS

Article 25 General meetings of the Board of Supervisors consist of regular meetings and extraordinary meetings.

Regular meetings of the Board of Supervisors shall be held at least once every six months, and shall be convened and presided over by the chairman of the Board of Supervisors. A supervisor may propose to hold an extraordinary meeting of the Board of Supervisors.

Article 26 The Board of Supervisors should inform all supervisors 10 days prior to the holding of a regular meeting or 1-5 days prior to the holding of an extraordinary meeting, and notice of the meeting shall be served by hands, post, email, fax or other means.

Article 27 In the event of any of the following circumstances, the Board of Supervisors shall convene an extraordinary meeting of the Board of Supervisors within 10 days from the date of the occurrence of the relevant circumstance:

- (I) when any supervisor proposes to hold such a meeting;
- (II) when a resolution that is in conflict with the laws, regulations, rules, various provisions and requirements of the regulatory authority, the Articles of Association, resolutions of the general meetings of the Company and other relevant requirements has been passed at a general meeting or a Board meeting;
- (III) when any improper conduct of a director or a senior management personnel is likely to cause material damage to the Company or cause vile impacts in the markets;
- (IV) when a shareholder initiates a legal action against the Company, its directors, supervisors or senior management personnel due to their performance of duties;
- (V) when the Company, its directors, supervisors or senior management personnel are punished by the securities regulatory authority or publicly reprimanded by the stock exchange of the place where the Company's shares are listed;
- (VI) when the securities regulatory authority requires such a meeting to be held;
- (VII) other circumstances specified in the Articles of Association.

Article 28 If a supervisor of the Company proposes to convene an extraordinary meeting of the Board of Supervisors in accordance with Article 27 of these rules of procedures, a written proposal shall be submitted to the chairman of the Board of Supervisors, in which the following matters shall be stated:

- (I) the name, contact information of the supervisor who made the proposal and the date on which the proposal is made;
- (II) the reason for the proposal;
- (III) the proposed time or period, place and manner of the convening of the meeting;
- (IV) the clear and specific proposal.

The chairman of the Board of Supervisors shall, within 10 days after receiving such a written proposal from a supervisor in accordance with the provisions of the preceding paragraph, shall issue a notice for convening an extraordinary meeting of the Board of Supervisors. For a written proposal that does not meet the provisions of the preceding paragraph, the chairman of the Board of Supervisors shall promptly request the supervisor who made the proposal to make corrections to the proposal, and will issue the notice of convening an extraordinary meeting of the Board of Supervisors within 10 days after the submission of the written proposal after correction by the supervisor.

Article 29 Notice of a meeting of the Board of Supervisors shall include:

- (I) date, venue and duration of the meeting;
- (II) reasons for and agenda of the meeting;
- (III) the date of issue of such notice.

When the situation is urgent and an extraordinary meeting of the Board of Supervisors has to be convened as soon as possible, notice of the meeting may be sent at any time through methods such as verbal notice or telephone. Verbal notice of the meeting shall include at least item (1) and (2) of the foregoing, as well as an explanation of the urgent situation that calls for the convening of an extraordinary meeting of the Board of Supervisors as soon as possible.

Article 30 The supervisors shall attend the meetings of the Board of Supervisors in person; in the event that a supervisor is unable to attend the meeting for some reason, he/she should provide written comments or written votes in advance, and may appoint in writing other supervisors to attend the meeting of the Board of Supervisors on his/her behalf. The proxy letter shall specify the proxy's name, delegated matters, scope of delegation and the valid term, and shall be affixed with the signature or seal of the delegator. The supervisor who attends the meeting on behalf of another supervisor shall exercise the right of the supervisor within the scope of delegation.

Article 31 Provided that the supervisors have fully expressed their views, the meeting of the Board of Supervisors may be convened by facsimile and other communication methods and resolution(s) may be made at such meeting, and the supervisors attending the meeting shall sign accordingly.

CHAPTER 6 VOTING AND RESOLUTIONS OF THE BOARD OF SUPERVISORS

Article 32 The Board of Supervisors shall review the proposals item by item according to procedures.

Article 33 A resolution made by the Board of Supervisors shall be voted and adopted by more than two-thirds (including two-thirds) of the members of the Board of Supervisors.

Each supervisor is entitled to one vote.

Article 34 The voting options of the supervisors are classified into "for", "against" or "abstained". Each supervisor present at the meeting shall choose one of the aforesaid options. Where a supervisor does not select or simultaneously selects more than one of the options, the chairman of the meeting shall require the said supervisor to re-select, and refusing to select shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and has not selected any of the options shall be deemed to have abstained from voting.

When the supervisors attending the meeting of the Board of Supervisors consider and vote on the relevant matters or proposals, they should fully express their individual suggestions and opinions on the matters being discussed based on an attitude of serious responsibility to the Company and shall be responsible for their own votes.

Supervisors attending the meeting on behalf of other supervisors shall exercise their rights on behalf of the delegators within the scope of delegation.

Where a supervisor fails to attend the meeting of the Board of Supervisors and does not assign other supervisors to attend the meeting on his/her behalf, he/her is deemed to have relinquished his/her voting rights in the said meeting.

Article 35 When a proposal is related to a supervisor, the supervisor shall withdraw and abstain from voting.

Article 36 Minutes of the Board of Supervisors' meetings shall be kept and signed by attending supervisors and the recorder of meetings. Any supervisor shall have the right to request to record certain explanatory note into the minutes regarding the speech made by his/her at the meeting. The minutes of the Board of Supervisors' meetings shall be kept by the secretary of the Board as the Company's important files for a period of not less than ten years. Supervisors shall be liable for resolutions of the Board of Supervisors. If a resolution of the Board of Supervisors is against national laws, administrative regulations or the Articles of Association, which causes any severe damages to the Company's property, the supervisors who participate in voting of the resolution shall assume the liability to compensate the Company; supervisors who have been proved as having expressed dissenting opinions on the resolution during the voting as recorded in the minutes of meeting shall be exempted from liability. The minutes of the Board of Supervisors' meetings shall include the following:

- (I) date and venue of the meeting and the name of the convener;
- (II) names of the supervisors attending the meeting and names of the supervisors (proxies) appointing others to attend the meeting of the Board of Supervisors;
- (III) agenda of the meeting;
- (IV) main points of the speeches of the supervisors;
- (V) method and results of the voting for each proposal (the voting results shall state the numbers of votes for or against the proposal or abstention).
- (VI) other issues that the attending supervisors think should be included into the minutes.

Article 37 The Board of Supervisors can make a resolution and propose suggestions to the Board and senior management. It can report to the shareholders' general meeting when necessary.

Article 38 Resolutions of the Board of Supervisors shall be executed under the supervision of the Board of Supervisors. Substantive resolutions on supervisory matters shall be executed by supervisors; while recommended resolutions on supervisory matters shall be executed by the Board, directors or senior management of the Company under the supervision of the Board of Supervisors.

CHAPTER 7 SUPPLEMENTARY

Article 39 For the purpose of these rules of procedures, the expressions of “or more”, “within” shall include the figures mentioned whilst the expressions of “over”, “less than”, “more than” and “above” shall not include the figures mentioned.

Article 40 In the event of any inconsistency between these rules of procedures and the relevant laws, administrative regulations, securities regulatory rules of the place(s) where the Company’s shares are listed or the Articles of Association, the latter shall prevail.

Article 41 These rules of procedures, as appendix to the Articles of Association, shall be vested to the Board of Supervisors and will take effect from the date when the Company’s shares are listed and traded on the Shanghai Stock Exchange upon consideration and approval by the general meeting.

XINTE ENERGY CO., LTD.

[•] 2022

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**Measures and Undertakings for Dilution of Immediate Returns as A Result
of the A Share Offering and Listing of The Company**

In order to better protect the rights and interests of investors, in accordance with the provisions of relevant laws, regulations and regulatory documents including the “Guiding Opinions on Matters concerning Dilution of Immediate Returns by Initial Public Offering, Refinancing and Major Asset Restructuring” 《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》, http://www.gov.cn/gongbao/content/2016/content_5061706.htm), the Company formulated measures for dilution of immediate returns as a result of the initial public offering of A shares, and the directors, senior management, controlling shareholders and de facto controller of the Company will make corresponding undertakings to ensure that the Company’s recovery measures can be duly implemented.

I. RISKS ON DILUTION OF CURRENT IMMEDIATE RETURNS AND REMEDIAL MEASURES OF THE A SHARES ISSUE AND LISTING

After the funds raised from the A shares issue and listing are in place, the Company’s total share capital and net assets will increase correspondingly. However, it will take a certain period of time for the use of the proceeds to generate profits. In the event that the total share capital and net assets of the Company increase, if the Company’s future business scale and net profits fail to generate corresponding growth, it is expected that the indicators such as earnings per share and return on net assets will decline to a certain extent in the short term, and there is a risk that the immediate returns to shareholders (financial indicators such as earnings per share and on net assets) would be diluted after the proceeds are in place.

II. SPECIFIC MEASURES ON DILUTION OF IMMEDIATE RETURNS

(I) Strengthening the management of proceeds to ensure legal and reasonable use of the funds raised

The Company has fully demonstrated the feasibility of the investment project of the funds raised from the issue, and the investment project is in line with China’s industrial policy, industry development trend and the Company’s development strategy, which has satisfying development prospects and expected benefits. After the implementation of the project, the Company’s polysilicon production capacity will be further upgraded and expanded, thus strengthening its

competitiveness and improving its profitability. After the proceeds from the issue are in place, the Company will, based on its actual conditions, strengthen the management of proceeds and regulate the use of proceeds in accordance with the requirements of the “Measures on the Administration of Proceeds” and relevant laws and regulations to ensure that the proceeds are fully and effectively utilized in accordance with the original purpose. At the same time, the Company will strive to organize and implement the project, accelerate the construction of the fund-raising project, strive for early completion and realization of profits, and promote the sustainable development of the Company’s business.

(II) Expanding business scale, increasing R&D investment and strengthening talent team building

The Company’s revenues from operations mainly come from the sales of polysilicon products, construction services of new energy power plants and operation business of new energy power plants. Driven by the strategic objectives of energy development such as carbon emission peak and carbon neutral, as photovoltaic is renewable energy with the advantages of clean, safe and abundant resources, the development and operation of solar power resources will embrace new opportunities, and the new energy industry will be further developed with broadened market. In the future, the Company will continuously expand the operational scale of the main business based on the solid foundation of existing markets and customers. At the same time, the Company will continuously increase the R&D investment and strengthen the building of the talent team to enhance the competitiveness and profitability of the products.

(III) Strengthening the operational management and internal control to enhance the operational efficiency and profitability

In the coming years, the Company will further improve its operation and management level and enhance its overall profitability. The Company closely focuses on the management philosophy of “quality improvement, efficiency enhancement, costs reduction and lowest cost per unit of electricity” to strengthen the innovation of technology R&D system, promote the transformation and industrialization of technology achievements, as well as realize quality enhancement, cost reduction and efficient development with respect to the polysilicon. Regarding the construction of new energy power plants, the Company fully applies modern information technology and advanced communication technology including mobile internet and artificial intelligence to build intelligent power stations, realize the informationization, digitalization and intelligence of the whole industry chain from power plant design to power plant operation, and further improves the power plant construction and its operational level.

The Company will strive to improve the efficiency of the use of funds, as well as improve and strengthen the decision-making process of the investment; focus on the internal control and leverage on the effectiveness of corporate management and control; enhance budget management, optimize the budget management process, strengthen supervision of budget execution; enhance the control and management of costs and expenses, in an attempt to fully and effectively control the Company's operation, management and control risks.

(IV) Improving the profit distribution policy and optimizing the return on investment mechanism

The Company has formulated the “Articles of Association” applicable after the A shares issue and listing and the “Three-Year Shareholders’ Return Plan after the Initial public Offering and Listing of RMB Ordinary Shares (A Shares) of Xinte Energy Co., Ltd.” in accordance with the relevant regulations including the “Notice Regarding Matters in relation to Further Implementation of Cash Dividends Distribution of Listed Companies”, “Guidelines No. 3 on the Supervision and Administration of Listed Companies — Distribution of Cash Dividends of Listed Companies” (《上市公司監管指引第3號上市公司現金分紅》, <http://www.csrc.gov.cn/csrc/c101954/c1719297/content.shtml>) and “Guidance for the Articles of Listed Company” (《上市公司章程指引》, <http://www.csrc.gov.cn/csrc/c101954/c1719264/content.shtml>) issued by the CSRC. In the future, the Company will implement the profit distribution policy in strict accordance with the requirements of the above system, with the aim of safeguarding the interests of the Company and its shareholders, attaching great importance to reasonable and stable investment returns to investors, extensively taking advice from the opinions and suggestions of independent non-executive directors and investors, especially medium and minority shareholders, when formulating specific distribution plans, and taking into account the development stage, operating conditions, market environment, regulatory policies, etc. of the Company to timely improve and optimize the return mechanism for investors so as to ensure the reasonable expectation and benefit protection of investors. Meanwhile, the Company is committed to further improving the relevant system for the protection of medium and minority investors in accordance with the implementation rules or requirements issued by the CSRC, the stock exchange and other regulatory authorities in this regard, and with reference to the prevailing practices of listed companies in the same industry.

III. COMMITMENTS OF RELEVANT BODIES**(I) Commitments of directors and senior management of the Company**

In order to ensure that the Company's recovery measures on returns can be effectively fulfilled, the directors and senior management of the Company make the following commitments:

- “1. Undertake not to send benefits to other units or individuals without gratuitous or unfair conditions, nor in any other way to damage the interests of the Company;
2. Undertake to restrict position consumption behaviors;
3. Undertake not to use the Company's assets to engage in investment or consumption activities that are unrelated to duties;
4. Undertake that the remuneration system established by the Company is linked to the implementation of the Company's recovery measures on returns;
5. Undertake that the conditions of exercise of the Company's equity incentive will be linked to the implementation of the Company's recovery measures on returns, if the Company launches the equity incentive program in the future;
6. Undertake to make supplementary undertakings in accordance with relevant requirements, if the regulatory authorities makes other refinement requirements regarding the recovery measures for dilution of immediate returns and the undertakings before the completion of the A shares issue and listing, and the above undertakings cannot meet the refinement requirements of the regulatory authorities.”

(II) Commitments of the controlling shareholder of the Company

In order to ensure that the Company's recovery measures on returns can be effectively fulfilled, TBEA Co., Ltd., the controlling shareholder of the Company, makes the following commitments:

“TBEA Co., Ltd. will not exceed its authority to interfere in the Company's operation and management activities, nor encroach on the interests of the Company during its period as the controlling shareholder of the Company.

TBEA Co., Ltd. will actively take all necessary and reasonable measures in accordance with the relevant regulations issued by the CSRC, Shanghai Stock Exchange and other regulatory authorities so that the Company's recovery measures of immediate returns can be effectively implemented."

(III) Commitments of the actual controller of the Company

In order to ensure that the Company's recovery measures on returns can be effectively fulfilled, Mr. Zhang Xin, the actual controller of the Company, makes the following commitments:

"I will not exceed my authority to interfere in the Company's operation and management activities, nor encroach on the interests of the Company during the period as the actual controller of the Company.

I will actively take all necessary and reasonable measures in accordance with the relevant regulations issued by the CSRC, Shanghai Stock Exchange and other regulatory authorities so that the Company's recovery measures of immediate returns can be effectively implemented."

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**Price Stabilization Plan of Shares within Three Years
Following the A Share Offering and Listing**

To protect the interest of investors and to further clarify the measures for stabilizing the A share's price when it is lower than the net assets per share within three years following the A Share Offering and Listing, the Company has formulated the price stabilization plan of Shares within three years following the A Share Offering and Listing of Xinte Energy Co., Ltd. in accordance with the Opinions on Further Promoting the Reform of New Share Offering Scheme (《關於進一步推進新股發行體制改革的意見》, http://www.gov.cn/zhuanti/2015-12/14/content_5023861.htm) and other relevant requirements as well as the actual circumstances of the Company, details of which are as follows:

I. CONDITIONS FOR ACTIVATION AND CESSATION

(I) Conditions for activation

Within three years following the A Share Offering and Listing, save for circumstances caused by force majeure, in case that the closing prices of the Company's A shares for 20 consecutive trading days (excluding any trading day(s) on which trading in the A shares has been suspended for the whole day, the same hereinafter) are lower than its latest audited net assets per share (if the abovementioned closing price is not comparable to the Company's latest audited net assets per share due to ex-rights and ex-dividend events, such closing price shall be adjusted accordingly), and the simultaneous satisfaction of the requirements of relevant laws, regulations and normative documents regarding actions of share repurchase and increase in shareholding, the implementation of the share price stabilization measures by the Company and the relevant entities will be triggered.

(II) Conditions for cessation

Upon satisfaction of the conditions for activation of the share price stabilization measures, in the event that any of the following circumstances occurs, the formulated or announced share price stabilization measures shall be terminated, and the share price stabilization measures which have begun implementation shall be deemed to have been completed without the need for further implementation:

1. during or before the implementation of the specific share price stabilization measures, where the closing prices of the Company's A shares are not lower than the latest audited net assets per share of the Company for five consecutive trading days.
2. the continued implementation of the share price stabilization measures will result in non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where shares of the Company are listed or violation of the relevant prohibitive regulations in force at the time, or the increase in the shareholdings of A shares of the Company will trigger a general offer obligation.

II. SPECIFIC MEASURES OF THE SHARE PRICE STABILIZATION

Upon satisfaction of the conditions for activation of the share price stabilization measures, depending on the actual circumstances of the Company and the stock market, the share price stabilization measures may be implemented in the following priority: 1. increase of shareholding in A shares of the Company by the controlling shareholders of the Company; 2. repurchase of A shares by the Company; 3. increase of shareholding in A shares of the Company by the directors (for the purpose of the plan, excluding independent non-executive directors) and the senior management of the Company.

(I) Share price stabilization measures by the controlling shareholders

1. Where the controlling shareholders of the Company increase their shareholdings in A shares of the Company for the purpose of share price stabilization, they should do so in compliance with the relevant laws, regulations and normative documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收購管理辦法》, <http://www.csrc.gov.cn/csrc/c101864/c1024607/content.shtml>), Guidelines for the Shareholding Increase of Shareholders and Parties Acting in Concert of Companies Listed (《上市公司股東及其一致行動人增持股份行為指引》, http://www.sse.com.cn/lawandrules/sserules/listing/stock/c/c_20150912_3985845.shtml), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
2. Should the conditions for activation of the share price stabilization measures arise, the controlling shareholders of the Company shall notify the Company in writing of whether there is a specific plan to increase their shareholdings in A shares of the Company within 10 trading days after the conditions for activation of the share price stabilization

measures are triggered, and the Company shall publish announcement(s) in this regard. If there is a specific plan, it should include but not limited to informations such as the quantity of the shareholding in A shares proposed to be increased, price range, source of capital for shareholding increasing, method of shareholding increasing and completion schedule, and the total amount of the proposed increase shall not be less than RMB50 million.

(II) Share price stabilization measures by the Company

1. Where the Company repurchases its A shares for the purpose of share price stabilization, it shall do so in compliance with the relevant laws, regulations and normative documents, including the Company Law, the Securities Law, Share Buyback Rules for Listed Companies (《上市公司股份回購規則》), the Opinions on Supporting Share Repurchase by Listed Companies (《關於支持上市公司回購股份的意見》, http://www.gov.cn/zhengce/zhengceku/2018-12/31/content_5441604.htm), Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 7 — Share Buyback (《上海證券交易所上市公司自律監管指引第7號回購股份》, http://www.sse.com.cn/lawandrules/sselawsrules/stock/main/listing/c/c_20220107_5679278.shtml), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
2. If the controlling shareholders fail to notify the aforementioned specific plan for shareholding increase in A shares as scheduled, or explicitly indicate that there is no plan for shareholding increase in A shares, the board of directors of the Company will announce whether there is an A shares repurchase plan within 20 trading days after the conditions for activation of the share price stabilization measures are triggered for the first time. If there is such a plan, it should include but not limited to informations such as the quantity of A shares proposed to be repurchased, price range, source of capital for the repurchase and completion schedule, and the total amount of the repurchase shall not be less than RMB50 million. The total accumulated amount of funds to be used by the Company in the repurchase of its A shares shall not exceed the total amount of funds raised from the A Share Offering. The Company shall implement the share price stabilization measures after performing the relevant procedures stipulated in relevant laws, regulations and normative documents and obtaining the required approvals.

(III) Share price stabilization measures by the directors and senior management of the Company

1. Where the directors and senior management of the Company increase their shareholdings in A shares for the purpose of shares price stabilization, they shall do so in compliance with the requirements of laws, regulations and normative documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收購管理辦法》) and the Rules for the Administration of Shares and Changes in Shares Held by Directors, Supervisors and Senior Management of Listed Companies (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》, <http://www.csrc.gov.cn/csrc/c101954/c1719724/content.shtml>), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
2. If the board of directors of the Company fails to announce the aforementioned A shares repurchase plan as scheduled, or the aforementioned A shares repurchase plan fails to be passed at the board meeting or the general meeting due to various reasons, the then directors and senior management of the Company shall, within 30 trading days after the conditions for activation of the A share price stabilization measures are triggered or within 10 trading days after the aforementioned A share repurchase plan fails to be passed at the board meeting or the general meeting, notify the Company in writing of the specific plan for shareholding increase in A Shares, and the Company shall publish announcement(s) in this regard. The specific plan should include but not limited to informations such as the quantity of the shareholding in A shares proposed to be increased, price range and completion schedule. The respective accumulated amount for shareholding increase by directors and senior management shall not be less than 10% of their total remuneration (after tax) received from the Company in the previous year.

Within 120 trading days after the fulfilment of any share price stabilization measures as prescribed in the preceding three paragraphs, the obligations of the controlling shareholders, the Company, the directors and senior management to increase their shareholdings in A shares or repurchase A shares will be automatically relieved. Commencing from the 121st trading day after the fulfilment of any share price stabilization measures as prescribed in the preceding three paragraphs, if the activation conditions for share price stabilization measures are triggered again, the controlling shareholders, the Company, the directors and senior management will activate the next round of specific A share price stabilization measures according to the provisions of the preceding paragraphs.

The Company and its controlling shareholders, directors and senior management shall, when performing their repurchase or shareholding increase obligations of A shares, fulfil the corresponding information disclosure obligations in accordance with the relevant laws, regulations, the listing rules of the place(s) where shares of the Company are listed and other applicable regulatory provisions.

III. RELEVANT RESTRAINT MEASURES

1. If controlling shareholders of the Company fail to fulfil the obligations to increase their shareholdings in A shares due to subjective reasons after the Company released the corresponding announcement regarding the shareholding increase, the Company will temporarily withhold the cash dividends payable to such controlling shareholders for the year when the controlling shareholder's obligations to increase their shareholdings in A shares are triggered and for the next year (if any), until the controlling shareholders have fulfilled their obligations to increase their shareholdings in A shares.
2. If the Company fails to announce the plan for stabilizing the share price of A shares as scheduled, or if the Company fails to actually implement the plan for repurchasing A shares after announcing such plan due to subjective reasons, the Company will publicly explain the specific reasons for non-performance of the implementation at the general meeting of shareholders and in newspapers designated by the CSRC, apologize to shareholders and public investors, and assume corresponding responsibilities in accordance with relevant laws, administrative regulations, departmental rules and the requirements of regulators.
3. If directors and senior management of the Company fail to fulfil the obligations to increase their shareholdings in A shares due to subjective reasons after the Company released the corresponding announcement regarding the shareholding increase, the Company will temporarily withhold 30% of their monthly remuneration from the month when they fail to perform such obligations and cash dividends payable to them (if any), until the relevant directors and senior management have fulfilled their obligations to increase their shareholdings in A shares.

4. If the controlling shareholders, the Company, the directors and senior management cannot fulfil their obligations to increase their shareholdings in A shares or repurchase A shares within a certain period of time due to the minimum shareholding ratio by public shareholders stipulated in the securities regulatory regulations such as the listing rules of the place(s) where the Company's shares are listed or other relevant prohibitive regulations, the relevant subjects of liability may be exempted from the aforementioned restraint measures, but other measures shall also be actively taken to stabilize the price of A shares.

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**The Plan for the Shareholders' Return Within Three Years
Following the A Share Offering and Listing**

According to the Notice Regarding Further Implementation of Cash Dividend of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》), the Regulatory Guidelines for Listed Companies No. 3 — Cash Dividend of Listed Companies (《上市公司監管指引第3號 — 上市公司現金分紅》) issued by CSRC and other relevant requirements, in order to further improve the shareholders' returns level, enhance the profit distribution policy, clarify the Company's return plan of the shareholders' reasonable investment, increase the transparency and operability of profit distribution decisions, and facilitate shareholders' supervision of the Company's operation and profit distribution, the Company has formulated the plan for the shareholders' return within three years following the A Share Offering and Listing of Xinte Energy Co., Ltd., details of which are set out as follows:

I. FACTORS CONSIDERED IN THE FORMATION OF THE PLAN FOR THE SHAREHOLDERS' RETURN

The Company is committed to its long-term interest, the overall interest of all shareholders and the sustainable development of the Company. On the basis of a comprehensive analysis of factors including the Company's development strategy, costs of social capital and external financing environment and taking into full account of its current condition and development stages, future profit, cash flow, capital requirement for project investment, bank loans and facilities, as well as an extensive consideration of the short-term and long-term interests of the shareholders, the Company shall make systematic arrangements for profit distribution to further establish a continuous, stable and scientific mechanism for returns, in order to ensure the continuity and stability of the Company's profit distribution policy.

II. PRINCIPLES FOR THE PLAN FOR THE SHAREHOLDERS' RETURN

1. The Company shall take fully into account the returns for its investors and distribute the dividends to its shareholders according to the stipulated proportion of the profits in the consolidated financial statements available for distribution achieved during the year;

2. The Company shall keep an on-going and stable profit distribution policy and also consider the long-term interest of the Company, the overall interest of all shareholders and the sustainable development of the Company;
3. The Company shall formulate the profit distribution plan in accordance with relevant laws and regulations and the Articles of Association and shall distribute its profit by way of cash dividend as priority. Where the Company satisfies the conditions for cash dividend distribution, it shall distribute profit by way of cash.

III. SPECIFIC PLAN FOR THE SHAREHOLDERS' RETURN

1. Provided that the relevant laws and regulations and regulatory documents are complied with, and that the continuity and stability of the profit distribution policy is maintained, the Company may distribute profits by way of cash dividends, stock dividends or a combination of both. The Board of the Company may formulate an annual or interim dividend distribution plan in accordance with the Company's current profit size, cash flow, development stage and capital requirements;
2. Except for special circumstances, if the Company is profitable in the current year and the accumulated undistributed profits are positive, the Company shall give priority to the distribution of dividends in cash after full appropriation of statutory reserve and discretionary reserve. Provided that the conditions for cash dividends are met, the accumulated profits distributed in cash in the last three years shall not be less than 30% of the average annual distributable profits realized in the last three years.

Special circumstances refer to:

- (1) Where the production and operation of the Company is significantly affected by force majeure events (such as war, natural disasters, etc.);
- (2) Where the net cash flow from operating activities for the year is negative and the distribution of cash dividends will affect the subsequent on-going operation of the Company;
- (3) The auditor has not issued a standard unqualified audit report on the Company's financial report for the year;

- (4) Where the Company has significant investment plans or other significant cash expenditures (except for the fund-raising projects).

Significant investment plans or significant cash expenditures refer to the Company's proposed external investment, acquisition of assets or purchase of equipment within the next twelve months with a total amount equivalent to 30% or above of the Company's latest audited net assets.

3. The Company may propose for distribution of scrip dividends when it maintains stable operation and when the Board believes that the price of the Company's shares does not match the size of the Company's share capital and that the distribution of scrip dividends is beneficial to the overall interest of all shareholders of the Company, provided that the above conditions for cash dividends are satisfied. When the Company distributes profits by way of scrip dividends, it shall be conducted on the premise of giving shareholders a reasonable cash dividend return and maintaining an appropriate size of share capital, and the Company shall take into account actual conditions and reasonable factors such as the growth of the Company and dilution of net assets per share.
4. When actually distributing dividends, the Board of the Company shall take into account the characteristics of the industry in which it operates, the stage of development, its own business model, the level of profitability and whether there are significant capital expenditure arrangements, distinguish the following circumstances and propose a differentiated cash dividend policy in accordance with the procedures stipulated in the Articles of Association:
- (1) Where the conditions for cash dividends are met and the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distributed during the profit distribution;
- (2) Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distributed during the profit distribution;
- (3) Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distributed during the profit distribution.

If it is difficult to determine the Company's stage of development while it has substantial capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions. The specific stage of the Company at the time of actual dividend distribution shall be determined by the Board of the Company according to the specific circumstances.

IV. DECISION-MAKING PROCEDURES AND MECHANISMS FOR THE PROFIT DISTRIBUTION PLAN

1. The profit distribution plan of the Company shall be prepared by the management and submitted to the Board and the board of supervisors of the Company for consideration. The Board shall thoroughly discuss the reasonableness of the profit distribution plan and form a special proposal and submit it to the general meeting for consideration. When the Company has achieved profitability in the previous fiscal year but the Board does not distribute cash dividends or distributes profits at a ratio lower than the cash dividend ratio stipulated in the Articles of Association, the independent non-executive directors shall provide independent opinions and the Company shall provide online voting to facilitate the public shareholders to vote at the general meeting;
2. When the Company formulates a specific cash dividend proposal, the Board shall carefully study and discuss matters such as the timing, conditions and minimum ratio of the Company's cash dividends and the requirements of its decision-making procedures, and the independent non-executive directors shall provide independent opinions. The independent non-executive directors may solicit the opinions of the minority shareholders and put forward dividend distribution proposal and submit it directly to the Board for consideration;
3. Before considering the specific cash dividend proposal at the general meeting, the Company shall communicate and exchange views with shareholders (especially the minority shareholders) through various channels (including but not limited to telephone, fax, email, physical meeting, etc.), fully listen to the opinions and demands of the minority shareholders and promptly respond to the concerns of the minority shareholders;

4. Where the Company does not pay cash dividends due to the special circumstances specified above, the Board shall make special explanations on the specific reasons for not paying cash dividends, the exact purpose for the Company's retained earnings and the estimated investment yields, etc. and submit the same to the general meeting for consideration after the independent non-executive directors have expressed their opinions, and disclose it in the media designated by the Company.

V. ADJUSTMENT MECHANISM OF PROFIT DISTRIBUTION POLICY

In the event of force majeure such as war, natural disasters, or changes in the Company's external business environment (such as adjustments in China's policies and regulations) that have a significant impact on the Company's production and operation, or if the Company's own operating conditions change significantly, the Company may adjust its profit distribution policy. The proposal in respect of adjustment of profit distribution policy must be approved by the Board and the board of supervisors of the Company before submitting to the general meeting of the Company for approval by way of special resolution, and the independent non-executive directors shall give independent opinions on this. The Company shall provide the shareholders with the online voting method when considering the matters of change of profit distribution policy. The general meeting shall fully consider the opinions of the minority shareholders when considering the matter of change of policy on profit distribution plan.

VI. THE IMPLEMENTATION OF THE PROFIT DISTRIBUTION PLAN

After the profit distribution plan has been resolved at the general meeting of the Company, the Board of the Company shall complete the distribution of dividends within two months after the general meeting.

VII. OTHERS

1. In case of any matter that has not been covered in the Plan, relevant laws and regulations, regulatory documents and the Articles of Association shall apply.
2. The Plan shall take effect from the date of the initial public offering and listing of the A shares, subject to consideration and approval at the general meeting of the Company.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

**The Related Undertakings and the Corresponding Restrictive Measures in Connection
with the A Share Offering and Listing of the Company**

According to the requirements of the Opinions on Further Promoting the Reform of New Share Offering Scheme (《關於進一步推進黨發改革意見》) and relevant laws and regulations and regulatory documents, the Company proposes make public undertakings in the documents for the A Share Offering and Listing and propose restrictive measures for failure to fulfill such undertakings, details of which are set out as follows:

- I. There are no false representations or misleading statements contained in, or material omissions from, the prospectus in connection with the A Share Offering and Listing, and the Company shall assume joint and several legal liabilities for their truthfulness, accuracy and completeness of the contents of the prospectus.
- II. In the event that the CSRC or the People's Court or other competent authorities determine that there are any false representations or misleading statements contained in, or material omissions from, the prospectus in connection with the A Share Offering and Listing of the Company which would have a material and substantive effect on determining whether the Company satisfies the conditions of offering under laws, the Company will repurchase all the new shares under the A Share Offering according to the laws in the following manners:
 - (I) If the above circumstance occurs during a stage where the Offering has been completed but not yet listed for trading, the Company shall refund the stock subscription fees to the investor who has paid such fees plus the bank deposit interest for the same period from the payment date to the refund date;
 - (II) If the above circumstance occurs after the listing of new shares under the A Share Offering, the Company shall make an announcement on such matters after the CSRC or the People's Court or other competent authorities have made a final determination or effective ruling regarding such occurrence, and a Board meeting shall be convened within five trading days from the date of the announcement and the holding of a general meeting shall be proposed to consider the repurchase plan. All the new shares issued under the A Share Offering of the Company shall be repurchased in accordance with the specific share repurchase plan considered and

approved by the Board and the general meeting at a repurchase price which is the higher of: (1) the secondary market price of the Company's shares; (2) the issue price at the time of the A Share Offering of the Company (if there is ex-rights or ex-dividend activities of the Company such as profit distribution or distribution of shares after listing, the above issue price shall be the ex-rights or ex-dividend price) plus the bank deposit interest for the same period from date of payment of the stock subscription fees to the repurchase implementation date.

- III. The Company shall be liable for compensating investors fully and promptly for any losses in securities transactions caused by the false representations or misleading statement contained in, or material omissions from, the prospectus in connection with the A Share Offering and Listing of the Company in accordance with the final determination or effective ruling made by CSRC or the People's Court and other competent authorities.
- VI. If the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled (except for the objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), the Company will take the following measures:
- (I) Promptly and fully disclose the specific reasons that the Company fails to perform its undertakings, is unable to perform or fails to perform as scheduled;
 - (II) Propose supplemental undertakings or alternative undertakings (relevant undertakings shall fulfill corresponding approval procedures in accordance with the laws and regulations and the requirements of the Articles of the Association) to investors so as to protect their interests as much as possible;
 - (III) If the investors suffer losses in securities transaction due to the Company's failure to perform relevant undertakings, the Company shall be liable for compensation.
- V. In the event that the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled due to objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, the Company will take the following measures:

- (I) Promptly and fully disclose the specific reasons that the Company fails to perform its undertakings, is unable to perform or fails to perform as scheduled;

- (II) Propose supplemental undertakings or alternative undertakings (relevant undertakings shall fulfill corresponding approval procedures in accordance with the laws and regulations and the requirements of the Articles of the Association) to investors so as to protect their interests as much as possible.

Apart from the above binding measures, the Company is willing to follow other binding measures required by relevant laws and regulations and relevant regulatory authorities.

新特能源

XINTE ENERGY CO., LTD.

新特能源股份有限公司

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

(Stock code: 1799)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2022 (the “**EGM**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held at the Conference Room, International Conference Center at No. 189, South Beijing Road, Changji, Xinjiang, the People's Republic of China (the “**PRC**”) on Thursday, 5 May 2022 at 11:00 a.m. to consider and, if thought fit, approve the following resolutions.

Special Resolutions

- 1 To consider and individually approve the plan for the initial public offering and listing of RMB ordinary shares (A shares) of the Company (“**Proposed A Share Offering**” or “**A Share Offering and Listing**”):
 - 1.1 Type of Shares
 - 1.2 Nominal value of per Shares
 - 1.3 Place of listing
 - 1.4 Offering size
 - 1.5 Target subscribers
 - 1.6 Method of issuance
 - 1.7 Method of pricing
 - 1.8 Method of underwriting
 - 1.9 Distribution of the accumulated profit prior to the A Share Offering and Listing
 - 1.10 Validity period of the resolution

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022

- 2 To consider and approve the resolution regarding the amendments to the articles of association of the Company (applicable after the A Share Offering and Listing);
- 3 To consider and approve the resolution regarding the adoption of 2022 employee share ownership scheme of the Company.

Ordinary Resolutions

- 4 To consider and approve the resolution regarding granting authorizations to the board of directors of the Company to deal with matters in relation to the Proposed A Share Offering with full authority;
- 5 To consider and approve the resolution regarding the use of proceeds from the A Share Offering and Listing and feasibility analysis;
- 6 To consider and approve the resolution regarding the amendments to the corporate governance rules (applicable after the A Share Offering and Listing);
- 7 To consider and approve the resolution regarding the measures and undertakings for dilution of immediate returns as a result of the A Share Offering and Listing;
- 8 To consider and approve the resolution regarding the price stabilization plan of shares within three years following the A Share Offering and Listing;
- 9 To consider and approve the resolution regarding the plan for the shareholders' return within three years following the A Share Offering and Listing;
- 10 To consider and approve the resolution regarding the related undertakings and the corresponding restrictive measures in connection with the A Share Offering and Listing.

By Order of the Board
Xinte Energy Co., Ltd.
Zhang Jianxin
Chairman

Xinjiang, the PRC
19 April 2022

Notes:

1. **Important:** A circular setting out details of the abovementioned resolutions and the form of proxy of the EGM were dispatched and published by the Company on 19 April 2022.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022

2. In order to determine the shareholders of the Company (the “**Shareholder(s)**”) who are eligible to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 4 May 2022 to Thursday, 5 May 2022, both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Wednesday, 4 May 2022 shall be entitled to attend and vote at the EGM. In order for the Shareholders to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Board secretary office (in case of holders of domestic shares), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company’s H share registrar (in case of holders of H shares), Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 3 May 2022 for registration.
3. Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she is a Shareholder) to attend and vote at the EGM (or any adjournment thereof) on his/her behalf. The proxy needs not be a Shareholder.
4. Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorized by the relevant Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Shareholder or signed by its director or any other person duly authorized by that corporate Shareholder as required by the Articles of Association.
5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant authority (if any) as mentioned in note 4 above must be delivered to the Company’s Board secretary office at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC (for holders of domestic shares), or the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H shares) no later than 24 hours before the time appointed for the EGM (i.e. no later than 11:00 a.m. on Wednesday, 4 May 2022) (or any adjournment thereof).
6. A Shareholder or his/her proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate Shareholder’s legal representative or any other person duly authorized by such corporate Shareholder attends the EGM (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The EGM (or any adjournment thereof) is expected to take less than half a day. Shareholders or their proxies who attend the EGM (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.
8. The contact information of the Board secretary office of the Company is as follows:

Address: No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC

Contact person: Ms. Zhang Juan

Tel: +86-991-3665888

As at the date of this notice, the board of directors of the Company consists of Mr. Zhang Jianxin, Mr. Yin Bo and Mr. Xia Jinjing as executive Directors; Mr. Zhang Xin, Mr. Huang Hanjie and Ms. Guo Junxiang as non-executive directors; Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Benny as independent non-executive directors.

新特能源

XINTE ENERGY CO., LTD.

新特能源股份有限公司

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

(Stock code: 1799)

NOTICE OF THE FIRST H SHARES SHAREHOLDERS CLASS MEETING OF 2022

NOTICE IS HEREBY GIVEN that the first H shares shareholders class meeting of 2022 (the “**H Shares Shareholders Class Meeting**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held at the Conference Room, International Conference Center at No. 189, South Beijing Road, Changji, Xinjiang, the People’s Republic of China (the “**PRC**”) on Thursday, 5 May 2022 at 11:30 a.m. (or immediately after the conclusion or adjournment of the first extraordinary general meeting of 2022 held on the same day of the Company, whichever is later) to consider and, if thought fit, approve the following resolutions.

Special Resolutions

- 1 To consider and individually approve the plan for the initial public offering and listing of RMB ordinary shares (A shares) of the Company (“**A Share Offering and Listing**”):
 - 1.1 Type of Shares
 - 1.2 Nominal value of per Shares
 - 1.3 Place of listing
 - 1.4 Offering size
 - 1.5 Target subscribers
 - 1.6 Method of issuance
 - 1.7 Method of pricing
 - 1.8 Method of underwriting
 - 1.9 Distribution of the accumulated profit prior to the A Share Offering and Listing

NOTICE OF THE FIRST H SHARES SHAREHOLDERS CLASS MEETING OF 2022

1.10 Validity period of the resolution

- 2 To consider and approve the resolution regarding the amendments to the articles of association of the Company (applicable after the A Share Offering and Listing).

By Order of the Board
Xinte Energy Co., Ltd.
Zhang Jianxin
Chairman

Xinjiang, the PRC

19 April 2022

Notes:

1. **Important:** A circular setting out details of the abovementioned resolutions and the form of proxy of the H Shares Shareholders Class Meeting were dispatched and published by the Company on 19 April 2022.
2. In order to determine the H shares shareholders of the Company (the “**H Shares Shareholders**”) who are eligible to attend and vote at the H Shares Shareholders Class Meeting, the register of members of the Company will be closed from Wednesday, 4 May 2022 to Thursday, 5 May 2022, both days inclusive, during which no transfer of shares will be registered. H Shares Shareholders whose names appear on the register of members of the Company on Wednesday, 4 May 2022 shall be entitled to attend and vote at the H Shares Shareholders Class Meeting. In order for the Shareholders to qualify to attend and vote at the H Shares Shareholders Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 3 May 2022 for registration.
3. H Shares Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she is a H Shares Shareholder) to attend and vote at the H Shares Shareholders Class Meeting (or any adjournment thereof) on his/her behalf. The proxy needs not be a H Shares Shareholder of the Company.
4. H Shares Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant H Shares Shareholder or by a person duly authorized by the relevant H Shares Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant H Shares Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate H Shares Shareholder appoints a person other than its legal representative to attend the H Shares Shareholders Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate H Shares Shareholder or signed by its director or any other person duly authorized by that corporate H Shares Shareholder as required by the Articles of Association.
5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant authority (if any) as mentioned in note 4 above must be delivered to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for the H Shares Shareholders Class Meeting (i.e. no later than 11:30 a.m. on Wednesday, 4 May 2022) (or any adjournment thereof).

NOTICE OF THE FIRST H SHARES SHAREHOLDERS CLASS MEETING OF 2022

6. An H Shares Shareholder or his/her proxy should produce proof of identity when attending the H Shares Shareholders Class Meeting (or any adjournment thereof). If a corporate H Shares Shareholder's legal representative or any other person duly authorized by such corporate H Shares Shareholder attends the H Shares Shareholders Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The H Shares Shareholders Class Meeting (or any adjournment thereof) is expected to take 30 minutes. H Shares Shareholders or their proxies who attend the H Shares Shareholders Class Meeting (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.

As at the date of this notice, the board of directors of the Company consists of Mr. Zhang Jianxin, Mr. Yin Bo and Mr. Xia Jinjing as executive Directors; Mr. Zhang Xin, Mr. Huang Hanjie and Ms. Guo Junxiang as non-executive directors; Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive directors.

新特能源

XINTE ENERGY CO., LTD.

新特能源股份有限公司

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

(Stock code: 1799)

NOTICE OF THE FIRST DOMESTIC SHARES SHAREHOLDERS CLASS MEETING OF 2022

NOTICE IS HEREBY GIVEN that the first domestic shares shareholders class meeting of 2022 (the “**Domestic Shares Shareholders Class Meeting**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held at the Conference Room, International Conference Center at No. 189, South Beijing Road, Changji, Xinjiang, the People's Republic of China (the “**PRC**”) on Thursday, 5 May 2022 at 12:00 noon (or immediately after the conclusion or adjournment of the first H shares shareholders class meeting of 2022 held on the same day of the Company, whichever is later) to consider and, if thought fit, approve the following resolutions.

Special Resolutions

- 1 To consider and individually approve the plan for the initial public offering and listing of RMB ordinary shares (A shares) of the Company (“**A Share Offering and Listing**”):
 - 1.1 Type of Shares
 - 1.2 Nominal value of per Shares
 - 1.3 Place of listing
 - 1.4 Offering size
 - 1.5 Target subscribers
 - 1.6 Method of issuance
 - 1.7 Method of pricing
 - 1.8 Method of underwriting
 - 1.9 Distribution of the accumulated profit prior to the A Share Offering and Listing

NOTICE OF THE FIRST DOMESTIC SHARES SHAREHOLDERS CLASS MEETING OF 2022

1.10 Validity period of the resolution

- 2 To consider and approve the resolution regarding the amendments to the articles of association of the Company (applicable after the A Share Offering and Listing).

By Order of the Board
Xinte Energy Co., Ltd.
Zhang Jianxin
Chairman

Xinjiang, the PRC

19 April 2022

Notes:

1. **Important:** A circular setting out details of the abovementioned resolutions and the form of proxy of the Domestic Shares Shareholders Class Meeting were dispatched and published by the Company on 19 April 2022.
2. In order to determine the domestic shares shareholders of the Company (the “**Domestic Shares Shareholders**”) who are eligible to attend and vote at the Domestic Shares Shareholders Class Meeting, the register of members of the Company will be closed from Wednesday, 4 May 2022 to Thursday, 5 May 2022, both days inclusive, during which no transfer of shares will be registered. Domestic Shares Shareholders whose names appear on the register of members of the Company on Wednesday, 4 May 2022 shall be entitled to attend and vote at the Domestic Shares Shareholders Class Meeting. In order for the Domestic Shares Shareholders to qualify to attend and vote at the Domestic Shares Shareholders Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Board secretary office, at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, no later than 4:30 p.m. on Tuesday, 3 May 2022 for registration.
3. Domestic Shares Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she is a Domestic Shares Shareholder) to attend and vote at the Domestic Shares Shareholders Class Meeting (or any adjournment thereof) on his/her behalf. The proxy needs not be a Domestic Shares Shareholder.
4. Domestic Shares Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Domestic Shares Shareholder or by a person duly authorized by the relevant Domestic Shares Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant Domestic Shares Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate Domestic Shares Shareholder appoints a person other than its legal representative to attend the Domestic Shares Shareholders Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Domestic Shares Shareholder or signed by its director or any other person duly authorized by that corporate Domestic Shares Shareholder as required by the articles of association of the Company.

NOTICE OF THE FIRST DOMESTIC SHARES SHAREHOLDERS CLASS MEETING OF 2022

5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant authority (if any) as mentioned in note 4 above must be delivered to the Company's Board secretary office at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC no later than 24 hours before the time appointed for the Domestic Shares Shareholders Class Meeting (i.e. no later than 12:00 noon on Wednesday, 4 May 2022) (or any adjournment thereof).
6. A Domestic Shares Shareholder or his/her proxy should produce proof of identity when attending the Domestic Shares Shareholders Class Meeting (or any adjournment thereof). If a corporate Domestic Shares Shareholder's legal representative or any other person duly authorized by such corporate Domestic Shares Shareholder attends the Domestic Shares Shareholders Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The Domestic Shares Shareholders Class Meeting (or any adjournment thereof) is expected to take thirty minutes. Domestic Shares Shareholder or their proxies who attend the Domestic Shares Shareholders Class Meeting (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.
8. The contact information of the Board secretary office of the Company is as follows:

Address: No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC
Contact person: Ms. Zhang Juan
Tel: +86-991-3665888

As at the date of this notice, the board of directors of the Company consists of Mr. Zhang Jianxin, Mr. Yin Bo and Mr. Xia Jinjing as executive Directors; Mr. Zhang Xin, Mr. Huang Hanjie and Ms. Guo Junxiang as non-executive directors; Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive directors.