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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in Zhejiang Shibao Company Limited you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**ZHEJIANG SHIBAO COMPANY LIMITED\***

**浙江世寶股份有限公司**

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

**(Stock Code: 1057)**

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS,  
THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS AND  
THE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE,**
- (2) GENERAL MANDATE TO ISSUE A SHARES BY SIMPLIFIED PROCEDURE,**
- (3) PROPOSED FUTURE PLAN REGARDING RETURN TO SHAREHOLDERS,**
- (4) RE-ELECTION OF RETIRING DIRECTORS AND SUPERVISORS,  
AND PROPOSED CHANGE OF DIRECTORS AND SUPERVISOR  
FOR THE FORTHCOMING SESSION, AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING  
AND NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES**

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A letter from the Board is set out on pages 4 to 13 of this circular.

A notice convening the AGM to be held at the conference room of the Company on the 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China on Monday, 17 June 2024 at 2:00 p.m. is set out on pages AGM-1 to AGM-4 of this circular. A notice of convening the 2024 Second H Shareholders' Class Meeting to be held at the conference room of the Company on the 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China on Monday, 17 June 2024 at 3:00 p.m. (or immediately after the conclusion or adjournment of the 2024 Second A Shareholders' Class Meeting which will be held at the same place and date) is set out on pages CM-1 to CM-2 of this circular. A proxy form for use at the AGM and the 2024 Second H Shareholders' Class Meeting are also enclosed. Such proxy forms are also published on the designated website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company ([www.zjshibao.com](http://www.zjshibao.com)).

Whether or not you are able to attend the AGM or the 2024 Second H Shareholders' Class Meeting, you are requested to complete and return the appropriate form(s) of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the AGM or the 2024 Second H Shareholders' Class Meeting (or any adjournment thereof (as the case may be)). Completion and return of the form(s) of proxy will not affect your rights to attend in person and vote at the AGM or the 2024 Second H Shareholders' Class Meeting (or any adjournment thereof (as the case may be)) should you so wish.

20 May 2024

\* For identification purposes only

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## DEFINITIONS

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*In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:*

“2024 Second A Shareholders’ Class Meeting”	the 2024 second class meeting of the A Shareholders to be held on 17 June 2024
“2024 Second Class Meetings”	the 2024 Second A Shareholders’ Class Meeting and the 2024 Second H Shareholders’ Class Meeting
“2024 Second H Shareholders’ Class Meeting”	the 2024 second class meeting of the H Shareholders to be held on 17 June 2024
“A Share(s)”	PRC listed A Shares of the Company, with nominal value of RMB1.00 each, which are listed and traded on the Shenzhen Stock Exchange
“A Shareholder(s)”	holder(s) of A Share(s)
“AGM” or “2023 AGM”	the annual general meeting of the Company to be held at the conference room of the Company on the 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China on Monday, 17 June 2024 at 2:00 p.m. or, where the context so admits, any adjournment of such annual general meeting
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“Beijing Autonics”	Beijing Autonics Technology Co., Ltd., a wholly-owned subsidiary of the Company since 30 November 2016
“Board”	the board of Directors
“Company”	浙江世寶股份有限公司 (Zhejiang Shibao Company Limited*), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and on the Shenzhen Stock Exchange, respectively
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company

\* For identification purposes only

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## DEFINITIONS

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“General Mandate under Simplified Procedure”	a general mandate to be granted to the Board to handle relevant matters in relation to the issue of A Shares to specific targets under simplified procedure, subject to the conditions set out in the resolution proposed at the AGM
“H Share(s)”	overseas listed foreign Shares of the Company, with nominal value of RMB1.00 each, which are listed and traded on Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“Hangzhou New Shibao”	Hangzhou New Shibao Electric Power Steering Co., Ltd., a subsidiary controlled by the Company
“Hangzhou Shibao”	Hangzhou Shibao Auto Steering Gear Co., Ltd., a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jilin Shibao”	Jilin Shibao Machinery Manufacturing Co., Ltd., a wholly-owned subsidiary of the Company
“Latest Practicable Date”	17 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

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## DEFINITIONS

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“Shanghai Stock Exchange”	the Shanghai Stock Exchange of the PRC
“Share(s)”	A Share(s) and H Share(s), or the context requires, either of them
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange of the PRC
“Shibao Holding”	Zhejiang Shibao Holding Group Co., Ltd.* (浙江世寶控股集團有限公司), the controlling Shareholder of the Company
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Wuhu Sterling”	Wuhu Sterling Steering System Co., Ltd., a subsidiary controlled by the Company

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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### ZHEJIANG SHIBAO COMPANY LIMITED\*

### 浙江世寶股份有限公司

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

**(Stock Code: 1057)**

*Board of Directors:*

*Executive Directors:*

Mr. Zhang Bao Yi (*Vice chairman and General Manager*)

Mr. Tang Hao Han

Ms. Zhang Lan Jun

Ms. Liu Xiao Ping

*Non-executive Directors:*

Mr. Zhang Shi Quan (*Chairman*)

Mr. Zhang Shi Zhong

*Independent non-executive Directors:*

Mr. Gong Jun Jie

Mr. Lin Yi

Mr. Tsui Chun Shing

*Registered Office:*

No. 1 Shuanglin Road

Fotang Town

Yiwu City

Zhejiang Province

China (Postal Code 322002)

*Head Office and Principal Place of  
Business in Hong Kong:*

Unit C, 5/F

Jonsim Place

228 Queen's Road East

Wanchai

Hong Kong

20 May 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS,  
THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS AND  
THE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE,  
(2) GENERAL MANDATE TO ISSUE A SHARES BY SIMPLIFIED PROCEDURE,  
(3) PROPOSED FUTURE PLAN REGARDING RETURN TO SHAREHOLDERS,  
(4) RE-ELECTION OF RETIRING DIRECTORS AND SUPERVISORS,  
AND PROPOSED CHANGE OF DIRECTORS AND SUPERVISOR  
FOR THE FORTHCOMING SESSION, AND  
(5) NOTICE OF ANNUAL GENERAL MEETING AND  
NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES**

#### **1. INTRODUCTION**

Reference is made to the announcement of the Company dated 20 May 2024 in relation to, among others, the proposed amendments to the Articles of Association and the proposed amendments to the Rules of Procedures for the Shareholders General Meetings, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other matters, details of the resolutions regarding (i) the proposed amendments to the Articles of Association and certain corporate governance policies of the Company; (ii) the authorization to the Board to issue A Shares to specific targets by simplified procedure; (iii) the future plan regarding return to Shareholders; and (iv) the re-election of retiring Directors and Supervisors, and change of Directors and Supervisor for the forthcoming session.

### **2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS, THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS AND THE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE**

In accordance with the provisions of the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and relevant guidelines, the Guidelines on the Articles of Association of Listed Companies (2023 Revision) (《上市公司章程指引(2023年修訂)》), the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (《上市公司證券發行註冊管理辦法》), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第 3 號–上市公司現金分紅》) and the Listing Rules in effect currently, the Company intends to amend the corresponding provisions of the existing Articles of Association, and correspondingly amend the existing Rules of Procedures for the Shareholders General Meetings, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee.

Details of the proposed amendments to the existing Articles of Association are set out in Appendix I to this circular (the “**Proposed Amendments**”). Details of proposed amendments to the corporate governance policies are set out in Appendix II to IV to this circular. In case of any discrepancy between the Chinese version and its English translation, the Chinese version shall prevail.

The legal advisers to the Company as to Hong Kong laws and the PRC laws have respectively confirmed that the Proposed Amendments comply with the applicable requirements of the Listing Rules and do not contravene the PRC laws. The Company also confirms that there is nothing unusual in the Proposed Amendments for a joint stock company incorporated in the PRC and listed on Hong Kong Stock Exchange.

The Proposed Amendments are subject to the Shareholders' approval by way of special resolution at the AGM and the 2024 Second Class Meetings. The proposed amendments to corporate governance policies as set out in Appendix II to IV to this circular are subject to the Shareholders' approval by way of special resolutions at the AGM.

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## LETTER FROM THE BOARD

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### 3. GENERAL MANDATE TO ISSUE A SHARES BY SIMPLIFIED PROCEDURE

The Company will propose a special resolution at each of the AGM and the 2024 Second Class Meetings to consider and approve the granting of the General Mandate under Simplified Procedure to the Board to deal with matters in relation to the issuance of A Shares, the number of which shall not be more than 20% of the total issued Shares of the Company as at the date of passing the special resolution granting the General Mandate under Simplified Procedure, and the amount of funds raised shall not exceed RMB300 million and 20% of the net asset value as at the end of the most recent financial year in accordance with the relevant laws and regulations. The validity period of the General Mandate under Simplified Procedure shall be from the date on which the proposed special resolution is passed at the AGM to the date of the 2024 annual general meeting of the Company. The Board shall only exercise its power under the General Mandate under Simplified Procedure in accordance with the relevant requirements under the Listing Rules, the Articles of Association, applicable laws and regulations of the PRC and performance of the relevant procedures, as amended from time to time. Further details of the General Mandate under Simplified Procedure are set out in Appendix V to this circular.

As at the Latest Practicable Date, the total issued Shares of the Company is 822,632,384 Shares, which comprise 605,847,384 A Shares and 216,785,000 H Shares.

### 4. PROPOSED FUTURE PLAN REGARDING RETURN TO SHAREHOLDERS

In order to further strengthen the awareness of returning Shareholders, and provide Shareholders with continuous, stable and reasonable investment returns, in accordance with the requirements of the Company Law, the Securities Law, the Notice on Further Implementing Issues Concerning Cash Dividends 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》) as well as the Articles of Association, and taking into account the actual situation and future development needs of the Company, the Board has formulated the “Shareholders’ Return Plan for the Next Three Years (2024-2026)”.

For details of the “Shareholders’ Return Plan for the Next Three Years (2024-2026)”, please refer to Appendix VI to this circular. In case of any discrepancy between the Chinese version and its English translation, the Chinese version shall prevail.

The resolution in relation to future plan regarding return to Shareholders will be submitted to the Shareholders for consideration and approval at the AGM as an ordinary resolution.

### 5. PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND SUPERVISORS

#### A. Re-election of retiring Directors

The 7th session of the Board currently consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors, namely Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Ms. Liu Xiao Ping as executive Directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive Directors; and Mr. Gong Jun Jie, Mr. Lin Yi and Mr. Tsui Chun Shing as



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## LETTER FROM THE BOARD

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independent non-executive Directors. Pursuant to article 135 of the Articles of Association, the term of service of Directors is three years, and upon expiry of their terms, the retiring Directors shall be eligible for re-election.

The term of the members of the 7th session of the Board will expire at the AGM and all incumbent Directors shall retire from offices and, being eligible, have offered themselves for re-election at the AGM, except Ms. Liu Xiao Ping and Mr. Lin Yi who have applied for resignation as an executive Director and independent non-executive Director respectively. Ms. Liu has applied for resignation due to work arrangements. After her retirement at the AGM, Ms. Liu remains as a deputy general manager and the Board secretary of the Company. As Mr. Lin has served the Board for approximately six years as of 17 June 2024, according to the “Measures for the Administration of Independent Directors of Listed Companies” issued by the CSRC, he cannot continue to serve as an independent Director. Therefore, Mr. Lin will retire from his position as independent non-executive Director and will not offer himself for re-election at the AGM.

The following persons have been nominated for and agreed to their re-election as the members of the 8th session of the Board.

<b>Proposed Directors</b>	<b>Proposals</b>
Mr. Zhang Shi Quan	To be re-elected as non-executive Director
Mr. Zhang Bao Yi	To be re-elected as executive Director
Mr. Tang Hao Han	To be re-elected as executive Director
Ms. Zhang Lan Jun	To be re-elected as executive Director
Mr. Zhang Shi Zhong	To be re-elected as non-executive Director
Mr. Gong Jun Jie	To be re-elected as independent non-executive Director
Mr. Tsui Chun Shing	To be re-elected as independent non-executive Director

Pursuant to article 135 of the Articles of Association, the term of service of the re-elected Directors is three years, which commences from the conclusion of the AGM and will expire at the 2026 annual general meeting of the Company.

In accordance with the nomination policy of the Company, the Nomination Committee, after due consideration of the nomination policy, Board diversity policy and corporate governance standards of the Company, shall identify qualified Board candidates, assess the independence of the proposed independent non-executive Directors and make recommendations to the Board. After taking due consideration of the nomination policy, Board diversity policy and corporate governance standards of the Company as well as the candidates recommended by the Nomination Committee, the Board shall recommend the proposed independent non-executive Directors to stand for re-election and election at a general meeting.

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## LETTER FROM THE BOARD

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Mr. Gong and Mr. Tsui have given to the Company a written confirmation of his independence based on the independence guidelines as set out in rule 3.13 of the Listing Rules respectively. The Nomination Committee assessed and reviewed the independence of Mr. Gong and Mr. Tsui. The Nomination Committee is of the view that Mr. Gong and Mr. Tsui have satisfied all the independence guidelines set out in rule 3.13 of the Listing Rules.

The Nomination Committee and the Board have reviewed and considered the experience, skills and knowledge of Mr. Gong and Mr. Tsui. Mr. Gong has been engaged in investment banking business in securities companies for over 10 years, gaining extensive experience in corporate governance, corporate restructuring, capital market financing, risk management and other fields. Mr. Tsui has extensive experience in financial auditing and corporate financial management. The Nomination Committee has recommended to the Board that the re-election of Mr. Gong and Mr. Tsui as an independent non-executive Director are to be proposed for the Shareholders' approval at the AGM. In addition to Mr. Gong's and Mr. Tsui's experience, skills and knowledge as mentioned above, the Board has also taken into consideration their cultural and educational background and professional experience that will contribute to the diversity of the Board.

The above proposed Directors have entered into service contracts with the Company. Such service contracts will continue to be effective upon successful re-election in accordance with the Articles of Association.

Separate ordinary resolutions to approve their re-election will be proposed at the AGM for the Shareholders' consideration and approval. Details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix VII to this circular.

### **B. Re-election of retiring Supervisors**

The 7th session of the Supervisory Committee currently consists of five Supervisors, namely Mr. Yang Di Shan as shareholder representative Supervisor; Ms. Feng Yan and Mr. Zhang Zhi Long as independent Supervisors; and Mr. Du Min and Mr. Wu Lang Ping as staff representative Supervisors. Pursuant to article 190 of the Articles of Association, shareholder representative Supervisor and independent Supervisor are elected and removed by Shareholders' meetings while staff representative Supervisor is elected and removed by the staff of the Company. Pursuant to article 182 of the Articles of Association, the term of service of Supervisors is three years, and upon expiry of their terms, the retiring Supervisors shall be eligible for re-election.

The term of the members of the 7th session of the Supervisory Committee will expire at the AGM and all incumbent Supervisors shall retire from offices and, being eligible, have offered themselves for re-election at the AGM, except Mr. Yang Di Shan who has applied for resignation as shareholder representative Supervisor due to personal living arrangements. Pursuant to articles 111 and 190 of the Articles of Association, the staff

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## LETTER FROM THE BOARD

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representative Supervisor shall be elected by the staff of the Company. Pursuant to these articles, Mr. Du Min and Mr. Wu Lang Ping were re-elected as staff representative Supervisors at the workers' congress of the Company held on 17 May 2024.

The following persons have been nominated for and agreed to their re-election as the members of the 8th session of the Supervisory Committee.

<b>Proposed Supervisors</b>	<b>Proposals</b>
Ms. Feng Yan	To be re-elected as independent Supervisor
Mr. Zhang Zhi Long	To be re-elected as independent Supervisor

Pursuant to article 182 of the Articles of Association, the term of service of the re-elected Supervisors is three years, which commences from the conclusion of the AGM and will expire at the 2026 annual general meeting of the Company.

All of the above proposed Supervisors and the re-elected staff representative Supervisors have entered into service contracts with the Company. Such service contracts will continue to be effective upon successful re-election in accordance with the Articles of Association.

Separate ordinary resolutions to approve their re-election as independent Supervisors will be proposed at the AGM for the Shareholders' consideration and approval. Details of the retiring Supervisors proposed to be re-elected at the AGM are set out in Appendix VIII to this circular.

### **C. Remuneration of retiring Directors and Supervisors**

All retiring Directors and Supervisors for re-election have entered into service contracts with the Company and such service contracts will continue to be effective upon successful re-election. The remuneration for the year of 2023 of all retiring Directors and Supervisors for re-election is set out in Appendixes VII and VIII to this circular, which is determined with reference to their responsibilities, experience, workload and time devoted to the Company. Based on the Company's future development plans and performance targets, a resolution will be proposed at the AGM to approve the annual remuneration of the Directors and Supervisors for the year of 2024 of not exceeding RMB4,500,000 in total (before tax).

## **6. PROPOSED CHANGE OF DIRECTORS**

As at the Latest Practicable Date, the executive Directors were Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Ms. Liu Xiao Ping; the non-executive Directors were Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong; and the independent non-executive Directors were Mr. Gong Jun Jie, Mr. Lin Yi and Mr. Tsui Chun Shing.

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## LETTER FROM THE BOARD

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Ms. Liu Xiao Ping has not sought for re-election at the AGM and will retire from her position as executive Director at the AGM due to work arrangements. After her retirement at the AGM, Ms. Liu remains as a deputy general manager and the Board secretary of the Company. Ms. Liu has confirmed that she has no disagreement with the Board and there are no matters that need to be brought to the attention of the Shareholders and Hong Kong Stock Exchange in relation to her retirement.

Mr. Lin Yi has applied for resignation as he has served the Board for approximately six years. As he has served the Board for approximately six years as of the date of AGM, according to the “Measures for the Administration of Independent Directors of Listed Companies” issued by the CSRC, he cannot continue to serve as an independent Director of the Company. Therefore, he will retire from his position as independent non-executive Director and will not offer himself for re-election at the AGM. Mr. Lin has confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the Shareholders and Hong Kong Stock Exchange in relation to his retirement.

To fulfill the requirement on the number of Director pursuant to article 144 of the Articles of Association, the Board proposed to appoint Mr. Zhou Yu as executive Director for a term commencing upon approval at the AGM to the conclusion of the 2026 annual general meeting of the Company. To fulfill the requirement on the number of independent non-executive Director pursuant to article 144 of the Articles of Association and rules 3.10(1) and 3.10A of the Listing Rules, the Board proposed to appoint Mr. Oh Haitao as independent non-executive Director for a term commencing upon approval at the AGM to the conclusion of the 2026 annual general meeting of the Company. The proposed appointment of Mr. Zhou and Mr. Oh are subject to the approval by the Shareholders at the AGM.

Mr. Oh has given to the Company a written confirmation of his independence based on the independence guidelines as set out in rule 3.13 of the Listing Rules. The Nomination Committee has assessed and reviewed the independence of Mr. Oh. The Nomination Committee is of the view that Mr. Oh has satisfied all the independence guidelines set out in rule 3.13 of the Listing Rules. The Nomination Committee and the Board have reviewed and considered the experience, skills and knowledge of Mr. Oh. Mr. Oh has extensive experience in vehicle engineering. The Nomination Committee has recommended to the Board that the election of Mr. Oh as an independent non-executive Director is to be proposed for the Shareholders’ approval at the AGM. In addition to Mr. Oh’s experience, skills and knowledge as mentioned above, the Board has also taken into consideration that his cultural and educational background and professional experience will contribute to the diversity of the Board.

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## LETTER FROM THE BOARD

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Mr. Zhou and Mr. Oh will enter into a service contract with the Company respectively upon election. It is proposed that the annual remuneration of Mr. Zhou and Mr. Oh will be RMB600,000 and RMB60,000 (including basic salary, other benefits and pension contributions) respectively, and the exact amount will be determined by the Board in accordance with the authorization given by the Shareholders at the AGM and with reference to his respective responsibilities, experience, workload and time devoted to the Company.

The biographical details of Mr. Zhou and Mr. Oh are set out in Appendix IX to this circular.

### **7. PROPOSED CHANGE OF SUPERVISOR**

As at the Latest Practicable Date, the 7th session of the Supervisory Committee consists of five Supervisors, namely Mr. Yang Di Shan as shareholder representative Supervisor; Ms. Feng Yan and Mr. Zhang Zhi Long as independent Supervisors; and Mr. Du Min and Mr. Wu Lang Ping as staff representative Supervisors.

Mr. Yang Di Shan has not sought for re-election at the AGM due to personal living arrangements and will retire from his position as shareholder representative Supervisor at the AGM. Mr. Yang has confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the Shareholders and Hong Kong Stock Exchange in relation to his retirement.

According to the relevant provisions of the Company Law of the PRC and the Articles of Association, on 17 May 2024, the Supervisory Committee resolved to propose a resolution at the AGM to elect Mr. Liu Gang as a shareholder representative Supervisor for a term commencing upon approval at the AGM to the conclusion of the 2026 annual general meeting of the Company.

Mr. Liu will enter into a service contract with the Company upon election. It is proposed that the annual remuneration of Mr. Liu will be RMB24,000 (including basic salary, other benefits and pension contributions), and the exact amount will be determined by the Board in accordance with the authorization given by the Shareholders at the AGM and with reference to his responsibilities, experience, workload and time devoted to the Company.

The biographical details of Mr. Liu Gang are set out in Appendix X to this circular.

### **8. ANNUAL GENERAL MEETING AND CLASS MEETINGS**

No Shareholder is required to abstain from voting in connection with the matters to be resolved at the AGM and the 2024 Second Class Meetings.

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## LETTER FROM THE BOARD

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A notice convening the AGM to be held at the conference room of the Company on the 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China on Monday, 17 June 2024 at 2:00 p.m. is set out on pages AGM-1 to AGM-4 of this circular. A notice of convening the 2024 Second H Shareholders' Class Meeting to be held at the conference room of the Company on the 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China on Monday, 17 June 2024 at 3:00 p.m. (or immediately after the conclusion or adjournment of the 2024 Second A Shareholders' Class Meeting which will be held at the same place and date) is set out on pages CM-1 to CM-2 of this circular. A proxy form for use at the AGM and the 2024 Second H Shareholders' Class Meeting are also enclosed. Such proxy forms are also published on the designated website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company ([www.zjshibao.com](http://www.zjshibao.com)).

Whether or not you are able to attend the AGM or the 2024 Second H Shareholders' Class Meeting, you are requested to complete and return the appropriate form(s) of proxy accompanying this circular in accordance with the instructions printed thereon to the Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares only) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the registered office of the Company (for holders of A Shares only) at No.1 Shuanglin Road, Fotang Town, Yiwu City, Zhejiang Province, China (Postal Code 322002) as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM or the 2024 Second H Shareholders' Class Meeting (or any adjournment thereof (as the case may be)). Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the AGM or the 2024 Second H Shareholders' Class Meeting (or any adjournment thereof (as the case may be)) should you so wish.

### **9. CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company for H Shares will be closed from Wednesday, 12 June 2024 to Monday, 17 June 2024, both days inclusive, during which period no transfer of H Shares of the Company will be registered, for the purpose of determining the Shareholders' eligibility to attend and vote at the AGM and the 2024 Second H Shareholders' Class Meeting. All transfers accompanied by the relevant H Share certificates must be lodged with the Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares only) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 11 June 2024. Shareholders whose names appear on the register of members of the Company on Monday, 17 June 2024 are entitled to attend the AGM and the 2024 Second H Shareholders' Class Meeting.

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## LETTER FROM THE BOARD

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### 10. RECOMMENDATION

The Board considers that the resolutions to be proposed at the AGM and the 2024 Second H Shareholders' Class Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions set forth in the notice of the AGM and the 2024 Second H Shareholders' Class Meeting.

### 11. VOTING BY WAY OF POLL

Pursuant to rule 13.39 of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the AGM will therefore demand a poll for every resolution put to the vote at the AGM.

### 12. RESPONSIBILITY STATEMENT

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

Yours faithfully,  
By Order of the Board  
**Zhejiang Shibao Company Limited**  
**Zhang Shi Quan**  
*Chairman*

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The full text of the Proposed Amendments to the Articles of Association is set out below.

### COMPARISON TABLE ON THE MAJOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF ZHEJIANG SHIBAO COMPANY LIMITED

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Remarks: In Articles of Association and its marginal notes, <b>Company Law</b> refers to <b>Company Law of the People’s Republic of China; Mandatory Provisions or MP</b> refers to <b>Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (Zheng Wei Fa [1994] No. 21)</b> jointly issued by the former Securities Committee of the State Council and the former State Commission for Restructuring the Economic System (“SCRES”); <b>Zheng Jian Hai Han</b> refers to <b>Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No. 1)</b>; <b>Opinion</b> refers to <b>Opinion on Further Promoting Regulation of Operation and In-depth Reform of Companies Listed Overseas (Guo Jing Mao Qi Gai [1999] No. 230)</b> jointly issued by the former National Economic and Trade Committee and China Securities Regulatory Commission; <b>Special Regulations</b> refers to <b>Special Regulations of the State Council on Overseas Offerings and Listing of Shares by Joint Stock Limited Companies</b>; <b>Listing Rules or LR</b> refers to <b>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</b> issued by The Stock Exchange of Hong Kong Limited; and <b>LR APP.</b> refers to <b>Appendix to Listing Rules.</b></p>	<p>Remarks: In Articles of Association and its marginal notes, <b>Listing Rules or LR</b> refers to <b>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</b> issued by The Stock Exchange of Hong Kong Limited; and <b>LR APP.</b> refers to <b>Appendix to Listing Rules.</b></p>
—	<p><b>Article 1</b> In order to protect the legitimate rights and interests of Zhejiang Shibao Company Limited (“Company”), shareholders and creditors, and to regulate the organization and acts of the Company, the Company amended the original Articles of Association of the Company and formulated the Articles of Association of the Company (“Articles of Association of the Company” or “Articles of Association”) in accordance with <b>Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China (“Securities Law”), Guidelines for the Articles of Association of Listed Companies (“Guidelines for Articles”)</b> and other relevant laws, administrative regulations and regulatory documents.</p>



## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 1 <b>Zhejiang Shibao Company Limited</b> (“Company”) is a joint stock limited company incorporated in the People’s Republic of China (“PRC”) pursuant to Company Law, <b>Special Regulations</b> and other relevant laws, administrative regulations and rules. (MP1)</p> <p>The Company is approved by the document [Zhe Shang Shi [2004] No.37] Approval of Reform of Zhejiang Shibao Company Limited issued by the Corporation Listing Affairs Leading Team of Zhejiang Province and established by reforming Zhejiang Shibao Steering Gear Co., Ltd. (浙江世寶方向機有限公司). The Company registered with the Administration Bureau of Industry and Commerce of Zhejiang Province on 12 July 2004 and obtained a business licence. The unified social credit code of the Company is 913300001476445210.</p> <p><b>The promoters of the Company are:</b></p> <p><b>Promoter 1: Zhejiang Shibao Holding Group Co., Ltd. (hereinafter referred to “Shibao Holding”)</b>  <b>Address: No.1 Chezhan Road, Fotang Town, Yiwu Shi</b>  <b>Legal representative: Zhang Shi Zhong</b>  <b>Unified social credit code: 9133078275193535XK</b></p> <p><b>Promoter 2: Du Chun Mao</b>  <b>Address: Lane 28, South Tiyu Street, Shiping Shi, Jilin Province</b>  <b>Identity card number: 220302550923043</b></p> <p><b>Promoter 3: Wu Lang Yue</b>  <b>Address: Wang Wu Qiao Cun, Yiting Town, Yiwu Shi</b>  <b>Identity card number: 330725570901081</b></p> <p><b>Promoter 4: Chen Wen Hong</b>  <b>Address: No.1 Xiao Jiang Tan, Fotang Town, Yiwu Shi</b>  <b>Identity card number: 330725197312186232</b></p> <p><b>Promoter 5: Wu Wei Xu</b>  <b>Address: Chen Quan Xiao Qu, Fotang Town, Yiwu Shi</b>  <b>Identity card number: 330725630926083</b></p>	<p>Article 2 The Company is a joint stock limited company incorporated in the People’s Republic of China (“PRC”) pursuant to Company Law, and other relevant laws, administrative regulations and rules.</p> <p>The Company is approved by the document [Zhe Shang Shi [2004] No.37] Approval of Reform of Zhejiang Shibao Company Limited issued by the Corporation Listing Affairs Leading Team of Zhejiang Province and established by reforming Zhejiang Shibao Steering Gear Co., Ltd. (浙江世寶方向機有限公司). The Company registered with the Administration Bureau of Industry and Commerce of Zhejiang Province on 12 July 2004 and obtained a business licence. The unified social credit code of the Company is 913300001476445210.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
—	<p>Article 3 As approved by the Corporation Listing Affairs Leading Team of Zhejiang Province under document [Zhe Shang Shi [2004] No.37], the total number of ordinary shares issued upon the establishment of the Company was 175,943,855 shares, of which the total number of ordinary shares issued to the promoters was 175,943,855 shares (at the par value of one (1) RMB per share), representing 100% of the total ordinary shares issuable by the Company at that time.</p> <p>Upon approval by the China Securities Regulatory Committee (hereafter referred as “CSRC”), the Company issued up to 86,714,000 H Shares subsequent to the establishment of the Company, representing 33% of the total ordinary shares issuable by the Company. The capital structure of the Company after this issue of shares: 262,657,855 ordinary shares, in which promoters hold 175,943,855 shares and holders of H Shares hold 86,714,000 H Shares.</p> <p>As approved under CSRC Approval [2012] No.898 by CSRC, the Company issued 15,000,000 A Shares through public offering. Following such issuance of A Shares, the capital structure of the Company: 277,657,855 ordinary shares of which 190,943,855 A Shares, representing 68.77% of the total share capital of the Company after such issue; and 86,714,000 H Shares, representing 31.23% of the total share capital of the Company after such issue.</p> <p>As approved under CSRC Approval [2014] No.1101 by CSRC, the Company issued 38,200,000 A Shares through non-public offering. Following such issuance of A Shares, the capital structure of the Company: 315,857,855 ordinary shares of which 229,143,855 A Shares, representing 72.55% of the total share capital of the Company after such issue; and 86,714,000 H Shares, representing 27.45% of the total share capital of the Company after such issue.</p> <p>As approved at the annual <b>general meeting</b> of the Company for the year 2016, the Company issued 15 shares for every 10 shares to all shareholders by way of capitalisation of capital reserve, representing a total increase of 473,786,782 shares based on the Company’s total share capital of 315,857,855 shares as at the end of 2016. Following such capitalization issue, the capital structure of the Company: 789,644,637 ordinary shares of which 572,859,637 A Shares, representing 72.55% of the total share capital of the Company after such capitalisation issue; and 216,785,000 H Shares, representing 27.45% of the total share capital of the Company after such capitalisation issue.</p> <p><b>As registered under CSRC Approval [2023] No. 1457 by CSRC, the Company issued 32,987,747 A Shares to specific targets. Following such issuance of A Shares, the capital structure of the Company: 822,632,384 ordinary shares of which 605,847,384 A Shares, representing 73.65% of the total share capital of the Company after such issue; and 216,785,000 H Shares, representing 26.35% of the total share capital of the Company after such issue.</b></p>
<p>Article 2 The registered name of the Company: <b>(MP2)</b></p> <p>Chinese: 浙江世寶股份有限公司</p> <p>English: Zhejiang Shibao Co., Ltd.</p>	<p>Article 4 The registered name of the Company:</p> <p>Chinese: 浙江世寶股份有限公司</p> <p>English: Zhejiang Shibao <b>Company Limited</b></p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 3 Address: No.1 Shuanglin Road, Fotang Town, Yiwu Shi, Zhejiang Province (MP3)</p> <p>Postal code: 322002</p> <p>Telephone no.: 0579-5729885</p> <p>Fax no.: 0579-5715198</p>	<p>Article 5 Address: No.2290 Hehua South Street, Choujiang Street, Yiwu Shi, Zhejiang Province</p> <p>Postal code: 322000</p>
–	<p>Article 6 The Company's registered capital was RMB822,632,384.</p>
<p>Article 6 This Articles of Association takes effect after the approval of the general meeting of the Company and on the date approved by the relevant administrative authorities of the State.</p> <p>The former Articles of Association and its amendments are invalid on the date that this Articles of Association takes effect.</p>	–
–	<p>Article 9 The total assets of the Company are divided into equal shares. Shareholders shall assume liability towards the Company to the extent of their subscribed shares and the Company shall be liable for the debts of the Company to the extent of its total assets.</p>
<p>Article 7 Commencing from the date this Articles of Association takes effect, this Articles of Association will become a binding legal document for regulating the organization and acts of the Company, as well as the rights and obligations shared between the Company and its shareholders, and between and among the Company's shareholders. (MP6)</p> <p>Article 8 This Articles of Association shall be legally binding upon the Company, its shareholders, directors, supervisors, general manager, deputy general manager and other senior managerial officers of the Company, who shall have the right to make any claims and propositions regarding the Company's affairs based on the Articles of Association. (MP7)</p> <p>The aforesaid other senior managerial officers of this article includes person in charge of finance, board secretary of the Company or other persons carry out the same or similar duties of them. General manager, deputy general manager and other senior managerial officers together called senior managerial officers.</p> <p>Pursuant to the Articles of Association, a shareholder may bring a lawsuit against the Company, the Company may bring a lawsuit against a shareholder, a shareholder may bring a lawsuit against a shareholder, a shareholder may bring a lawsuit against directors, supervisors, general manager, deputy general managers and other senior managerial officers of the Company.</p> <p>The aforesaid lawsuits include filing a lawsuit to the court or applying an arbitration to arbitration organisation.</p>	<p>Article 10 Commencing from the date the Articles of Association takes effect, the Articles of Association will become a binding legal document for regulating the organization and acts of the Company, and the rights and obligations shared between the Company and its shareholders, and between and among the Company's shareholders, as well as a binding legal document for the Company, its shareholders, directors, supervisors and senior managerial officers. Pursuant to the Articles of Association, a shareholder may bring a lawsuit against a shareholder, a shareholder may bring a lawsuit against directors, supervisors, managers and other senior managerial officers of the Company, a shareholder may bring a lawsuit against the Company and the Company may bring a lawsuit against shareholders, directors, supervisors, general manager and other senior managerial officers.</p> <p>Article 11 Other senior managerial officers of the Articles of Association include deputy general manager, person in charge of finance and board secretary of the Company. General manager and other senior managerial officers together called senior managerial officers.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Article 9</b> The Company may invest in other limited liability companies or joint stock limited companies. The Company’s liabilities to an investee company shall be limited to the amount of its capital contribution to the investee company. (MP8)</p> <p>Save as otherwise specified in the laws, the Company shall not be an investor bearing joint liability for the debts of its invested enterprises.</p> <p>With the approval from the company approval authority authorized by the State Council, the Company may, based on the business needs of the Company, invest and operate in accordance with Company Law</p>	—
<p><b>Article 10</b> The Company is an independent corporate legal person. All acts of the Company shall comply with the law and regulations of the PRC and the place of listing of overseas listed foreign shares, and shall protect the lawful interests of the shareholders. The total capital of the Company is divided into equal shares. Shareholders shall assume liability towards the Company to the extent of their respective subscribed shares and the Company shall be liable for its debts to the extent of its total assets.</p> <p>The Company has the rights of financing and borrowing provided that it is in compliance with the relevant applicable laws, administrative regulations and Listing Rules. The rights of financing of the Company include, but not limited to, the issue of company debentures, pledge or charge of the right of ownership or right of use of parts or all of the assets of the Company, and any other rights as allowed by the laws and administrative regulations of the PRC. However, when the Company exercises the aforesaid rights, it shall not infringe or revoke the rights of any class shareholders.</p> <p>The Company shall establish Communist Party of China (“CPC”) organization and conduct Party-related activities in accordance with the provisions in the Constitution of the CPC. The Company shall provide necessary conditions for the activities of the Party organization.</p>	<p><b>Article 12</b> The Company shall establish Communist Party of China (“CPC”) organization and conduct Party-related activities in accordance with the provisions in the Constitution of the CPC. The Company shall provide necessary conditions for the activities of the Party organization.</p>
<p><b>Article 13</b> The Company may adjust its business scope or investment plans according to the changes in domestic and international markets, demands of domestic operations and the Company’s own development capabilities, subject to the passing of a resolution at a general meeting and approval by the relevant authorities.</p>	—
<p><b>Chapter 3 Share Capital and Registered Capital</b></p>	<p><b>Chapter 3 Share Capital</b></p> <p><b>Section 1 Transfer of Shares</b></p>
<p><b>Article 14</b> The Company shall have ordinary shares any time; and the Company may, according to its need and upon approval from the company approval authority authorised by the State Council, have other classes of shares. (MP11) (LR App.3, para9)</p>	—

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 15 Shares of the Company take means of stock.</p> <p>The shares shall be issued on an open, fair and equitable basis. Shares of the same class shall rank pari passu in all respects among each other.</p> <p>For the same class of shares issued at the same time, the conditions and price of issue for each share shall be the same. Each of the shares subscribed by any entity or individual shall have the same price.</p> <p><b>Shares issued by the Company shall have a par value and each share shall bear a par value of one (1) RMB. (MP12)</b></p> <p><b>The aforesaid RMB means the lawful currency of the People’s Republic of China.</b></p>	<p>Article 15 Shares of the Company take means of stock.</p> <p>Article 16 The shares shall be issued on an open, fair and equitable basis. Shares of the same class shall rank pari passu in all respects among each other.</p> <p>For the same class of shares issued at the same time, the conditions and price of issue for each share shall be the same. Each of the shares subscribed by any entity or individual shall have the same price.</p> <p><b>Article 17 The shares issued by the Company shall have its value denominated in RMB.</b></p>
<p>Article 16 Upon the approval of the securities governing authority of the State Council, the Company may issue shares to domestic investors and foreign investors. (MP13)</p> <p><b>The aforesaid foreign investors mean those investors who subscribe for shares issued by the Company and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. Domestic investors mean those investors who subscribe for shares issued by the Company and who are located within the territory of the People’s Republic of China, except the regions referred to above.</b></p>	—
<p>Article 17 The shares issued by the Company to domestic investors and purchased in RMB are Domestic Shares. The shares issued by the Company to foreign investors and purchased in foreign currency are foreign shares. The foreign shares listed overseas are overseas listed foreign shares. (MP14) (LR App.3 para9)</p> <p><b>The aforesaid foreign currency means the lawful currencies recognised by the foreign exchange regulatory authority department of the State which can be used to pay to the Company the share capital, and the lawful currency of other countries and regions other than Renminbi (RMB).</b></p> <p>Article 18 Domestic Shares issued by the Company and listed in the PRC shall have its value denominated in RMB and shall be subscribed for and traded in RMB, and shall be referred to as A Shares.</p> <p>Foreign shares issued by the Company and listed in Hong Kong shall be referred to as H Shares. H Shares refer to the shares approved by the relevant department of the State and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) for listing with the par value denominated in RMB, and are subscribed for and traded in Hong Kong dollar.</p>	<p>Article 18 The shares issued by the Company to domestic investors and purchased in RMB are Domestic Shares. The shares issued by the Company to foreign investors and purchased in foreign currency are foreign shares. The foreign shares listed overseas are overseas listed foreign shares.</p> <p>Domestic Shares issued by the Company and listed in the PRC shall have its value denominated in RMB and shall be subscribed for and traded in RMB, and shall be referred to as A Shares.</p> <p>Foreign shares issued by the Company and listed in Hong Kong shall be referred to as H Shares. H Shares refer to the shares approved by the relevant department of the State and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) for listing with the par value denominated in RMB, and are subscribed for and traded in Hong Kong dollar.</p> <p><b>The A Shares issued by the Company shall be collectively deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company are mainly managed by Hong Kong Securities Clearing Company Limited and may also be held by the shareholder in his/her own name.</b></p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 19 As approved by the Corporation Listing Affairs Leading Team of Zhejiang Province under document [Zhe Shang Shi [2004] No.37], the total number of ordinary shares issued upon the establishment of the Company was 175,943,855 shares, of which the total number of ordinary shares issued to the promoters was 175,943,855 shares (at the par value of one (1) RMB per share), representing 100% of the total ordinary shares issuable by the Company at that time. (MP15)</p> <p>Upon approval by the China Securities Regulatory Committee (hereafter referred as “CSRC”), the Company issued up to 86,714,000 H Shares subsequent to the establishment of the Company, representing 33% of the total ordinary shares issuable by the Company. (MP16) (LR App.3 para 9)</p> <p>The capital structure of the Company after the issue of the <b> aforementioned</b> shares: 262,657,855 ordinary shares, in which promoters hold 175,943,855 shares and holders of H Shares hold 86,714,000 H Shares. (MP16) (LR App.3 para 9)</p> <p>As approved under CSRC Approval [2012] No.898 by CSRC, the Company issued 15,000,000 A Shares through public offering. Following such issuance of A Shares, the capital structure of the Company: 277,657,855 ordinary shares of which 190,943,855 A Shares, representing 68.77% of the total share capital of the Company after such issue; and 86,714,000 H Shares, representing 31.23% of the total share capital of the Company after such issue.</p> <p>As approved under CSRC Approval [2014] No.1101 by CSRC, the Company issued 38,200,000 A Shares through non-public offering. Following such issuance of A Shares, the capital structure of the Company: 315,857,855 ordinary shares of which 229,143,855 A Shares, representing 72.55% of the total share capital of the Company after such issue; and 86,714,000 H Shares, representing 27.45% of the total share capital of the Company after such issue.</p> <p>As approved at the annual general meeting of the Company for the year 2016, the Company issued 15 shares for every 10 shares to all shareholders by way of capitalisation of capital reserve, representing a total increase of 473,786,782 shares based on the Company’s total share capital of 315,857,855 shares as at the end of 2016. Following such capitalization issue, the capital structure of the Company: 789,644,637 ordinary shares of which 572,859,637 A Shares, representing 72.55% of the total share capital of the Company after such capitalisation issue; and 216,785,000 H Shares, representing 27.45% of the total share capital of the Company after such capitalisation issue.</p>	-

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**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
—	<p><b>Article 19</b> The promoters of the Company are:</p> <p><b>Promoter 1:</b> Zhejiang Shibao Holding Group Co., Ltd. (hereinafter referred to “Shibao Holding”) Address: No.1 Chezhan Road, Fotang Town, Yiwu Shi Legal representative: Zhang Shi Zhong Unified social credit code: 9133078275193535XK</p> <p><b>Promoter 2:</b> Du Chun Mao Address: Lane 28, South Tiyu Street, Shiping Shi, Jilin Province Identity card number: 220302550923043</p> <p><b>Promoter 3:</b> Wu Lang Yue Address: Wang Wu Qiao Cun, Yiting Town, Yiwu Shi Identity card number: 330725570901081</p> <p><b>Promoter 4:</b> Chen Wen Hong Address: No.1 Xiao Jiang Tan, Fotang Town, Yiwu Shi Identity card number: 330725197312186232</p> <p><b>Promoter 5:</b> Wu Wei Xu Address: Chen Quan Xiao Qu, Fotang Town, Yiwu Shi Identity card number: 330725630926083</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 20 The Company's board of directors may make arrangements for the respective issuance of H Shares and Domestic Shares after the proposals for the issuance of the same have been approved by the securities regulatory authority of the State Council. (MP17)</p> <p>Plans of issuance of H Shares and Domestic Shares of the Company respectively in according to the prescribed previous article may be implemented within fifteen (15) months respectively after the date of approval by CSRC.</p> <p>Article 21 Where the total number of shares stated in the proposal for the issuance of H Shares and Domestic Shares respectively, such shares shall be fully subscribed for at one time at their respective offerings. If the shares cannot be fully subscribed for all at one time due to special circumstances, the shares may, subject to the approval of CSRC, be issued on separate tranches. (MP18)</p> <p>Where the confirmed shares under the issuance proposal of the Company are not fully subscribed, the Company shall not issue new shares not authorised under such issuance proposal. Where the Company needs to adjust its issuance proposal, it is subject to a resolution passed at a general meeting, an approval from the company approval authority authorised by the State Council and a submission to CSRC for approval.</p> <p>Subject to not in breach of the Listing Rules, the interval period between the raise of capital by issuing H Shares and last issue of the Company may be less than twelve (12) months.</p> <p>The domestic shares issued by the Company shall be collectively deposited with the China Securities Depository and Clearing Corporation Limited, whereas the overseas listed foreign shares issued by the Company shall be deposited in accordance with the requirement under article 43 of the Articles of Association.</p>	-
<p>Article 22 The Company's registered capital was RMB789,644,637. Change of the Company's registered capital is required to be registered at the relevant industrial and commercial administrative authorities. (MP19)</p>	<p>Article 20 The Company has a total of 822,632,384 shares, all of which are ordinary shares.</p>
-	<p>Article 21 The Company shall not provide gifts, loans, guarantees and other financial assistance to others to obtain the shares of the Company or its parent company, except for the implementation of the employee share scheme by the Company. For the benefit of the Company, the Company may provide financial assistance for others to obtain shares of the Company or its parent company by a resolution of the general meeting or resolution of the board of director in accordance with the Articles of Association or the authorization of the general meeting, provided that the aggregate amount of financial assistance shall not exceed 10% of the total issued share capital. Resolutions of the board of directors shall be passed by more than two-thirds of all directors.</p>



## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 23 The Company may, based on its operating and development needs, approve to increase its share capital pursuant to the laws and regulations and resolutions made at <b>shareholders' general meetings</b>, respectively. (MP20)</p> <p>The Company may increase its share capital in the following ways:</p> <ol style="list-style-type: none"> <li>(1) public offering of shares;</li> <li>(2) non-public offering of shares;</li> <li>(3) <b>by placing new shares to its existing shareholders;</b></li> <li>(4) by issuing <b>new shares</b> to its existing shareholders;</li> <li>(5) conversion of funds in the capital reserve to share capital;</li> <li>(6) by any other means which is regulated by laws and administrative regulations and approved by China Securities Regulatory Commission.</li> </ol> <p>Where the Company issues new shares to raise capital, the Company shall, after the approval in according to the provisions of the Company's Articles of Association, handle in according to the procedures prescribed by the relevant laws and administrative regulations of the State.</p>	<p><b>Section 2 Increase, Decrease and Repurchase of Shares</b></p> <p>Article 22 The Company may, based on its operating and development needs, approve to increase its share capital pursuant to the laws and regulations and resolutions made at <b>shareholders' general meetings</b>, respectively.</p> <p>The Company may increase its share capital in the following ways:</p> <ol style="list-style-type: none"> <li>(1) public offering of shares;</li> <li>(2) non-public offering of shares;</li> <li>(3) by issuing <b>bonus shares</b> to its existing shareholders;</li> <li>(4) conversion of funds in the capital reserve to share capital;</li> <li>(5) by any other means which is regulated by laws and administrative regulations and approved by China Securities Regulatory Commission.</li> </ol>
<p>Article 24 Unless otherwise required by laws and administrative regulations, shares of the Company are freely transferable without any lien. (MP21)</p> <p>Article 25 When shares of the Company are transferred, subject to compliance with the Articles of Association of the Company, names (title) of transferees of the shares shall be entered into the register of shareholders as holders of such shares.</p> <p>Chapter 4 Reduction of Capital and Repurchase of Shares</p>	—
<p>Article 27 Upon the reduction of registered capital, the Company shall prepare a balance sheet and a list of its assets. (MP23)</p> <p>The Company shall notify its creditors within ten (10) days from the date of passing the resolution for the reduction of registered capital and shall publish the notice at least three (3) times in a newspaper within thirty (30) days thereof. Creditors shall have the right within thirty (30) days from the date of receiving the notice, and the creditors who have not received the notice shall have the right within ninety (90) days from the date the notice was first published in the newspaper, to request the Company to settle the debts or to provide corresponding securities in respect of the debts. (LR App.3, para.7(1))</p> <p>The registered capital shall not be less than the minimum statutory requirement after the reduction of capital by the Company.</p>	—

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 28 The Company may not repurchase the shares of the Company, except in any of the following situations:</p> <ol style="list-style-type: none"> <li>(1) to reduce the registered capital of the Company;</li> <li>(2) to merge with other companies holding the Company's shares;</li> <li>(3) the shares are used for the employee share scheme or equity incentives;</li> <li>(4) to repurchase of shares at the request of shareholders against resolutions of merger or division of the Company approved at the Company's <b>general meetings</b>;</li> <li>(5) the shares are used for conversion of convertible corporate bonds issued by the Company;</li> <li>(6) any necessary action is taken to protect the value of the Company and shareholders' interests.</li> </ol> <p>Where share of the Company is repurchased for the reasons of the aforesaid items (1) and (2), it shall be approved at the <b>general meeting</b> of the Company. If the Company repurchases its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, resolutions related thereto shall be adopted at the meeting of board of directors with more than two-thirds of the directors attending in accordance with the Articles of Association or as authorized in the <b>shareholders' general meeting</b>.</p> <p>Where share of the Company is repurchased in accordance with item (1) of this article, the relevant share shall be cancelled within ten (10) days after the date of repurchase; where share of the Company is repurchased in accordance with item (2) or item (4) of this article, it shall be transferred or cancelled within six (6) months after the date of repurchase.</p> <p>Where share of the Company is repurchased in accordance with items (3), (5) and (6) of this article, the aggregate number of shares of the Company held by itself shall not exceed 10% of the total issued shares of the Company, and the shares so repurchased shall be transferred or cancelled within three (3) years. <b>(MP24)</b></p>	<p>Article 24 The Company may not repurchase the shares of the Company, except in any of the following situations:</p> <ol style="list-style-type: none"> <li>(1) to reduce the registered capital of the Company;</li> <li>(2) to merge with other companies holding the Company's shares;</li> <li>(3) the shares are used for the employee share scheme or equity incentives;</li> <li>(4) to repurchase of shares at the request of shareholders against resolutions of merger or division of the Company approved at the Company's <b>general meetings</b>;</li> <li>(5) the shares are used for conversion of convertible corporate bonds issued by the Company;</li> <li>(6) any necessary action is taken to protect the value of the Company and shareholders' interests.</li> <li>(7) <b>other circumstances permitted by laws and administrative regulations.</b></li> </ol> <p>Where share of the Company is repurchased for the reasons of the aforesaid items (1) and (2), it shall be approved at the <b>general meeting</b> of the Company. If the Company repurchases its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, resolutions related thereto shall be adopted at the meeting of board of directors with more than two-thirds of the directors attending in accordance with the Articles of Association or as authorized in the <b>shareholders' general meeting</b>.</p> <p>Where share of the Company is repurchased in accordance with item (1) of this article, the relevant share shall be cancelled within ten (10) days after the date of repurchase; where share of the Company is repurchased in accordance with item (2) or item (4) of this article, it shall be transferred or cancelled within six (6) months after the date of repurchase.</p> <p>Where share of the Company is repurchased in accordance with items (3), (5) and (6) of this article, the aggregate number of shares of the Company held by itself shall not exceed 10% of the total issued shares of the Company, and the shares so repurchased shall be transferred or cancelled within three (3) years.</p>

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 29 The Company may repurchase shares of the Company with approval from the relevant regulatory authority of the State in any of the following ways:</p> <ol style="list-style-type: none"> <li>(1) make a repurchase offer to all shareholders for repurchase on a pro-rata basis;</li> <li>(2) through open trading in the stock exchange;</li> <li>(3) repurchased by agreement outside the stock exchange. (MP25)</li> </ol> <p>The Company shall perform its information disclosure obligation according to the requirements of securities regulatory authorities of the place where the Company's shares are listed in repurchasing its own shares. Unless otherwise stipulated by laws and regulations, where the Company acquires its shares pursuant to clauses (3), (5) and (6) of paragraph 1 of article 28 of the Articles of Association, it shall be conducted through open centralized trading.</p>	<p>Article 25 The Company may repurchase its shares through public centralized trading or in other manners permitted by laws, administrative regulations and the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.</p> <p>Unless otherwise stipulated by laws and regulations, where the Company acquires its shares pursuant to clauses (3), (5) and (6) of paragraph 1 of article 24 of the Articles of Association, it shall be conducted through open centralized trading.</p>
<p>Article 30 The Company must obtain prior approval from shareholders at general meetings (in the manner stipulated in the Articles of Association) before it can repurchase shares outside stock exchange by means of an agreement. The Company may, by obtaining the prior approval from shareholders at general meetings (in the same manner), release or vary the contract as entered in aforesaid manner, or waive any of its rights under the contract.</p> <p>The contract for the repurchase of shares as referred in aforesaid paragraph includes, but not limited to, agreement to undertake the obligation to repurchase shares and agreement to obtain the right to repurchase shares. (MP26)</p> <p>The Company must not transfer the contract or any of its rights as stipulated in the contract for the repurchase of shares.</p> <p>The price of redeemable shares which the Company has the right to repurchase shall not exceed a highest price limit if the said shares are not repurchased by public trading or tender; to repurchase the shares by tender, the Company shall tender offer to all shareholders with the same conditions. (LR App 3 Para 8 (1), (2))</p> <p>Article 31 Shares which have been repurchased by the Company pursuant to laws shall be cancelled within the time limit stipulated by laws and administrative regulations, and the Company shall apply to the original companies registration authority for the registration of the change of its registered capital.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital. (MP27)</p>	—

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 32 Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its issued shares: (MP28)</p> <p>(1) where the Company repurchases shares at par value, payment shall be made out of the book surplus distributable profits of the Company or out of proceeds of a new issue of shares made for the repurchase of shares;</p> <p>(2) where the Company repurchases shares at a premium to its par value, payment equivalent to the par value may be made out of the book surplus distributable profits of the Company or out of proceeds of a new issue of shares made for the repurchase of shares. Payment of the portion in excess of the par value shall be effected as follows:</p> <p style="padding-left: 40px;">1. if the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;</p> <p style="padding-left: 40px;">2. if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of the Company or out of proceeds of a new issue of shares made for the repurchase of shares, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate of premiums on the issue of the old shares repurchased nor shall it exceed the amount in the premium account (or capital common reserve fund) (including the premiums on the new issue) at the time of the repurchases;</p>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(3) the Company shall make the following payments out of the Company's distributable profits:</p> <ol style="list-style-type: none"> <li>1. the acquisition of the right to repurchase its own shares;</li> <li>2. the variation of any contract for the repurchase of its own shares; and</li> <li>3. the release of its obligation under any contract for the repurchase of shares.</li> </ol> <p>(4) after the total par value of the cancelled shares is deducted from the Company's registered capital in accordance with relevant provisions, the amount deducted from the distributable profits and used to pay the par value portion of the repurchased shares shall be included in the premium account (or capital common reserve fund account) of the Company.</p>	
Chapter 5 Transfer of Share	Section 3 Transfer of Share
—	Article 26 The shares of the Company may be transferred according to law.
<p>Article 34 Shares of the Company may be transferred, transferred as gift, inherited and mortgaged pursuant to relevant laws, administrative regulations and provisions of the Articles of Association.</p> <p>Transfer or movement of shares of the Company shall be registered with the share registrar designated by the Company and transfer formalities be handled in accordance with relevant regulations. (LR App 3 Para 1 (1))</p>	—
<p>Chapter 6 Financial Assistance for the Acquisition of the Shares of the Company</p> <p>Article 37 No financial assistance shall be provided by the Company and its subsidiaries (including associated entities of the Company) to any person acquiring or intending to acquire the shares of the Company by way of a gift, advance, guarantee, compensation, loans or otherwise. The person acquiring the shares of the Company aforesaid shall include the person who undertakes, directly or indirectly, obligations for the purpose of purchase of shares of the Company. (M29)</p> <p>No financial assistance shall be provided at any time and in any manner by the Company and its subsidiaries to reduce or release the obligations of the said person undertaking such obligations.</p> <p>This article shall not apply to the situations as mentioned in article 39 of this chapter.</p>	—

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 38 Financial assistance as stated in this chapter includes (but not limited to): (MP30)</p> <p>(1) gift and advance payment;</p> <p>(2) guarantee (including the assumption of liability by the guarantor 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 waiver of the rights;</p> <p>(3) provision of a loan or any other contract under which the obligations of the Company are to be fulfilled before the obligations of any party to the contract, a change in the parties of the loan or contract, and the assignment of rights under such loan or contract; or</p> <p>(4) 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.</p> <p>Assumption of obligations as stated in this chapter includes the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not, and irrespective of whether such obligation is to be borne solely by the obligor or jointly with other persons) entered by the obligor or by any other means which results in a change in his financial position.</p>	

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<p>Article 39 The following acts are not regarded as prohibited by article 37: (MP31)</p> <p>(1) the financial assistance is given in good faith in the interests of the Company and the principal purpose for giving that assistance is not for the acquisition of shares in the Company, or the assistance is but an incidental part of a larger proposal of the Company;</p> <p>(2) a distribution of the Company's assets by way of dividend in accordance with laws;</p> <p>(3) the allotment of shares as dividends;</p> <p>(4) a reduction of registered capital, a repurchase of shares and adjustment of the shareholding structure of the Company effected in accordance with the Articles of Association;</p> <p>(5) the lending of money by the Company in the ordinary course of its business where the lending of money is within the scope of its business, provided that the Company's net assets 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; and</p> <p>(6) contribution made by the Company to the employee share option 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 distributable profits of the Company).</p>	—

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Chapter 7 Share Certificates and Register of Shareholders</b></p> <p><b>Article 40</b> Share certificate is issued by the Company as evidence of the shares held by the shareholder. The share certificate of the Company shall be in registered form. (MP32)</p> <p>The share certificates of the Company shall include the following main particulars:</p> <ol style="list-style-type: none"> <li>(1) company name;</li> <li>(2) date of registration and incorporation of the Company;</li> <li>(3) class of share, par value and the quantity of shares representing;</li> <li>(4) share certificate number; and</li> <li>(5) other matters that shall be required to be specified by the Company Law, Special Regulations, and securities stock exchange of the listed shares of the Company.</li> </ol> <p><b>Article 41</b> Share certificates shall be signed by the chairman. If requested by the securities stock exchange where the Company’s shares are listed to be signed by other senior managerial officers of the Company, share certificates shall also be signed by other relevant senior managerial officers. Signatures of the chairman or other relevant senior managerial officers of the Company on the share certificates may also be in printed form.</p> <p>The share certificates shall become valid only after being affixed with the common seal of the Company or being affixed with the common seal of the Company in printed form. Affixing with the common seal of the Company on the share certificates shall be subject to the authorisation by the board of directors. Scriptless issues and dealings of the Company’s shares shall be subject to other requirements of the securities regulatory authorities in the place where the Company’s shares are listed. (MP33) (LR App. 3 para 2(1)) (Zheng Jian Hai Han Art. 1)</p>	<p>—</p>



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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 42 The Company shall create a register of shareholders for Domestic Shares according to the proofs provided by domestic share registrar. The Company shall establish a register of shareholders which shall contain the following particulars: (MP34)</p> <ol style="list-style-type: none"> <li>(1) the name (title) and address (residence), the occupation or nature of each shareholder;</li> <li>(2) the class and the quantity of shares held by each shareholder;</li> <li>(3) the amount paid-up or payable on the shares held by each shareholder;</li> <li>(4) the share certificate number of the shares held by each shareholder;</li> <li>(5) the date on which each shareholder registers as a shareholder; and</li> <li>(6) the date on which each shareholder ceases to be a shareholder.</li> </ol> <p>Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholder's shareholding in the Company. Shareholders shall enjoy such rights and undertake such liabilities in accordance with the class of shares they hold. Shareholders of the same class of shares shall enjoy the same rights and undertake the same liabilities.</p>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 43 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory organisations, maintain the register of shareholders for overseas listed foreign shares in foreign countries and appoint an overseas agent to manage such register. The original register of shareholders for H Shares shall be maintained in Hong Kong, which shall be available for shareholders’ inspection. (MP35) (LR App.13, Part D para 1(b))</p> <p>A duplicate of the register of shareholders for overseas listed foreign shares shall be maintained at the Company’s residence. The appointed overseas agent shall ensure consistency between the original and the duplicate register of shareholders for overseas listed foreign shares at all times.</p> <p>If there is any inconsistency between the original and the duplicate register of shareholders for overseas listed foreign shares, the original register of shareholders shall prevail.</p> <p>Article 44 The Company shall maintain a complete set of register of shareholders. (MP36)</p> <p>The register of shareholders shall include the following parts:</p> <ol style="list-style-type: none"> <li>(1) the register of shareholders which is maintained at the Company’s residence, other than those registers of shareholders which are described in paragraphs (2) and (3) of this article;</li> <li>(2) the register of shareholders for overseas listed foreign shares of the Company which is maintained at the place of stock exchange of overseas listed securities; and</li> <li>(3) the register of shareholders which is maintained at such other place as the board of directors may consider necessary for the purpose of the listing of the Company’s shares.</li> </ol> <p>Article 45 Different parts of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register. (MP37)</p> <p>Changes or amendments of different parts of the register of shareholders shall be carried out in accordance with the laws at the place of maintenance of different parts of the register of shareholders.</p>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 46 All the fully paid-up H Shares can be freely transferred (subject to the situations permitted by Hong Kong Stock Exchange) without the restriction of any lien. However, the board of directors may refuse to recognise any instrument of transfer without giving any reason unless such transfer is carried out in compliance with the following conditions: (Zheng Jian Hai Han Art. 12) (LR App.3 para 1(2))</p> <p>(1) transfer document and other document relating to or affecting ownership of any shares must be registered and a registration fee must be paid to the Company as per the standard specified in the Listing Rules; (LR App.3, para 1(1))</p> <p>(2) transfer documents are related to H Shares only;</p> <p>(3) stamp duty as required by laws in Hong Kong has been paid for the transfer document;</p> <p>(4) relevant share certificates and evidence that the transferor has the right to transfer such shares as reasonably required by the board of directors shall be provided;</p> <p>(5) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four (4); (LR App.3, para 1(3))</p> <p>(6) the Company has no lien over the relevant shares. (Zheng Jian Hai Han Art. 12) (LR App.3 para 1(2))</p> <p>Any holder of H Shares may transfer all or part of his shares of the Company via the common written transfer document of Hong Kong or via a transfer document signed by hand or in printed form. The standard transfer form specified by Hong Kong Stock Exchange may be used for the aforesaid share transfer. The transfer document shall be signed by the transferor and transferee either by hand or in printed form.</p> <p>All transfer documents shall be kept at the legal address of the Company, the address of share registrar or other place designated by the board of directors from time to time.</p>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 47 If the laws, regulations, normative documents, securities regulatory authorities and exchanges in the place where the shares of the Company are listed have requirements during the period of suspending the registration of share transfer, such requirements shall be followed.</p> <p>Article 48 In the event that the Company convenes a general meeting, distributes dividends, enters into liquidation or carries out other activities necessary for the ascertainment of shareholding, the board of directors or the convener of the shareholders' general meeting shall decide the equity registration date. Shareholders whose names appear on the register at the close of trading on the equity registration date shall be the shareholders enjoying relevant rights and interests. (MP39)</p> <p>Article 49 Any person who disputes the register of shareholders and requests to have his name (title) registered thereon, or requests to have his name (title) removed therefrom may apply to the court having jurisdiction to rectify the register of shareholders. (MP40)</p> <p>Article 50 If any shareholder whose name has been registered in the register of shareholders or any person who requests to have his name (title) entered into the register of shareholders has lost his share certificates ("Original Certificates"), he may apply to the Company for the issue of replacement certificates in respect of such shares ("Relevant Shares"). (MP41)</p> <p>In respect of the loss of share certificates by holders of Domestic Shares, the replacement share certificates shall be applied in accordance with relevant requirement under the Company Law.</p>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>In respect of the loss of certificates by holders of overseas listed foreign shares, application for replacement shall be made in accordance with the laws, rules of the relevant recognised stock exchange or other relevant provisions of the place where the original register of shareholders for overseas listed foreign shares is kept.</p> <p>For applications for replacement of lost share certificates relating to holders of H Shares, the replacement of such certificates shall be subject to the following requirements:</p> <p>(1) Applicants shall submit an application in standard form designated by the Company together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason for the application made by the applicant, the circumstances under which the share certificates were lost with supporting evidence and a declaration that no other persons may request to be registered as a shareholder in respect of the Relevant Shares.</p> <p>(2) The Company shall not have received any declaration from any person other than the applicant requesting registration as the shareholder of such shares prior to the decision of the Company to issue a replacement share certificate.</p> <p>(3) If the Company decides to issue a replacement share certificate to the applicant, an announcement of the issue of a replacement share certificate shall be published in the newspapers designated by the board of directors and in compliance with the requirements of the Listing Rules, or in form of announcement as allowed by the Listing Rules; the period for such announcement shall be ninety (90) days and such announcement shall be published at least once every thirty (30) days during such period.</p>	

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<p>(4)      Prior to publishing the announcement of the issue of a replacement certificate, the Company shall prepare and submit a copy of such announcement to be published on Hong Kong Stock Exchange. The announcement can be published immediately upon the reply from Hong Kong Stock Exchange confirming that such announcement has been published on Hong Kong Stock Exchange. The period for the exhibition of such announcement at Hong Kong Stock Exchange shall be ninety (90) days.</p> <p>          If the consent to the application for a replacement certificate has not been obtained from the registered shareholder of the Relevant Shares, the Company shall send to such shareholder by post a copy of such announcement to be published.</p> <p>(5)      Upon the expiry of the 90-day period for the publication and exhibition of the said announcement as provided in paragraphs (3) and (4) of this article and no objection being received by the Company from any person to the replacement of such certificate, a replacement share certificates shall be issued pursuant to the applicant's application.</p> <p>(6)      In issuing a replacement share certificate pursuant to this article, the Company shall immediately cancel the Original Certificates and such cancellation and replacement shall be registered in the register of shareholders.</p> <p>(7)      All costs incurred by the Company in connection with the cancellation of the Original Certificates and issuing replacement share certificates shall be borne by the applicant. Unless the applicant provides reasonable security on such costs, the Company shall be entitled to refuse to take any action.</p> <p>Article 51    Upon the issuance by the Company of a replacement share certificate pursuant to the provisions of the Articles of Association, the name (title) of a bona fide purchaser who acquired the new share certificate aforesaid or a shareholder who is subsequently registered as the owner of such shares (if a bona fide purchaser) shall not be removed from the register of shareholders. (MP42)</p> <p>Article 52    The Company shall assume no liability for any loss sustained by any person as a result of the cancellation of the Original Certificates or issuance of replacement share certificates, unless it can be proved that the Company has taken fraudulent acts. (MP43)</p>	

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Chapter 8 <b>Rights and Obligations of Shareholders</b>	Chapter 4 <b>Shareholders and General Meetings</b>  Section 1 <b>Shareholders</b>
<p>Article 53 <b>A shareholder of the Company is a holder of share of the Company in accordance with laws and whose name (title) is entered in the register of shareholders. (MP44)</b></p> <p>A shareholder shall have rights and shall undertake the obligations in accordance with the class <b>and the number</b> of shares held by him; the shareholders of the same class of shares shall have the same rights and shall undertake the same obligations. (LR App.3, para 9)</p> <p><b>Each class of shareholders of the Company enjoys the same rights over dividends or any distribution in other forms.</b></p> <p><b>When more than two (2) persons are registered as joint shareholders of any shares of the Company, they shall be deem as joint holders of the relevant shares but subject to following conditions:</b></p> <p>(1) <b>the Company shall not register more than four (4) persons as joint shareholders of the Company. (LR App.3, para 1(3))</b></p> <p>(2) <b>where there are joint shareholders, if one of the joint shareholders passes away, the other remaining persons who are joint shareholders shall be deemed to be the persons who hold the relevant shares, but the board of directors has the right to require his death certificate for the purpose of revising the register of shareholders. For the joint shareholders of any shares, only the joint shareholder ranked first on the register of shareholders has the right to receive relevant share certificates, notifications from the Company, to attend general meetings and to vote. Any notification delivered to such person shall be deem as delivered to all joint shareholders of the relevant shares.</b></p>	<p>Article 30 <b>The Company shall create a register of shareholders according to the proofs provided by share registrar. The register of shareholders shall be the sufficient evidence to prove that the shareholders hold the Company’s shares. Under the conditions of paperless issuance and trading of the Company’s shares, the provisions of this section shall be subject to the provisions of the securities regulatory authorities and stock exchange(s) in the place where the Company’s shares are listed.</b></p> <p>A shareholder shall have rights and shall undertake the obligations in accordance with the class of shares held by him; the shareholders of the same class of shares shall have the same rights and shall undertake the same obligations.</p>
—	<p>Article 31 <b>In the event that the Company convenes a general meeting, distributes dividends, enters into liquidation or carries out other activities necessary for the ascertainment of the identity of shareholding, the board of directors or the convener of the shareholders’ general meeting shall decide the equity registration date. Shareholders whose names appear on the register at the close of trading on the equity registration date shall be the shareholders enjoying relevant rights and interests.</b></p>

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 54 The ordinary shareholders of the Company shall enjoy the following rights: <b>(MP45) (LR App.3, para9)</b></p> <p>(1) to receive dividends and other distributions in proportion to the number of shares held by him;</p> <p>(2) to file a petition according to laws, convene, hold and attend or appoint a proxy to attend <b>general meetings</b> and to vote thereat;</p> <p>(3) to supervise business management of the Company and to raise suggestions or inquiries;</p> <p>(4) to transfer, bestow or pledge the shares held by him in accordance with the requirements of the laws, administrative regulations and the Articles of Association;</p> <p><b>(5) to obtain relevant information according to the provisions of the Articles of Association, including:</b></p> <p style="padding-left: 20px;"><b>1. to receive a copy of the Articles of Association upon payment of the cost thereof;</b></p> <p style="padding-left: 20px;"><b>2. to inspect and copy upon payment of reasonable charges:</b></p> <p style="padding-left: 40px;">(1) <b>all parts of the register of shareholders;</b></p> <p style="padding-left: 40px;">(2) <b>the following personal information of the directors, supervisors, general managers, deputy general managers and other senior managerial officers:</b></p> <p style="padding-left: 60px;">(a) <b>present and former name and alias;</b></p> <p style="padding-left: 60px;">(b) <b>principal address (residential);</b></p> <p style="padding-left: 60px;">(c) <b>nationality;</b></p> <p style="padding-left: 60px;">(d) <b>primary and all other part-time occupations and duties;</b></p> <p style="padding-left: 60px;">(e) <b>identification documents and their numbers;</b></p> <p style="padding-left: 40px;">(3) <b>the state of the Company’s share capital;</b></p> <p style="padding-left: 40px;">(4) <b>a report showing the total nominal value, number, and highest and lowest prices of each class of shares repurchased by the Company since the end of the last accounting year, and the aggregate expenses paid by the Company for the purpose; and</b></p>	<p>Article 32 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(1) to receive dividends and other distributions in proportion to the number of shares held by him;</p> <p>(2) to file a petition according to laws, convene, hold and attend or appoint a proxy to attend <b>general meetings</b> and to vote thereat;</p> <p>(3) to supervise business management of the Company and to raise suggestions or inquiries;</p> <p>(4) to transfer, bestow or pledge the shares held by him in accordance with the requirements of the laws, administrative regulations and the Articles of Association;</p> <p>(5) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by him;</p> <p>(6) to inquire the Articles of Association, registers of shareholders, stubs of company bonds, the minutes of <b>shareholders’ meetings</b>, resolutions of the board meetings, resolutions of the meetings of the supervisory committee and the financial accounting reports;</p> <p>(7) with respect to shareholders who vote against any resolution adopted at the <b>general meeting</b> on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(8) other rights conferred by the laws, administrative regulations and the Articles of Association.</p>



**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p align="center">(5)      <b>minutes of general meetings;</b></p> <p>(6)      in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by him;</p> <p>(7)      to inquire the Articles of Association, registers of shareholders, stubs of company bonds, the minutes of <b>shareholders’ meetings</b>, resolutions of the board meetings, resolutions of the meetings of the supervisory committee and the financial accounting reports;</p> <p>(8)      with respect to shareholders who vote against any resolution adopted at the <b>general meeting</b> on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(9)      other rights conferred by the laws, administrative regulations and the Articles of Association.</p> <p><b>The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his equity to the Company. (LR App.3 para 12)</b></p>	
<p>Article 56    Where the resolutions of the <b>general meetings</b> or board meetings violate the laws and administrative regulations, the shareholders are entitled to petition to the People’s Court to announce the verdict of its nullity (<b>for holders of foreign shares, refer to article 267 of the Articles of Association</b>).</p> <p>Where the procedures of convening and means of voting of the <b>general meetings</b> or the board meetings violate the laws, administrative regulations and this Articles of Association, the shareholders are entitled to petition to the People’s Court to revoke the resolution within sixty (60) days as of the date of its making (<b>for holders of foreign shares, refer to article 267 of the Articles of Association</b>).</p>	<p>Article 34    Where the resolutions of the <b>general meetings</b> or board meetings violate the laws and administrative regulations, the shareholders are entitled to petition to the People’s Court to announce the verdict of its nullity.</p> <p>Where the procedures of convening and means of voting of the <b>general meetings</b> or the board meetings violate the laws, administrative regulations and this Articles of Association, the shareholders are entitled to petition to the People’s Court to revoke the resolution within sixty (60) days as of the date of its making.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 57 Where the directors, general managers, deputy general managers and other senior managerial officers violate the laws, administrative regulations or the provisions of this Articles of Association in time of fulfilling their duties and thereby have caused damage to the Company, the shareholders with one per cent (1%) of shares singly or jointly for no less than one hundred and eighty (180) days are entitled to require supervisory committee in written application to file a suit to the People’s Court; where the violation of law by supervisory committee in time of performing its duty causes damage to the Company, the shareholders are entitled to require the board of directors in written application to file a suit to the People’s Court <b>(for holders of foreign shares, refer to article 267 of the Articles of Association).</b></p> <p>Where the board of directors and supervisory committee refuse to file suit after having received the written application as described in the aforesaid paragraph, or fail to do so within thirty (30) days as of its acknowledgement, or the delayed sue may cause irreparable loss to the Company, the shareholders as prescribed in the aforesaid paragraph are entitled to file a suit directly to the People’s Court in their own names <b>(for holders of foreign shares, refer to article 267 of the Articles of Association).</b></p> <p>Where the infringement of the lawful rights of the Company has caused damage to the Company, the shareholders as prescribed in paragraph 1 of this article are entitled to file a suit to the People’s Court pursuant to aforesaid 2 paragraphs <b>(for holders of foreign shares, refer to article 267 of the Articles of Association).</b></p> <p>Where the violation of laws, administrative regulations or the provisions of this Articles of Association by the directors, general managers, deputy managers and other senior managerial officers has caused damage to the shareholders, the latter may file a suit to the People’s Court <b>(for holders of foreign shares, refer to article 267 of the Articles of Association).</b></p>	<p>Article 35 Where the directors, general managers, deputy general managers and other senior managerial officers violate the laws, administrative regulations or the provisions of this Articles of Association in time of fulfilling their duties and thereby have caused damage to the Company, the shareholders with one per cent (1%) of shares singly or jointly for no less than one hundred and eighty (180) days are entitled to require supervisory committee in written application to file a suit to the People’s Court; where the violation of law by supervisory committee in time of performing its duty causes damage to the Company, the shareholders are entitled to require the board of directors in written application to file a suit to the People’s Court.</p> <p>Where the board of directors and supervisory committee refuse to file suit after having received the written application as described in the aforesaid paragraph, or fail to do so within thirty (30) days as of its acknowledgement, or the delayed sue may cause irreparable loss to the Company, the shareholders as prescribed in the aforesaid paragraph are entitled to file a suit directly to the People’s Court in their own names.</p> <p>Where the infringement of the lawful rights of the Company has caused damage to the Company, the shareholders as prescribed in paragraph 1 of this article are entitled to file a suit to the People’s Court pursuant to aforesaid 2 paragraphs.</p> <p>Where the violation of laws, administrative regulations or the provisions of this Articles of Association by the directors, general managers, deputy managers and other senior managerial officers has caused damage to the shareholders, the latter may file a suit to the People’s Court.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 58 The Company’s ordinary shareholders shall undertake the following obligations: <b>(MP46)</b></p> <p>(1) to comply with the Articles of Association, administrative regulations and the Articles of Association;</p> <p>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(3) not to divest the shares other than as provided by laws or administrative regulations;</p> <p>(4) not to abuse their shareholders’ right to prejudice the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;</p> <p>Shareholders of the Company who abuse their rights as shareholders and cause losses to the Company or other shareholders shall be liable to compensation under the laws.</p> <p>Shareholders of the Company who abuse the independence of the Company as a legal person and the limited liabilities of shareholders to evade repayment of debts and cause material damage to the interests of its creditors shall be jointly and severally held liable to the Company’s debts.</p> <p>(5) <b>other obligations imposed by laws, administrative regulations and the Articles of Association.</b></p> <p><b>Except for the terms agreed by the share subscriber at the time of share subscription, a shareholder shall not be liable for any subsequent increase of capital.</b></p>	<p>Article 36 The Company’s ordinary shareholders shall undertake the following obligations:</p> <p>(1) to comply with the Articles of Association, administrative regulations and the Articles of Association;</p> <p>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(3) not to divest the shares other than as provided by laws or administrative regulations;</p> <p>(4) not to abuse their shareholders’ right to prejudice the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;</p> <p>(5) <b>other obligations imposed by laws, administrative regulations and the Articles of Association.</b></p> <p>Shareholders of the Company who abuse their rights as shareholders and cause losses to the Company or other shareholders shall be liable to compensation under the laws.</p> <p>Shareholders of the Company who abuse the independence of the Company as a legal person and the limited liabilities of shareholders to evade repayment of debts and cause material damage to the interests of its creditors shall be jointly and severally held liable to the Company’s debts.</p>

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**APPENDIX I    PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 60 The controlling shareholders or the de facto controllers shall not use their correlative relationship to damage the interests of the Company. In the event that the requirement under this Article is breached and a loss to the Company is resulted, such persons shall be liable to compensate for the loss.</p> <p>The controlling shareholders and the de facto controllers of the Company shall owe fiduciary duty to the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights in strict compliance with the laws and shall not damage the interests of the Company and other public shareholders by means of profit distribution, asset restructuring, external investment, misappropriation of capital, loan guarantee, and so on, and shall not damage the interests of the Company and other public shareholders by means of their controlling positions.</p> <p><b>Save for the obligations as required under the laws, administrative regulations or listing rules of the stock exchange where the Company’s shares are listed, controlling shareholders shall not make decisions harmful to the benefits of all or some of the shareholders when exercising their power as shareholders, and by exercising their voting rights on the following matters: (MP47)</b></p> <p>(1) to exempt the directors or supervisors from their responsibilities to take bona fide actions in the best interests of the Company;</p> <p>(2) to approve the directors or supervisors to expropriate the Company’s assets for their own or other persons’ benefits, including (but not limited to) any opportunities beneficial to the Company; and</p> <p>(3) to approve the directors or supervisors (for their own or other persons’ benefits) to deprive other shareholders of their personal interests, including (but not limited to) any distribution right or voting right, but excluding any company reorganisation submitted and passed by the general meeting in accordance with the Articles of Association.</p>	<p>Article 38 The controlling shareholders or the de facto controllers shall not use their correlative relationship to damage the interests of the Company. In the event that the requirement under this Article is breached and a loss to the Company is resulted, such persons shall be liable to compensate for the loss.</p> <p>The controlling shareholders and the de facto controllers of the Company shall owe fiduciary duty to the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights in strict compliance with the laws and shall not damage the interests of the Company and other public shareholders by means of profit distribution, asset restructuring, external investment, misappropriation of capital, loan guarantee, and so on, and shall not damage the interests of the Company and other public shareholders by means of their controlling positions.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 61 A controlling shareholder referred to in the preceding article means any person who satisfies one of the following conditions: (MP48)</p> <p>(1) the person individually or when acting in concert with others is entitled to elect more than half (1/2) of the directors;</p> <p>(2) the person individually or when acting in concert with others is entitled to exercise over thirty per cent (30%) (inclusive) of the voting rights or may control the exercise of thirty per cent (30%) (inclusive) of the voting rights of the Company;</p> <p>(3) the person individually or when acting in concert with others holds over thirty per cent (30%) (inclusive) of the Company's shares in issue;</p> <p>(4) the person individually or when acting in concert with others, has de facto control over the Company by other means; or</p> <p>(5) any other person defined to be a controlling shareholder under the Listing Rules.</p> <p>“Acting in concert” in this article refers to the action in which two (2) or more persons arriving at a consensus by way of agreement (whether orally or in writing), to obtain the voting rights in the Company through any one of them, for the purpose of achieving or consolidating the control over the Company.</p> <p>Article 62 Where a shareholder holding shares carrying five per cent (5%) or more of the total voting rights in the Company provides guarantee for himself or others with the Company's shares, a report in writing shall be made to the Company on the date of the occurrence of such fact.</p>	—

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<b>Chapter 9 General Meetings</b>	<b>Section 2 General Provisions on General Meetings</b>
<p>Article 63 The <b>general meeting</b> is the body conferring authority on the Company, which exercises the following powers in accordance with laws: <b>(MP49)</b></p> <ol style="list-style-type: none"> <li>(1) to decide on the Company's operational policies and investment plans; <b>(MP50)</b></li> <li>(2) to elect or remove the directors, and decide on matters relating to the remuneration of directors;</li> <li>(3) to elect and replace supervisors not representing the staffs, and to decide remuneration of the relevant supervisor;</li> <li>(4) to consider and approve reports of the board of directors;</li> <li>(5) to consider and approve reports of the supervisory committee;</li> <li>(6) to consider and approve the Company's proposed annual financial budget and final accounts;</li> <li>(7) to consider and approve the Company's proposals for profit distribution and recovery of losses;</li> <li>(8) to resolve on the increase or reduction in the Company's registered capital;</li> <li>(9) to resolve on issues such as material external investment, merger, division, dissolution and liquidation of the Company;</li> <li>(10) to resolve on the issue of bonds of the Company;</li> <li>(11) to resolve on the appointment, removal <b>or cessation of appointment</b> of the Company's accountants firm; <b>(LR App.3 para 17)</b></li> <li>(12) to amend the Articles of Association of the Company;</li> <li>(13) to consider motions of shareholders representing three per cent (3%) (inclusive) or more of the voting shares in the Company;</li> <li>(14) to consider and approve particulars of external guarantee prescribed in article <b>64</b>;</li> </ol>	<p>Article 39 The <b>general meeting</b> is the body conferring authority on the Company, which exercises the following powers in accordance with laws:</p> <ol style="list-style-type: none"> <li>(1) to decide on the Company's operational policies and investment plans;</li> <li>(2) to elect or remove the directors, and decide on matters relating to the remuneration of directors;</li> <li>(3) to elect and replace supervisors not representing the staffs, and to decide remuneration of the relevant supervisor;</li> <li>(4) to consider and approve reports of the board of directors;</li> <li>(5) to consider and approve reports of the supervisory committee;</li> <li>(6) to consider and approve the Company's proposed annual financial budget and final accounts;</li> <li>(7) to consider and approve the Company's proposals for profit distribution and recovery of losses;</li> <li>(8) to resolve on the increase or reduction in the Company's registered capital;</li> <li>(9) to resolve on issues such as material external investment, merger, division, dissolution and liquidation and <b>change of form</b> of the Company;</li> <li>(10) to resolve on the issue of bonds of the Company;</li> <li>(11) to resolve on the appointment and removal of the Company's accountants firm;</li> <li>(12) to amend the Articles of Association of the Company;</li> <li>(13) to consider motions of shareholders representing three per cent (3%) (inclusive) or more of the voting shares in the Company;</li> <li>(14) to consider and approve particulars of external guarantee prescribed in article <b>40</b>;</li> <li>(15) to consider material purchase or sale of assets of the Company within 1 year with value over 30% of the <b>latest audited total assets</b>;</li> </ol>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(15) to consider and approve material purchase or sale of assets of the Company within 1 year with value over 30% of the <b>total assets</b>;</p> <p>(16) to consider and approve change in use of proceeds;</p> <p>(17) to consider and approve share option scheme and employee shareholding plan;</p> <p>(18) to resolve on any other matters at <b>general meetings</b> as required under the laws, administrative regulations and this Articles of Association.</p> <p>Proceedings which, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, are required to be approved by the <b>general meetings</b> must only be considered at such meetings so as to protect the decision-making power of the shareholders of the Company on such proceedings. Under necessary and reasonable circumstances, the <b>general meeting</b> may authorize the board of directors to decide, as permitted by laws, regulations and the Articles of Association and within the scope of authorization granted by the <b>general meeting</b>, specific issues relating to proceedings which cannot be decided at the <b>general meeting</b>.</p> <p><b>Unless otherwise under special emergency circumstances, the Company shall not, without the approval of the shareholders' general meetings, enter into any contract with any person other than directors, manager and other senior management members for authorization of management of all or substantial part of business of the Company to such persons.</b></p>	<p>(16) to consider and approve change in use of proceeds;</p> <p>(17) to consider share option scheme and employee shareholding plan;</p> <p><b>(18) the annual general meeting of the Company may authorize the Board to determine to issue shares to specific targets with a total financing amount of no more than RMB300 million and no more than 20 per cent of the net assets as at the end of the latest year, and such authorization will expire on the date of the next annual general meeting, and shall comply with the relevant regulatory provisions of the stock exchange where the shares of the Company are listed (if any);</b></p> <p>(19) to resolve on any other matters at <b>general meetings</b> as required under the laws, administrative regulations and the Articles of Association.</p> <p>Proceedings which, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, are required to be approved by the <b>general meetings</b> must only be considered at such meetings so as to protect the decision-making power of the shareholders of the Company on such proceedings. Under necessary and reasonable circumstances, the <b>general meeting</b> may authorize the board of directors to decide, as permitted by laws, regulations and the Articles of Association and within the scope of authorization granted by the <b>general meeting</b>, specific issues relating to proceedings which cannot be decided at the <b>general meeting</b>.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 64 Following particulars of external guarantee issued by the Company require consideration and approval by the <b>general meeting</b>:</p> <ol style="list-style-type: none"> <li>(1) value of a single guarantee exceeds ten per cent (10%) of the latest audited net assets of the Company;</li> <li>(2) guarantee provided to the guarantee objective whose asset liability ratio exceeds seventy per cent (70%);</li> <li>(3) any guarantee after the value of total external guarantee of the Company and its controlling subsidiaries that exceeds fifty per cent (50%) of the latest audited net assets of the Company;</li> <li>(4) any guarantee after the value of total external guarantee of the Company that exceeds thirty per cent (30%) of the latest audited total assets of the Company;</li> <li>(5) any guarantee provided by the Company in excess of 30% of its latest audited total assets within one year;</li> <li>(6) guarantee provided to shareholders, the de facto controller and their respective related party;</li> <li>(7) other guarantees prescribed by laws, regulations, listing rules of relevant stock exchange or the Articles of Association which require approval by <b>shareholders meeting</b>.</li> </ol> <p><b>For provision of guarantee to a related person by the Company, in addition to the deliberation and approval by more than half of all non-related directors, it is also subject to the deliberation and approval by more than two-thirds of the non-related directors present at the board meeting, and shall be submitted to the general meeting for deliberation. Where the Company provides guarantees to its controlling shareholders, de facto controllers and their related persons, the controlling shareholders, de facto controllers and their related persons shall provide counter-guarantee.</b></p> <p><b>Those who fail to provide a guarantee in accordance with the prescribed procedures or within their scope of licenses shall be held accountable in accordance with the Company's relevant rules and bear corresponding legal liabilities.</b></p>	<p>Article 40 Following particulars of external guarantee issued by the Company require consideration and approval by the <b>general meeting</b>:</p> <ol style="list-style-type: none"> <li>(1) value of a single guarantee exceeds ten per cent (10%) of the latest audited net assets of the Company;</li> <li>(2) guarantee provided to the guarantee objective whose asset liability ratio exceeds seventy per cent (70%);</li> <li>(3) any guarantee after the value of total external guarantee of the Company and its controlling subsidiaries that exceeds fifty per cent (50%) of the latest audited net assets of the Company;</li> <li>(4) any guarantee after the value of total external guarantee of the Company that exceeds thirty per cent (30%) of the latest audited total assets of the Company;</li> <li>(5) any guarantee provided by the Company in excess of 30% of its latest audited total assets within one year;</li> <li>(6) guarantee provided to shareholders, the de facto controller and their respective related party;</li> <li>(7) other guarantees prescribed by laws, regulations, listing rules of relevant stock exchange or the Articles of Association which require approval by <b>shareholders meeting</b>.</li> </ol>
<p>Article 65 The Company shall not, <b>without prior approval of shareholders in general meeting</b>, enter into any contract with any person <b>other than a director, supervisor, general manager, deputy general manager or other senior managerial officer</b> whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person. (MP51)</p>	—



## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 66 <b>General meetings</b> shall be divided into annual <b>general meetings</b> and extraordinary <b>general meetings</b>. <b>The general meetings shall be convened by the board of directors.</b> Annual general meetings are held once every year within six (6) months after the last financial year end. (MP52) (LR App.3 para14(1))</p> <p>The board of directors shall convene an extraordinary <b>general meeting</b> within two (2) months following the date of such circumstances:</p> <ol style="list-style-type: none"> <li>(1) when the number of directors falls below the number required by the Company Law or two-thirds (2/3) of the number required by the Articles of Association;</li> <li>(2) when the losses of the Company which have not been made up amount to one-third (1/3) of the total share capital of the Company;</li> <li>(3) <b>upon written requisition of shareholders holding ten per cent (10%) (inclusive) or more of the issued shares carrying voting rights (excluding the voting rights for proxies) for the convening of an extraordinary general meeting;</b></li> <li>(4) when the board of directors deems necessary <b>or the supervisory committee proposes to convene the same;</b> and</li> <li>(5) other circumstances as required under the laws, administrative regulations, departmental rules or the Articles of Association.</li> </ol> <p><b>The number of shares as referred in (3) above is calculated based on the shares being held by the relevant shareholders at the time when they give a written requisition.</b></p> <p><b>If the Company fails to convene the general meeting within the above period, it shall report to the authority appointed by CSRC in the location of the Company and the stock exchange where its shares are listed, and shall give the reasons and make an announcement in respect thereof.</b></p> <p>The <b>general meeting</b> shall set up a venue and be held in the form of an on-site meeting. The Company will also provide online voting to facilitate shareholders' participation in <b>general meetings</b>. Shareholders who participate in the <b>general meeting</b> of shareholders through the above methods shall be deemed to have attended.</p>	<p>Article 41 <b>General meetings</b> shall be divided into annual <b>general meetings</b> and extraordinary <b>general meetings</b>. Annual <b>general meetings</b> are held once every year within six (6) months after the last financial year end.</p> <p>Article 42 The board of directors shall convene an extraordinary <b>general meeting</b> within two (2) months following the date of such circumstances:</p> <ol style="list-style-type: none"> <li>(1) when the number of directors falls below the number required by the Company Law or two-thirds (2/3) of the number required by the Articles of Association;</li> <li>(2) when the losses of the Company which have not been made up amount to one-third (1/3) of the total share capital of the Company;</li> <li>(3) <b>upon requisition of shareholders singly or jointly hold ten per cent (10%) or more of the shares of the Company;</b></li> <li>(4) when the board of directors deems necessary;</li> <li>(5) <b>when the supervisory committee proposes to convene;</b></li> <li>(6) other circumstances as required under the laws, administrative regulations, departmental rules or the Articles of Association.</li> </ol> <p><b>The venue for convening a general meeting of the Company shall be the domicile of the Company or such other place as specified in the notice of the meeting. The general meeting shall set up a venue and be held in the form of an on-site, online or a combination of on-site and online meeting. The Company will also provide online voting to facilitate shareholders' participation in general meetings. Shareholders who participate in the general meeting of shareholders through the above methods shall be deemed to have attended.</b></p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p align="center">—</p>	<p><b>Article 43</b> In convening a general meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following issues:</p> <ol style="list-style-type: none"> <li>(1) whether the convening and procedure of the meeting comply with the laws, administrative regulations and the Articles of Association;</li> <li>(2) whether the attendees and convener of the meeting are eligible;</li> <li>(3) whether the voting procedures and results of the meeting are valid;</li> <li>(4) legal opinions on other matters as requested by the Company.</li> </ol> <p><b>Section 3 Convening of General Meetings</b></p>
<p><b>Article 69</b> Where the shareholders ask for the convention of extraordinary general meeting or class meeting, shall be handled in accordance to the following procedures: (MP72)</p> <p>Shareholders singly or jointly hold more than ten per cent (10%) of the shares of the Company have the right to propose in written form the convention of extraordinary <b>general meeting</b> to the board of directors. The board of directors shall, in accordance with the provision in laws, administrative regulations and the Articles of Association, make feedback in written form concerning the approval or disapproval of convention of extraordinary <b>general meeting</b> within ten (10) days as of its acknowledgement.</p> <p>Where the board of directors approves the convention of extraordinary <b>general meeting</b>, a notice shall be issued thereof within five (5) days after the board resolution be passed and the alteration of the original proposal in the notice shall have the approval of the concerned shareholders.</p> <p>Where the board of directors disapproves the convention of extraordinary <b>general meeting</b> or fails to issue the feedback within ten (10) days after receive request, the shareholders singly or jointly holding more than ten per cent (10%) of the Company’s share is entitled to propose in written form the convention of extraordinary <b>general meeting</b> to supervisory committee.</p> <p>Where supervisory committee approves the convention of extraordinary <b>general meeting</b>, a notice shall be issued thereof within five (5) days and the alteration of the original proposal in the notice shall have the approval of the concerned shareholders.</p> <p>Where supervisory committee fails to issue the notice within the prescribed time limit, it shall be deemed refused to convene and preside over the <b>general meeting</b> and the shareholders singly or jointly holding more than ten per cent (10%) of the Company’s share for more than ninety (90) consecutive days may convene and preside over the <b>general meeting</b> themselves.</p> <p><b>Where the general meeting is convened by shareholders themselves due to the aforesaid failure of the board of directors and supervisory committee, the reasonable cost incurred for the meeting shall be borne by the Company and be deducted from the amount payable to the directors and supervisors responsible for the neglect of duty.</b></p>	<p><b>Article 46</b> Shareholders singly or jointly hold ten per cent (10%) or more of the shares of the Company have the right to propose in written form the convention of extraordinary <b>general meeting</b> to the board of directors. The board of directors shall, in accordance with the provision in laws, administrative regulations and the Articles of Association, make feedback in written form concerning the approval or disapproval of convention of extraordinary <b>general meeting</b> within ten (10) days as of its acknowledgement.</p> <p>Where the board of directors approves the convention of extraordinary <b>general meeting</b>, a notice shall be issued thereof within five (5) days after the board resolution be passed and the alteration of the original proposal in the notice shall have the approval of the concerned shareholders.</p> <p>Where the board of directors disapproves the convention of extraordinary <b>general meeting</b> or fails to issue the feedback within ten (10) days after receive request, the shareholders singly or jointly holding ten per cent (10%) or more of the Company’s share is entitled to propose in written form the convention of extraordinary <b>general meeting</b> to supervisory committee.</p> <p>Where supervisory committee approves the convention of extraordinary <b>general meeting</b>, a notice shall be issued thereof within five (5) days and the alteration of the original proposal in the notice shall have the approval of the concerned shareholders.</p> <p>Where supervisory committee fails to issue the notice within the prescribed time limit, it shall be deemed refused to convene and preside over the <b>general meeting</b> and the shareholders singly or jointly holding ten per cent (10%) or more of the Company’s share for more than ninety (90) consecutive days may convene and preside over the <b>general meeting</b> themselves.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 70 Where supervisory committee or shareholders decide to convene the <b>general meeting</b> themselves, they shall notify the board of directors in written form and make filing with the stock exchange.</p> <p><b>Where the general meeting is convened and presided by shareholders themselves</b>, prior to the announcement of the resolutions of <b>general meeting</b>, shareholding of the shareholders convening the meeting shall not be less than ten per cent (10%).</p> <p><b>Where the general meeting is convened and presided by the supervisory committee or shareholders themselves</b>, the supervisory committee or the shareholders convening the meeting shall, at the time of issue the notice of <b>general meeting</b> and announcement of the resolutions of <b>general meeting</b>, submit relevant documentary proof to the stock exchange.</p>	<p>Article 47 Where supervisory committee or shareholders decide to convene the <b>general meeting</b> themselves, they shall notify the board of directors in written form and make filing with the stock exchange.</p> <p>Prior to the announcement of the resolutions of <b>general meeting</b>, shareholding of the shareholders convening the meeting shall not be less than ten per cent (10%).</p> <p>The supervisory committee or the shareholders convening the meeting shall, at the time of issue the notice of <b>general meeting</b> and announcement of the resolutions of <b>general meeting</b>, submit relevant documentary proof to the stock exchange.</p>
—	<p><b>Section 4 Proposals and Notices of General Meetings</b></p> <p><b>Article 50</b> The contents of the proposal shall fall within the terms of reference of the general meeting, have clear topics and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.</p> <p><b>Article 51</b> Where convening the general meeting, the board of directors, supervisory committee and shareholders singly or jointly holding more than three per cent (3%) of the Company’s share are entitled to raise proposal to the Company.</p> <p>Shareholders singly or jointly holding more than three per cent (3%) of the Company’s share may, ten (10) days prior to the convention of the general meeting, raise interim proposal and submit it to the convener in written form. The convener shall, within two (2) days after its acknowledgement, issue a supplemental notice of the general meeting and announce the content of the interim proposal.</p> <p>Save as prescribed in the previous paragraphs, the convener shall not, after having issued notice hereof, revise the proposals set out in the notice of general meeting or add new proposals.</p> <p>Where the proposals are failed to be set out or not comply with the prescribed paragraph of this Articles of Association, the general meeting shall not vote and make resolution.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 73 To convene an annual general meeting of the Company, the Company shall issue a written notice 20 days prior to the meeting informing all the registered shareholders of the matters to be considered at and the date and place of the meeting; in the case of an extraordinary general meeting, the Company shall issue a written notice 15 days prior to the meeting informing all the registered shareholders of the matters to be considered at and the date and place of the meeting. When the Company convenes a meeting of class shareholders, the period of notice and the notification method shall be as specified in Article 131 of the Articles of Association. (MP53)</p> <p>In calculating the notice period, the date of issue of notice and date of meeting shall be excluded.</p>	<p>Article 52 The convener shall notify all shareholders 21 days before the annual general meeting by way of announcement, and notify all shareholders 15 days before the extraordinary general meeting by way of announcement.</p> <p>In calculating the notice period, the date of issue of notice and date of meeting shall be excluded.</p>
<p>Article 74 Where convening the general meeting, the board of directors, supervisory committee and shareholders singly or jointly holding more than three per cent (3%) of the Company's share are entitled to raise proposal to the Company. The Company shall include such items of the proposal that are within the scope of duty of the general meeting to the meeting agenda. Motions in the general meeting shall fulfill the following conditions: (MP54)</p> <ol style="list-style-type: none"> <li>(1) the contents are not in contradiction with the requirements under the laws, administrative regulations and the Articles of Association, and within the Company's operation scope and the scope of powers of the general meeting;</li> <li>(2) with specific subject and actual matters to be resolved;</li> <li>(3) submitted or delivered to the board of directors in writing.</li> </ol> <p>Shareholders singly or jointly holding more than three per cent (3%) of the Company's share may, ten (10) days prior to the convention of the general meeting, raise interim proposal and submit it to the convener in written form. The convener shall, within two (2) days after its acknowledgement, issue a supplemental notice of the general meeting and announce the content of the interim proposal.</p> <p>Save as prescribed in the previous paragraphs, the convener shall not, after having issued notice hereof, revise the proposals set out in the notice of general meeting or add new proposals.</p> <p>Where the proposals are failed to be set out or not comply with the prescribed paragraph of this Articles of Association, the general meeting shall not vote and make resolution.</p> <p>Article 75 An extraordinary general meeting shall not decide on matters which are not specified in the notice.</p>	—

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 76 A notice of general meeting shall meet the following requirements: (MP56)</p> <ol style="list-style-type: none"> <li>(1) be in writing;</li> <li>(2) stock registration date of the shareholder having the right to attend the general meeting;</li> <li>(3) specify the venue, date and time of the meeting;</li> <li>(4) state the matters to be discussed at the meeting;</li> <li>(5) provide such information and explanation as are necessary for the shareholders to make an informed decision on issues to be discussed; including (but not limited to) where a proposal is made to amalgamate the Company with another, repurchase shares of the Company, reorganise the share capital, or restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract, if any, and the cause and effect of such proposal must be properly explained;</li> <li>(6) contain a disclosure of the nature and extent of the material interests of any director, supervisor, general manager, deputy general manager or other senior managerial officer in the matters to be discussed and the effect of the matters to be discussed on such director, supervisor, manager, or other senior managerial officer in his capacity as shareholder in so far as it is different from the effect on the interests of other shareholders of the same class;</li> <li>(7) contain the full text of any special resolution to be proposed at the meeting;</li> <li>(8) contain a clear statement that a shareholder entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;</li> <li>(9) specify the time and place for lodging the proxy form for the relevant meeting;</li> <li>(10) name and phone number of the permanent associated person;</li> <li>(11) where the general meeting adopts means of internet, it shall, in the notice, set out expressly the voting time and procedures of internet means.</li> </ol>	<p>Article 53</p> <p>The notice of a <b>general meeting</b> shall include the following:</p> <ol style="list-style-type: none"> <li>(1) <b>time, venue and duration of the meeting;</b></li> <li>(2) <b>the matters and proposals submitted to the meeting for deliberation;</b></li> <li>(3) <b>contain conspicuously a statement that all ordinary shareholders (including the holders of preference shares whose voting rights have been restored) are entitled to attend the shareholders’ meeting and may appoint a proxy to attend and vote at such meeting, while such proxy may not necessarily be a shareholder;</b></li> <li>(4) <b>state the record date for shareholders entitled to attend the general meeting;</b></li> <li>(5) <b>name and phone number of the permanent associated person;</b></li> <li>(6) <b>voting time and voting procedures by online or other means.</b></li> </ol> <p>The notice and supplementary notice of the <b>general meeting</b> shall fully and completely cover all the details of the proposals to be disclosed at the meeting. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of <b>shareholders’ general meeting</b> or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.</p> <p>Voting at the <b>shareholders’ general meeting</b> on the network or otherwise shall commence not earlier than 3:00 p.m. on the day prior to an on-site <b>shareholders’ general meeting</b>, and not later than 9:30 a.m. on the day of the on-site <b>shareholders’ general meeting</b>, and shall finish not earlier than 3:00 p.m. on the day of closing the on-site <b>shareholders’ general meeting</b>.</p> <p>The time gap between the stock registration date and the date of meeting shall be no more than seven working days. Once the stock registration date is fixed, it shall not be altered.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>The notice and supplementary notice of the <b>general meeting</b> shall fully and completely cover all the details of the proposals to be disclosed at the meeting. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of <b>shareholders' general meeting</b> or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.</p> <p>Voting at the <b>shareholders' general meeting</b> on the network or otherwise shall commence not earlier than 3:00 p.m. on the day prior to an on-site <b>shareholders' general meeting</b>, and not later than 9:30 a.m. on the day of the on-site <b>shareholders' general meeting</b>, and shall finish not earlier than 3:00 p.m. on the day of closing the on-site <b>shareholders' general meeting</b>.</p> <p>The time gap between the stock registration date and the date of meeting shall be no more than seven working days. Once the stock registration date is fixed, it shall not be altered.</p> <p><b>The convener shall inform each shareholder of the annual general meeting not less than 21 days before the meeting, and shall inform each shareholder of the extraordinary general meeting not less than 14 days before the meeting. In determining the commencement date and the period, the Company shall not include the date on which the meeting is held. (LR App.3 para 14 (2))</b></p> <p>The written reply from shareholders who intend to attend general meetings shall include the following contents:</p> <ol style="list-style-type: none"> <li>(1)     <b>the time of receipt of written notice of general meeting;</b></li> <li>(2)     <b>the content of the written notice of general meeting is complete and clear;</b></li> <li>(3)     <b>whether oneself will attend in person; if not, whether a proxy is appointed to attend; and</b></li> <li>(4)     <b>the name and telephone number of oneself or his proxy.</b></li> </ol>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 77 Notice of general meeting shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting), by personal delivery or prepaid airmail to the addressee as shown in the register of shareholders. For the holders of Domestic Shares, notice of the meetings may also be issued by way of public announcement.</p> <p>The announcements referred to in the preceding paragraph shall be published in one or several approved newspapers designated by the securities regulatory authorities under the State Council. All holders of Domestic Shares shall be deemed to have received the relevant notices of general meetings once such announcements have been published; Notices of general meetings to Shareholders of H Share shall be published through Hong Kong Stock Exchange's website or in one or several newspapers designated by it. All the holders of H Share shall be deemed to have received the relevant notices of general meetings once such announcements have been published.</p> <p>Article 78 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate that meeting or any resolutions passed thereat. (MP58)</p> <p>Article 79 Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxies to attend and vote as directed by the shareholder, and a proxy so appointed shall: (LR App.3 para 18)</p> <p>(1) have the same right as the shareholder to speak at the meeting; and</p> <p>(2) have the right to vote on a poll. (LR App.3 para 14(3))</p>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Article 80</b> The instrument appointing a proxy must be in writing under the hand of the shareholder, and shall be signed by the appointor or a chop shall be affixed. For a legal person shareholder, the instrument must be affixed with the common seal. (MP 60)</p> <p>The power of attorney of shareholders appointing others to attend general meetings shall set out the following contents:</p> <ol style="list-style-type: none"> <li>(1) name of the proxy;</li> <li>(2) whether the proxy has voting right or not;</li> <li>(3) indications to vote for, vote against or abstain from voting on every matter to be included in the agenda for consideration at the general meeting;</li> <li>(4) date of issue of the power of attorney and the effective date;</li> <li>(5) the signature (or seal with a chop) of the appointor. For a legal person shareholder, the power of attorney shall be sealed with the chop of the corporate body.</li> </ol>	
<p><b>Article 81</b> Where the proceedings of election of directors and supervisors are scheduled to be discussed at <b>general meetings</b>, the notice of <b>general meetings</b> shall disclose the detailed information of the directors and supervisors, including at least the following contents:</p> <ol style="list-style-type: none"> <li>(1) such personal information as education background, working experience and part-time job and etc.;</li> <li>(2) whether he is associated with the Company and its controlling shareholders and the de facto controller;</li> <li>(3) disclose his shareholdings in the Company;</li> <li>(4) any past record of being penalized by CSRC or other related departments and a stock exchange.</li> </ol> <p>Except the election of directors and supervisors by means of cumulative voting, each director and supervisor candidate shall be raised by single proposal.</p>	<p><b>Article 54</b> Where the proceedings of election of directors and supervisors are scheduled to be discussed at <b>general meetings</b>, the notice of <b>general meetings</b> shall disclose the detailed information of the directors and supervisors, including at least the following contents:</p> <ol style="list-style-type: none"> <li>(1) such personal information as education background, working experience and part-time job and etc.;</li> <li>(2) whether he is associated with the Company and its controlling shareholders and the de facto controller;</li> <li>(3) disclose his shareholdings in the Company;</li> <li>(4) any past record of being penalized by CSRC or other related departments and a stock exchange;</li> <li>(5) <b>other information required to be disclosed by the securities regulatory authorities of the place where the Company's shares are listed and the Listing Rules.</b></li> </ol> <p>Except the election of directors and supervisors by means of cumulative voting, each director and supervisor candidate shall be raised by single proposal.</p>



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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
—	<p>Article 56 Subject to the laws and regulations of the place where the shares of the Company are listed and the listing rules of the relevant securities, the corporate communications including the notice of a general meeting issued by the Company to the holders of overseas listed foreign shares shall be delivered to such shareholders (whether or not entitled to vote at the general meeting) by personal delivery or prepaid mail to the addressee’s address as shown in the register of shareholders, or by electronic means (by email) or by publishing the relevant corporate communications on its own website and the website of the Hong Kong Stock Exchange.</p> <p>The corporate communication referred to in the preceding paragraph shall have the meaning ascribed to it under the Listing Rules.</p> <p>The notice for domestic shareholders shall be made by announcement.</p> <p>The announcement as mentioned in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council; after the publication of notice, all the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting. The notice for H Share shareholders shall be published on the website of the Hong Kong Stock Exchange or one or more newspapers designated by the Hong Kong Stock Exchange; after the publication of notice, all the holders of H shares shall be deemed to have received the notice of the relevant general meeting.</p> <p>For the holders of H shares, corporate communications (including notice of general meeting) may also be made by way of announcement published at the website of the Company and websites designated by the Hong Kong Stock Exchange or other means as permitted by the Listing Rules and the Articles of Association, subject to relevant provisions of laws, administrative regulations, regulatory documents and requirements of securities regulatory authorities of the place where the shares of the Company are listed and upon the completion of relevant required procedures.</p> <p>Section 5 Convening of General Meetings</p>

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
—	<p>Article 60 The power of attorney of shareholders appointing others to attend general meetings shall set out the following contents:</p> <ol style="list-style-type: none"> <li>(1) name of the proxy;</li> <li>(2) whether the proxy has voting right or not;</li> <li>(3) indications to vote for, vote against or abstain from voting on every matter to be included in the agenda for consideration at the general meeting;</li> <li>(4) date of issue of the power of attorney and the effective date;</li> <li>(5) the signature (or seal) of the appointer or his/her attorney duly authorized in writing in accordance with the provisions of the listing rules of the place where the shares are listed. Where the appointer is a legal person shareholder, the seal of the legal person shall be affixed to the power of attorney or it shall be signed by its director or attorney duly authorized in accordance with the provisions of the listing rules of the place where the shares are listed.</li> </ol> <p>Article 61 The instrument of proxy shall contain a statement that in the absence of instructions from the shareholder(s), the proxy(ies) may vote as he/she/it thinks fit.</p>

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 86 <b>An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the registered address of the Company or such other place as the notice of meeting may specify.</b> If the instrument appointing a proxy has been signed by a person authorised by the appointor, the power of attorney or other instruments of authorisation shall be notarised. The power of attorney or other instruments of authorisation so notarised together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify. (MP61)</p> <p>In the event that the appointor is a legal person, such shareholder shall be represented at the <b>shareholders' meeting</b> of the Company by its legal representative or the person authorised by the board of directors or other governing body of such appointor.</p> <p>In the event that a shareholder of the Company is a recognised clearing house (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may appoint a proxy (or proxies) it considers appropriate to attend any <b>general meeting or class meeting</b> of the Company. If more than one (1) proxy is appointed, the proxy form to appoint such proxy (or proxies) shall set out the number and class of shares such proxy (or proxies) is (are) authorised for. The person (or persons) so authorised is (are) entitled to exercise the right of and on behalf of the clearing house (or its nominee) as if such shareholder is an individual shareholder of the Company. (LR App.3 para 19)</p>	<p>Article 62 If <b>the power of attorney for proxy voting</b> has been signed by a person authorised by the appointor, the power of attorney or other instruments of authorisation shall be notarised. The power of attorney or other instruments of authorisation so notarised together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify.</p> <p>In the event that the appointor is a legal person, such shareholder shall be represented at the <b>shareholders' meeting</b> of the Company by its legal representative or the person authorised by the board of directors or other governing body of such appointor.</p> <p>In the event that a shareholder of the Company is a recognised clearing house (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may appoint a proxy (or proxies) it considers appropriate to attend any <b>general meeting or class meeting</b> of the Company. If more than one (1) proxy is appointed, the proxy form to appoint such proxy (or proxies) shall set out the number and class of shares such proxy (or proxies) is (are) authorised for. The person (or persons) so authorised is (are) entitled to exercise the right of and on behalf of the clearing house (or its nominee) as if such shareholder is an individual shareholder of the Company.</p>
<p>Article 87 <b>The instrument delivered to a shareholder by the board of directors of the Company for appointing a proxy shall be in such form so as to enable the shareholder to instruct freely at his choice the proxy to vote in favour of or against and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that in default of instruction from the shareholder, the proxy may vote in such a way as he thinks fit.</b> (MP62)</p> <p>Article 88 <b>Notwithstanding the death or incapacity of the appointor, or the revocation of the appointment or revocation of the authority under which the appointing instrument is signed, or the relevant shares have been transferred, a vote given by such proxy pursuant to the instrument of appointment shall still be valid provided that no notice in writing in respect of the events mentioned above has been received by the Company prior to the commencement of the relevant meeting.</b> (MP63)</p>	<p>—</p>

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<p>Article 92 The <b>general meeting</b> shall be <b>convened and presided</b> by chairman of the board of directors; where the chairman of the board of directors is <b>unable to attend the meeting</b>, it shall be <b>convened and presided</b> by the vice chairman of the board of directors; where both chairman and vice chairman of the board of directors are unable to attend the meeting, a director may be jointly elected by more than half of the total number of directors to preside the meeting; where chairman of the meeting is not appointed, the shareholders attend the meeting may elect one person to preside as chairman of the meeting; <b>where the shareholders fail to elect chairman of the meeting for any reason, the shareholder (including the proxy) attending the meeting holding the largest number of shares carrying voting rights shall preside as chairman of the meeting. (MP73)</b></p> <p>The <b>general meeting</b> convened by supervisory committee on its own, shall be presided by the chairman of supervisory committee. Where the chairman of supervisory committee is unable or fails to carry out the duty, a supervisor may be jointly elected by more than half (1/2) of the total number of supervisors to preside the general meeting.</p> <p>The <b>general meeting</b> convened by the shareholders themselves, the convener shall choose representative to preside the general meeting.</p> <p>Where the chairman of the <b>general meeting</b> violates the rules of the procedure in the <b>general meeting</b>, so that the meeting is unable to continue, a chairman of meeting may, with the approval of half (1/2) of votes from the attending shareholders, be elected from and by the <b>general meeting</b> to continue the meeting.</p>	<p>Article 66 The <b>general meeting</b> shall be <b>presided</b> by chairman of the board of directors. Where the chairman of the board of directors is unable to attend the meeting, it shall be <b>presided</b> by the vice chairman of the board of directors; where both chairman and vice chairman of the board of directors are <b>unable to or fail to perform their duties</b>, a director may be jointly elected by more than half of the total number of directors to preside the meeting.</p> <p>The <b>general meeting</b> convened by supervisory committee on its own, shall be presided by the chairman of supervisory committee. Where the chairman of supervisory committee is unable or fails to carry out the duty, a supervisor may be jointly elected by more than half (1/2) of the total number of supervisors to preside the general meeting.</p> <p>The <b>general meeting</b> convened by the shareholders themselves, the convener shall choose representative to preside the general meeting.</p> <p>Where the chairman of the <b>general meeting</b> violates the rules of the procedure in the <b>general meeting</b>, so that the meeting is unable to continue, a chairman of meeting may, with the approval of half (1/2) of votes from the attending shareholders, be elected from and by the <b>general meeting</b> to continue the meeting.</p>
<p align="center">—</p>	<p>Article 74 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be a shareholder or shareholders) as his/her/its proxy to attend and vote on his/her/its behalf. The proxy(ies) so appointed by the shareholder(s) may, pursuant to the appointment of the shareholder(s), exercise the following rights:</p> <ol style="list-style-type: none"> <li>(1) the shareholder’s right to speak at the general meeting;</li> <li>(2) voting rights by poll.</li> </ol> <p>Section 6 Voting and Resolutions of General Meetings</p>

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
—	<p><b>Article 76</b> The following matters shall be passed by ordinary resolution at a general meeting:</p> <ol style="list-style-type: none"> <li>(1) the working reports of the board of directors and the supervisory committee;</li> <li>(2) plans for profit distribution and for making up of losses proposed by the board of directors;</li> <li>(3) appointment and removal of the members of the board of directors and the members of the supervisory committee and their remuneration;</li> <li>(4) the annual budget and final accounts of the Company;</li> <li>(5) annual reports of the Company; and</li> <li>(6) other matters other than those shall be passed by special resolution at a general meeting as stipulated by laws, administrative regulations or the Articles of Association.</li> </ol> <p><b>Article 77</b> The following matters shall be passed by special resolution at a general meeting:</p> <ol style="list-style-type: none"> <li>(1) increase or decrease of registered capital of the Company;</li> <li>(2) split, spin-off, merger, dissolution and winding up of the Company;</li> <li>(3) amendments to the Articles of Association;</li> <li>(4) where the purchase or dispose of major assets or the amount of guarantee within one (1) year exceed thirty percent (30%) of the Company's total assets;</li> <li>(5) equity incentive scheme of the Company;</li> <li>(6) as stipulated by laws, administrative regulations or the Articles of Association, and other matters deemed by ordinary resolution at a general meeting as having significant potential influence on the Company and thereby need to be approved by special resolution.</li> </ol>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 101 When shareholders (including proxies) vote in the <b>general meeting</b>, and exercise the voting rights by the number of voting shares they represent, each share shall have one (1) vote. <b>However</b>, shares of the Company held by the Company shall have no voting rights and shall not be counted in the total number of voting shares held by shareholders present at the <b>general meeting</b>. (MP65)</p> <p>If a shareholder buys voting shares in violation of Article 63(1) and (2) of the Securities Law, the shares in excess of the prescribed percentage shall not be exercised for a period of thirty-six months after the purchase and shall not in the total number of voting shares held by shareholders present at the <b>general meeting</b>.</p> <p>Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. (LR App.3, para 14(4))</p> <p><b>When material issues affecting the interests of medium and minority investors are considered at the shareholders' general meeting, the votes of medium and minority investors shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.</b></p> <p>The soliciting of voting rights can be carried out by board of directors, independent directors, holding 1% shares with voting rights or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>	<p>Article 78 When shareholders (including proxies) vote in the <b>general meeting</b>, and exercise the voting rights by the number of voting shares they represent, each share shall have one (1) vote.</p> <p><b>When major matters affecting the interests of small and medium-sized investors are considered at the general meeting, the votes from small and medium-sized investors shall be counted separately. The separate counting results shall be disclosed publicly in a timely manner.</b></p> <p>Shares of the Company held by the Company shall have no voting rights and shall not be counted in the total number of voting shares held by shareholders present at the <b>general meeting</b>.</p> <p>If a shareholder buys voting shares in violation of Article 63(1) and (2) of the Securities Law, the shares in excess of the prescribed percentage shall not be exercised for a period of thirty-six months after the purchase and shall not in the total number of voting shares held by shareholders present at the <b>general meeting</b>.</p> <p>The soliciting of voting rights can be carried out by board of directors, independent directors, shareholders holding 1% shares with voting rights <b>of the Company</b> or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p> <p>Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 103 If a vote is demanded for the election of the chairman or the adjournment of the meeting, a poll shall be taken immediately; in respect of votes for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of such a poll shall still be deemed as a resolution passed at the meeting. (MP67)</p> <p>Article 104 On a poll taken at a meeting, shareholders (including their proxies) who are entitled to two (2) votes or more are not required to cast all their votes in favour of or against a resolution. (MP68)</p> <p>Article 105 A-share general meetings shall adopt voting by open ballot. (MP69)</p> <p>Article 106 The following matters shall be passed by ordinary resolution at a general meeting: (MP70)</p> <ol style="list-style-type: none"> <li>(1) the working reports of the board of directors and the supervisory committee;</li> <li>(2) plans for profit distribution and for making up of losses proposed by the board of directors;</li> <li>(3) appointment and removal of the members of the board of directors and the members of the supervisory committee and their remuneration and method of payment; (LR App.3 para 4(3))</li> <li>(4) annual budget, statement of final accounts, balance sheet, profit and loss statement and other financial statements of the Company;</li> <li>(5) annual reports of the Company;</li> <li>(6) other matters other than those shall be passed by special resolution at a general meeting as stipulated by laws, administrative regulations or this Articles of Association.</li> </ol>	—

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Article 107</b> The following matters shall be passed by special resolution at a general meeting: (MP71)</p> <p>(1) increase or decrease of share capital, and issue of any class of shares, warrants and other similar securities by the Company;</p> <p>(2) issue of the Company's debentures;</p> <p>(3) split, spin-off, merger, dissolution and winding up of the Company;</p> <p>(4) amendments to the Articles of Association;</p> <p>(5) where the purchase or dispose of major assets or the amount of guarantee within one (1) year exceed thirty per cent (30%) of the Company's total assets;</p> <p>(6) equity incentive scheme of the Company;</p> <p>(7) as stipulated by laws, administrative regulations or this Articles of Association, and other matters deemed by ordinary resolution as having significant potential influence on the Company and thereby need to be approved by special resolution.</p>	



## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 109 Connected shareholders' avoidance of voting and the voting procedure are as follows:</p> <ol style="list-style-type: none"> <li>(1) when connected transactions are being considered at <b>general meetings</b>, the chairman of meeting shall announce the list of connected shareholders and the total number of voting shares of the attending non-connected parties and the percentage of the said shares in the total shares of the Company;</li> <li>(2) connected shareholders shall proactively propose to the board of directors to avoid and waive voting and the chairman of meeting shall require connected shareholder representatives to avoid and waive voting;</li> <li>(3) where the chairman of the board of directors attends a general meeting as connected shareholder representative, the chairman shall authorize the vice chairman or other directors to preside over the meeting when connected transactions are considered and voted on;</li> <li>(4) where any connected shareholder objects to the convener's decision, the said shareholder shall have the right to report to the relevant securities authority and may request the People's Court to rule on whether the said shareholder has any connected relation or has voting right (<b>for holders of foreign shares, refer to article 267 of the Articles of Association</b>); however, before the securities authority or the People's Court or other competent authority makes the final effective ruling, the said shareholder shall not vote and the voting shares thereof shall not be included into the total number of effective votes;</li> <li>(5) the connected shareholders which shall avoid voting may participate in discussing connected transactions involving the said shareholders and explain and describe to the <b>general meeting</b> the reasons for the connected transactions, basic information of the transactions, whether the transactions are fair and lawful, etc.</li> </ol>	<p>Article 81 Connected shareholders' avoidance of voting and the voting procedure are as follows:</p> <ol style="list-style-type: none"> <li>(1) when connected transactions are being considered at <b>general meetings</b>, the chairman of meeting shall announce the list of connected shareholders and the total number of voting shares of the attending non-connected parties and the percentage of the said shares in the total shares of the Company;</li> <li>(2) connected shareholders shall proactively propose to the board of directors to avoid and waive voting and the chairman of meeting shall require connected shareholder representatives to avoid and waive voting;</li> <li>(3) where the chairman of the board of directors attends a general meeting as connected shareholder representative, the chairman shall authorize the vice chairman or other directors to preside over the meeting when connected transactions are considered and voted on;</li> <li>(4) where any connected shareholder objects to the convener's decision, the said shareholder shall have the right to report to the relevant securities authority and may request the People's Court to rule on whether the said shareholder has any connected relation or has voting right; however, before the securities authority or the People's Court or other competent authority makes the final effective ruling, the said shareholder shall not vote and the voting shares thereof shall not be included into the total number of effective votes;</li> <li>(5) the connected shareholders which shall avoid voting may participate in discussing connected transactions involving the said shareholders and explain and describe to the <b>general meeting</b> the reasons for the connected transactions, basic information of the transactions, whether the transactions are fair and lawful, <b>and the necessary matters</b>, etc.</li> </ol>
—	<p><b>Article 82 Unless otherwise under special emergency circumstances, the Company shall not, without the approval of the general meetings by special resolutions, enter into any contract with any person other than directors, manager and other senior management members for authorization of management of all or substantial part of business of the Company to such persons.</b></p>
<p><b>Article 110 The Company shall, on the premise of the legality and validity of the general meeting, provide convenience to the attending shareholders by various means, including such modern information technology means as internet voting platform in priority.</b></p>	—

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 111 Candidate’s list of director and supervisor shall be submitted to the <b>general meeting</b> for approval by way of proposal. Means and procedures of nomination of director and supervisor are as follows:</p> <ol style="list-style-type: none"> <li>(1) the board of directors and supervisory committee may severally submit to the <b>general meeting</b> a nomination proposal of director or non-staff representative supervisor candidates. One or more shareholders severally or jointly holding more than 3% of the total issued shares of the Company may nominate director or non-staff representative supervisor candidates. Independent director candidates may be nominated by the board of directors, supervisory committee or shareholders severally or jointly holding more than 1% of the total shares issued by the Company;</li> <li>(2) the staff representatives in the supervisory committee shall be elected by staff of the Company democratically at staff representatives’ meetings, employees’ meetings or other forms;</li> <li>(3) the method and procedure for nominating independent directors shall comply with relevant laws, administrative regulations and the provisions of the relevant authorities of the State.</li> </ol> <p>The voting concerning the election of directors and supervisors <b>may, in accordance with the provisions of the Articles of Association or the resolution in the general meeting</b>, give effect to cumulative voting.</p> <p>The cumulative voting as stated in the preceding paragraph means that each share shall, on the occasion of electing directors or supervisors in the <b>general meeting</b>, have the same voting power same as the number of the director candidate or supervisor candidate and these voting power possessed by the shareholder may be exercised uniformly. The board of directors shall announce the biography and basic information of the director candidate and supervisor candidate to the shareholders.</p>	<p>Article 83 Candidate’s list of director and supervisor shall be submitted to the <b>general meeting</b> for approval by way of proposal. Means and procedures of nomination of director and supervisor are as follows:</p> <ol style="list-style-type: none"> <li>(1) the board of directors and supervisory committee may severally submit to the <b>general meeting</b> a nomination proposal of director or non-staff representative supervisor candidates. One or more shareholders severally or jointly holding more than 3% of the total issued shares of the Company may nominate director or non-staff representative supervisor candidates. Independent director candidates may be nominated by the board of directors, supervisory committee or shareholders severally or jointly holding more than 1% of the total shares issued by the Company;</li> <li>(2) the staff representatives in the supervisory committee shall be elected by staff of the Company democratically at staff representatives’ meetings, employees’ meetings or other forms;</li> <li>(3) the method and procedure for nominating independent directors shall comply with relevant laws, administrative regulations and the provisions of the relevant authorities of the State.</li> </ol> <p>When voting on the election of <b>more than two</b> directors and <b>non-employee representative</b> supervisors at the <b>general meeting</b>, the cumulative voting system <b>shall</b> be implemented.</p> <p>The cumulative voting as stated in the preceding paragraph means that each share shall, on the occasion of electing directors or supervisors in the <b>general meeting</b>, have the same voting power same as the number of the director candidate or supervisor candidate and these voting power possessed by the shareholder may be exercised uniformly. The board of directors shall announce the biography and basic information of the director candidate and supervisor candidate to the shareholders.</p>
<p>Article 112 Except for cumulative voting, the <b>general meeting</b> shall take vote on all the proposals item by item. Where different proposals remain for the same proceedings, they shall be voted in accordance with the time sequence of the submission of proposal. The <b>general meeting</b> shall not postpone or refuse the voting unless such the <b>general meeting</b> is adjourned or no resolution can be resolved due to force majeure or other special events.</p> <p><b>The same voting right can only be exercised by one of on-site voting, online voting or other means of voting. If the same voting right is exercised repeatedly, the first voting result shall prevail.</b></p>	<p>Article 84 Except for cumulative voting, the <b>general meeting</b> shall take vote on all the proposals item by item. Where different proposals remain for the same proceedings, they shall be voted in accordance with the time sequence of the submission of proposal. The <b>general meeting</b> shall not postpone or refuse the voting unless such the <b>general meeting</b> is adjourned or no resolution can be resolved due to force majeure or other special events.</p>
<p align="center">—</p>	<p>Article 86 <b>The same voting right can only be exercised by one of on-site voting, online voting or other means of voting. If the same voting right is exercised repeatedly, the first voting result shall prevail.</b></p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
	<b>Article 87 A-share general meetings shall adopt voting by open ballot.</b>
<p>Article 116 The shareholders attending the <b>general meeting</b> shall deliver their opinions on the proposals by one of the followings: approval, disapproval or abstention.</p> <p>Blank, wrongly-filled and unreadable vote as well as failure of voting shall be deemed as abstention, and the voting result upon its holding shares shall be filled with “abstention”.</p>	<p>Article 90 The shareholders attending the <b>general meeting</b> shall deliver their opinions on the proposals by one of the followings: approval, disapproval or abstention. <b>The securities registration and clearing institutions shall be the nominal holders of shares under the Mainland China and Hong Kong Stock Connect, except where declaration is made in accordance with the actual holder’s intent.</b></p> <p>Blank, wrongly-filled and unreadable vote as well as failure of voting shall be deemed as abstention, and the voting result upon its holding shares shall be filled with “abstention”.</p>
<p><b>Article 117 Any resolution passed at general meetings shall comply with the relevant provisions of the laws and administrative regulations of the PRC, and this Articles of Association.</b></p> <p><b>Article 118 The chairman of the meeting shall be responsible for determining whether a resolution of the general meeting is passed or not and his determination shall be final and the same shall be announced at the meeting and entered into the minutes of the meeting. (MP74)</b></p>	—
<p><b>Article 120 In the event a count of the votes has been made at a general meeting, the result thereof shall be entered into the minutes of the meeting.</b></p> <p><b>Minutes of the meeting together with the register of attendance and the powers of attorney of the attending proxies, shall be kept at the Company’s domicile for a period of ten (10) years. (MP76)</b></p> <p><b>Article 121 A shareholder shall be entitled to inspect copies of minutes of meetings free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes so requested within seven (7) days of the receipt of the reasonable payment therefore. (MP77)</b></p>	—

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Article 122</b> In convening a general meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following issues:</p> <ol style="list-style-type: none"> <li>(1) whether the convening and procedure of the meeting comply with the laws, administrative regulations and the Articles of Association;</li> <li>(2) whether the attendees and convener of the meeting are eligible;</li> <li>(3) whether the voting procedures and results of the meeting are valid;</li> <li>(4) legal opinions on other matters as requested by the Company.</li> </ol> <p>Resolutions of the <b>general meeting</b> shall be announced promptly where the number of shareholders attending the meeting and proxies, total number of shares carrying voting rights held and the percentage of the total issued shares carrying voting rights of the Company, means of voting, voting result of each proposal and their particulars shall be set forth.</p>	<p>Article 92 Resolutions of the <b>general meeting</b> shall be announced promptly where the number of shareholders attending the meeting and proxies, total number of shares carrying voting rights held and the percentage of the total issued shares carrying voting rights of the Company, means of voting, voting result of each proposal and their particulars shall be set forth.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Chapter 10 Special Procedures for Voting of Class Shareholders</b></p> <p><b>Article 126 Shareholders holding different classes of shares shall be classified as class shareholders. (MP78)</b></p> <p>Class shareholders shall enjoy the rights and shall undertake the obligations pursuant to the provisions of laws, administrative regulations and this Articles of Association.</p> <p><b>Article 127 Any proposed change or annulment by the Company to the rights of class shareholders shall not come into effect unless approved by special resolutions at a general meeting and a separate general meeting convened by the class shareholders so affected in accordance with articles 129 to 133. (MP79)</b></p> <p><b>Article 128 The following situations shall be considered as a variation or abrogation of the rights of certain class shareholders: (MP80)</b></p> <p>(1) to increase or reduce the number of shares of such class of shares or to increase or reduce the number of shares in a class of shares vested with equal or more rights on voting, distribution or other privileges;</p> <p>(2) to exchange all or part of the shares of such class, or to exchange or grant the rights to exchange of all or part of the shares of another class into the shares of such class;</p> <p>(3) to cancel or reduce the rights of that class of shares to receive dividends declared or accumulated;</p> <p>(4) to reduce or cancel the preferential rights to which that class of shares is entitled to in receiving dividends or in the distribution of assets upon the liquidation of the Company;</p> <p>(5) to increase, cancel or reduce the conversion rights, options rights, voting rights, rights of transfer, pre-emptive rights and rights to acquire the securities of the Company of such class of shares;</p>	—

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(6) to cancel or reduce the rights of that class of shares in receiving the monies payable by the Company in a particular currency;</p> <p>(7) to establish a new class which enjoys equal or more rights on voting, distribution or other privileges than those enjoyed by that class of shares;</p> <p>(8) to restrict or increase the restriction on the transfer or ownership of that class of shares;</p> <p>(9) to issue subscription rights or conversion rights in respect of that class or another class of shares;</p> <p>(10) to increase the rights and privileges of another class of shares;</p> <p>(11) a reorganisation scheme of the Company which would lead to a disproportionate assumption of obligations by different class shareholders; and</p> <p>(12) to amend or abrogate the provisions in this Chapter.</p> <p>Article 129 Where issues specified in items (2) to (8), (11) to (12) of the preceding article are involved, the affected class shareholders, whether or not they are entitled to vote at general meetings originally, shall have the right to vote at class meetings. However, shareholders who have interests shall not be entitled to vote at such class meetings. (MP81)</p> <p>Interested shareholders as referred to in the preceding paragraph shall mean:</p> <p>(1) in the event of a repurchase of shares by the Company by way of a general offer to all shareholders of the Company or by way of public transactions on a stock exchange pursuant to article 29 of the Articles of Association, a “shareholder who has interest” is a controlling shareholder as defined in article 61 of the Articles of Association;</p> <p>(2) in the event of a repurchase of shares by the Company by an off-exchange agreement pursuant to article 29 of the Articles of Association, a “shareholder who has interest” is a shareholder related to the said agreement;</p> <p>(3) In the Company’s reorganisation plan, “interested shareholders” shall refer to shareholders undertaking responsibilities at lower proportions than other shareholders in such class or shareholders having different benefits from other shareholders in such class.</p>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 130 Resolutions of a class meeting shall be approved by votes representing more than two-thirds (2/3) of the voting rights of shareholders of that class present at the meeting who, in accordance with the preceding article, are entitled to vote at the meeting. (MP82) (LR App.3, para 15)</p> <p>Article 131 To convene the meeting of class shareholders, the Company shall, at least 20 days prior to the annual general meeting (excluding the date of issue of notice and date of meeting) or at least 15 days prior to the extraordinary general meeting (excluding the date of issue of notice and date of meeting), give registered holders of shares of the class, written notice, specifying matters to be considered at the meeting and the date and place of the meeting. (MP83)</p> <p>Article 132 Notice of the meeting of class shareholders need only be served on the shareholders who are entitled to vote at such meeting. (MP84)</p> <p>The procedures of the meeting of class shareholders shall follow as much as possible the procedures of a general meeting and the provisions in this Articles of Association relevant to the procedures of a general meeting shall apply to the meeting of class shareholders.</p> <p>Article 133 Apart from the holders of other classes of shares, the holders of Domestic Shares and H Shares are deemed to be different classes of shareholders. (MP85) (Zheng Jian Hai Han Art. 3) (LR App13, Part D para 1(f))</p> <p>The special procedures for voting by class shareholders shall not apply in the following circumstances:</p> <p>(1) where the Company issues, upon approval by a special resolution at a general meeting, Domestic Shares and H Shares either separately or concurrently at twelve (12) month intervals, and the number of Domestic Shares and H Shares proposed to be issued does not exceed twenty per cent (20%) of the issued Domestic Shares and H Shares respectively;</p> <p>(2) where the Company's plan to issue Domestic Shares and H Shares at the time of incorporation is implemented within fifteen (15) months from the date of approval by China Securities Regulatory Committee and the relevant authority body at that time.</p>	

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
Chapter 11 Board of Directors	Chapter 5 Board of Directors  <b>Section 1 Directors</b>
<p>Article 134 Where a director is a natural person, he shall not act as a director in one of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) without civil capacity or with limited civil capacity;</li> <li>(2) having been sentenced to prison for the following crimes, and completion of the sentence being less than five (5) years ago: corruption, bribery, embezzlement, misappropriation of property or sabotage of social economic order; or having been deprived of political rights as a result of a criminal conviction, and completion of such sanction being less than five (5) years ago;</li> <li>(3) having served as a director, the factory chief, or the chief executive officer of a company or enterprises which underwent bankruptcy liquidation as a result of mismanagement, and being personally responsible for such bankruptcy, and completion of the bankruptcy liquidation being less than three (3) years ago;</li> <li>(4) having served as the legal representative of a company or enterprise whose business licence was revoked or ordered closed due to its violation of law, and being personally responsible for such revocation or order, and such revocation or order occurring less than three (3) years ago;</li> <li>(5) in default of personal debt of a significant amount;</li> <li>(6) having been taken a measure by CSRC as prohibition from access to securities market which has not expired;</li> <li>(7) <b>not being natural person;</b></li> <li>(8) other proceedings as prescribed in laws, administrative regulations and departmental rules.</li> </ol> <p>The election and appointment of directors in contravention to the provisions thereof, the election, appointment or employment shall be null and void. Where situation contemplated in this article exists during the term of service of the director, he shall be dismissed by the Company.</p>	<p>Article 96 Where a director is a natural person, he shall not act as a director in one of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) without civil capacity or with limited civil capacity;</li> <li>(2) having been sentenced to prison for the following crimes, and completion of the sentence being less than five (5) years ago: corruption, bribery, embezzlement, misappropriation of property or sabotage of social economic order; or having been deprived of political rights as a result of a criminal conviction, and completion of such sanction being less than five (5) years ago;</li> <li>(3) having served as a director, the factory chief, or the chief executive officer of a company or enterprises which underwent bankruptcy liquidation as a result of mismanagement, and being personally responsible for such bankruptcy, and completion of the bankruptcy liquidation being less than three (3) years ago;</li> <li>(4) having served as the legal representative of a company or enterprise whose business licence was revoked or ordered closed due to its violation of law, and being personally responsible for such revocation or order, and such revocation or order occurring less than three (3) years ago;</li> <li>(5) in default of personal debt of a significant amount;</li> <li>(6) having been taken a measure by CSRC as prohibition from access to securities market which has not expired;</li> <li>(7) other proceedings as prescribed in laws, administrative regulations and departmental rules.</li> </ol> <p>The election and appointment of directors in contravention to the provisions thereof, the election, appointment or employment shall be null and void. Where situation contemplated in this article exists during the term of service of the director, he shall be dismissed by the Company.</p>



## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 135 The directors shall be elected or replaced by the <b>general meeting</b> for a term of three (3) years and may be removed before the expiry of the term by the <b>general meeting</b>, and upon expiry of their terms, shall be eligible for re-election. (MP87) (Zheng Jian Hai Han Art. 4)</p> <p>The minimum length of the period during which notice to the Company of the intention to propose a person for election as director and during which notice to the Company by such person of his willingness to be elected shall be given at least seven (7) days. (LR App.3, para(4))</p> <p>The period for lodgment of the above-mentioned notices will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting. (LR App.3, para(5))</p> <p><b>The chairman and vice chairman shall be elected and removed by more than half (1/2) of all the directors. The term of the chairman and vice chairman shall be three (3) years, and upon expiry of their terms, shall be eligible for re-election. (MP87)</b></p> <p>Subject to the compliance with the applicable laws and regulations, the Company in <b>general meeting</b> shall have power by ordinary resolution to remove any director (including managing director or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office. (LR App.3, para 4(3))</p> <p><b>Prior to the expiry of the terms of the directors, the general meeting shall re-elect the directors in a timely manner.</b></p> <p><b>The term of office of a director shall commence from his accession till the expiry of the term of the current session of the board of directors. If re-election is not timely conducted upon the expiry of a director, prior to the assumption of his office by the elected director, the original director shall continue to discharge his duties as a director and exercise the rights of a director in accordance with the laws, administrative regulations and the Articles of Association.</b></p>	<p>Article 97 The directors shall be elected or replaced by the <b>general meeting</b> for a term of three (3) years and may be removed before the expiry of the term by the <b>general meeting</b>, and upon expiry of their terms, shall be eligible for re-election.</p> <p><b>The term of office of a director shall commence from his accession till the expiry of the term of the current session of the board of directors. If re-election is not timely conducted upon the expiry of a director, prior to the assumption of his office by the elected director, the original director shall continue to discharge his duties as a director and exercise the rights of a director in accordance with the laws, administrative regulations and the Articles of Association.</b></p> <p><b>General manager, deputy general manager or other senior executives may serve concurrently as a director, however, the concurrently directors acted by general manager, deputy general manager or other senior manager as well as by staff representatives shall not exceed half (1/2) of the total number of board of directors.</b></p> <p>The minimum length of the period during which notice to the Company of the intention to propose a person for election as director and during which notice to the Company by such person of his willingness to be elected shall be given at least seven (7) days.</p> <p>The period for lodgment of the above-mentioned notices will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting.</p> <p>Subject to the compliance with the applicable laws and regulations, the Company in <b>general meeting</b> shall have power by ordinary resolution to remove any director (including managing director or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office.</p> <p>Any person appointed by the board of directors to fill casual vacancy of the board of directors or newly appointed as a director shall have a term to expire at the next annual general meeting, and such person shall be eligible for re-election.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Any person appointed by the board of directors to fill casual vacancy of the board of directors or newly appointed as a director shall have a term to expire at the next annual general meeting, and such person shall be eligible for re-election. (LR App.3 para 4(2))</p> <p>General manager, deputy general manager or other senior executives may serve concurrently as executive director, however, the concurrently directors acted by general manager, deputy general manager or other senior manager as well as by staff representatives shall not exceed half (1/2) of the total number of board of directors.</p> <p>At the re-election of the board of directors, external directors (who are not employees of the Company) shall account for more than half (1/2) of the numbers of the board of directors, while independent directors (who do not have any relationship with the shareholders of the Company and are not employees of the Company) shall account for more than one-third (1/3) or above of the numbers of the board of directors, and, at minimum, one independent director is an accounting professional.</p> <p>Independent directors of the Company shall have necessary professional knowledge and experiences, and shall be able to represent the benefits of all shareholders.</p> <p>Independent directors shall have sufficient time and requisite knowledge and capabilities to perform their duties. The Company shall be responsible to provide necessary information to the independent directors to perform their duties. Independent directors may directly report to, among others, general meetings, the securities regulatory authority of the State Council and other relevant authorities. (“Opinion” Art 6)</p> <p>A director is not required to hold any shares of the Company.</p>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 144 The Company shall establish the board of directors.</p> <p>The board of directors shall have nine (9) directors. The board of directors shall have one (1) chairman and two (2) deputy chairman. External director shall constitute half (1/2) or more of the total number of the board of directors, and independent director shall constitute one-third (1/3) or more of the total number of the board of directors. (MP86)</p> <p><b>The board of directors of the Company shall establish the audit committee, nomination committee, remuneration committee and relevant special committee like strategic committee when necessary. The special committees shall be responsible to the board of directors, and perform their duties in accordance with these Articles and the authorization of the board of directors, and their proposals shall be submitted to the board of directors for consideration and decision. All member of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee and the remuneration committee shall be independent directors who also convene the meeting of such committees. The chairman of the audit committee shall be an accounting professional in accordance with the rules of stock exchanges. The board of directors is responsible for formulating working rules to standardize the operation of the special committees.</b></p>	<p><b>Section 2 Board of Directors</b></p> <p>Article 106 The Company shall establish the board of directors which shall be accountable to the general meeting.</p> <p>Article 107 The board of directors shall have nine (9) directors. The board of directors shall have one (1) chairman and two (2) deputy chairman. External director shall constitute half (1/2) or more of the total number of the board of directors, and independent director shall constitute one-third (1/3) or more of the total number of the board of directors.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 145 The board of directors shall be <b>accountable to the general meeting</b>, and shall exercise the following powers: <b>(MP88)</b></p> <p>(1) to convene <b>general meeting</b>, and to report their works to the <b>general meeting</b>;</p> <p>(2) to implement resolutions of the <b>general meeting</b>;</p> <p>(3) to decide the Company's operation plans and investment plans;</p> <p>(4) to formulate the Company's annual financial budgets and final accounts;</p> <p>(5) to formulate the Company's plans for profit distribution and making up of losses;</p> <p>(6) to formulate any plan for increase or reduction in the Company's registered capital, the issue of debentures or other securities, and listing;</p> <p>(7) to formulate the Company's material acquisition, share repurchase, or merger, demerger, dissolution and change in corporate form plans;</p> <p>(8) <b>deciding, within the authorization scope of the general meeting, proceedings such as external investment, purchase or sale of assets, pledge of asset, external guarantee, entrusting finance, connected transaction and external donation</b>;</p> <p>(9) to decide the Company's internal management structure;</p> <p>(10) to determine the appointment or removal of the Company's general manager, board secretary, and the other senior officers and decide on their remunerations, rewards and penalties; and pursuant to the nomination of the general manager, to determine the appointment or removal of the Company's deputy general manager, person in charge of finance and other senior officers, and decide their remuneration, rewards and penalties;</p> <p>(11) to formulate the basic management system of the Company;</p> <p>(12) to formulate amendments to the Articles of Association of the Company;</p> <p>(13) to manage the information disclosure of the Company;</p> <p>(14) to propose to the <b>general meeting</b> to employ or replace the accounting firm for the Company's audit;</p>	<p>Article 108 The board of directors shall exercise the following powers:</p> <p>(1) to convene <b>general meeting</b>, and to report their works to the <b>general meeting</b>;</p> <p>(2) to implement resolutions of the <b>general meeting</b>;</p> <p>(3) to decide the Company's operation plans and investment plans;</p> <p>(4) to formulate the Company's annual financial budgets and final accounts;</p> <p>(5) to formulate the Company's plans for profit distribution and making up of losses;</p> <p>(6) to formulate any plan for increase or reduction in the Company's registered capital, the issue of debentures or other securities, and listing;</p> <p>(7) to formulate the Company's material acquisition, share repurchase, or merger, demerger, dissolution and change in corporate form plans;</p> <p>(8) <b>to decide on other matters relating to the Company's external investment, purchase or sale of assets, external guarantee, connected transaction, financial assistance other than those to be considered at the general meeting or those authorized to be decided by the general manager</b>;</p> <p>(9) to decide the Company's internal management structure;</p> <p>(10) to determine the appointment or removal of the Company's general manager, board secretary, and the other senior officers and decide on their remunerations, rewards and penalties; and pursuant to the nomination of the general manager, to determine the appointment or removal of the Company's deputy general manager, person in charge of finance and other senior officers, and decide their remuneration, rewards and penalties;</p> <p>(11) to formulate the basic management system of the Company;</p> <p>(12) to formulate amendments to the Articles of Association of the Company;</p> <p>(13) to manage the information disclosure of the Company;</p> <p>(14) to propose to the <b>general meeting</b> to employ or replace the accounting firm for the Company's audit;</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(15) to hear the work report from the Company’s general manager and inspect the work of the general manager;</p> <p>(16) other authorities authorized by laws, administrative regulations, departmental rules, the Articles of Association or the <b>general meeting</b>.</p> <p>Matters outside the scope of authorization of <b>general meetings</b> shall be proposed to a <b>general meeting</b> for discussion and approval.</p> <p>Except for resolutions in respect of clauses (6), (7) and (12) above which require the agreement by voting of over two-thirds (2/3) of the directors, the others shall be subject to the agreement by voting of over half (1/2) of the directors.</p> <p>Unless under the exceptional circumstances specified in Rule 13.44 to Listing Rules or by Hong Kong Stock Exchange, a director shall not vote on any resolutions of the board of directors approving any contract or arrangement or any other proposal in which he or his associates (as defined in the Listing Rules) has a material interest; nor shall he be counted in the quorum present at the meeting.</p> <p>If any director has connection with the enterprise involved in the resolution made at a board meeting, the said director shall not vote on the said resolution for himself or on behalf of other directors. The board meeting may be held when more than half (1/2) of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half (1/2) of the non-connected directors. If the number of non-connected directors attending the meeting is less than three (3), the matter shall be submitted to the general meeting for discussion and approval.</p> <p>If any substantial shareholder (as defined in the Listing Rules) or director has any conflict of interests deemed by the board of directors as material in any issue to be considered by the board of directors, the said issue shall not be passed by written resolutions or submitted to a subordinate committee (except the committee established specially for the said issue as per a resolution passed at the board meeting) for handling, and the board of directors shall hold a meeting concerning the said issue. Independent directors and their associates (as defined in the Listing Rules) without any material interest in the transaction shall attend the relevant board meeting. (LR App.3 Para 4(1), App 14A 1.8)</p>	<p>(15) to hear the work report from the Company’s general manager and inspect the work of the general manager;</p> <p>(16) other authorities authorized by laws, administrative regulations, departmental rules, the Articles of Association or the <b>general meeting</b>.</p> <p><b>The board of directors of the Company shall establish the audit committee, nomination committee, remuneration committee and relevant special committee like strategic committee when necessary. The special committees shall be responsible to the board of directors, and perform their duties in accordance with these Articles and the authorization of the board of directors, and their proposals shall be submitted to the board of directors for consideration and decision. All member of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee and the remuneration committee shall be independent directors who also convene the meeting of such committees. The chairman of the audit committee shall be an accounting professional in accordance with the rules of stock exchanges. The board of directors is responsible for formulating working rules to standardize the operation of the special committees.</b></p> <p>Matters outside the scope of authorization of <b>general meetings</b> shall be proposed to a <b>general meeting</b> for discussion and approval.</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Article 147</b> The board of directors shall establish the rules of procedures of the board of directors to ensure its implementation of resolutions passed at general meetings, improve its efficiency and guarantee its scientific decision making.</p> <p>The rules of procedures of the board of directors prescribe the procedures of the convention and voting of board meeting, which shall be deemed as part of or as appendix to the Articles of Association and shall be formulated by the board of directors and approved by the general meeting.</p> <p><b>Article 148</b> The board of directors shall not dispose or agree to dispose of any fixed assets of the Company without the prior approval of a general meeting if the aggregate of the expected consideration for the proposed disposition and the consideration for any disposal of fixed assets of the Company during a period of four (4) months immediately preceding the proposed disposal, exceeds thirty-three per cent (33%) of the fixed asset value as shown in the latest balance sheet considered by the general meeting. (MP89)</p> <p>For the purposes of this article, the disposal of fixed assets shall include an act involving the transfer of certain interests in assets, but shall not include the provision of security against such fixed assets.</p> <p>The validity of any transactions of the Company to dispose of fixed assets shall not be prejudiced by any violation of the paragraph 1 of this article.</p> <p>In making decision on market development, merger and acquisition, new field of investment and so on for projects with investment amounts or asset amounts under merger and acquisition accounting for ten per cent (10%) and more to the total asset value of the Company, the board of directors shall employ society advisory body to provide professional advice which serves as important basis for its decision.</p>	<p>Article 112 In making decision on market development, merger and acquisition, new field of investment and so on for projects with investment amounts or asset amounts under merger and acquisition accounting for ten per cent (10%) and more to the total asset value of the Company, the board of directors shall employ society advisory body to provide professional advice which serves as important basis for its decision.</p>
<p><b>Article 150</b> When the board of directors carries out its duties, it shall comply with the laws of the State, administrative regulations, Articles of Association and resolutions of general meetings.</p>	<p align="center">—</p>
<p align="center">—</p>	<p><b>Article 113</b> The board of directors shall have one chairman and two deputy chairmen. The chairman and the deputy chairman shall be elected by more than half (1/2) of all directors.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 151 The chairman of the board of directors shall exercise the following powers: (MP90)</p> <ol style="list-style-type: none"> <li>(1) to preside over <b>general meetings</b>, and to convene and chair the meetings of the board of directors;</li> <li>(2) to review the implementation of the resolutions of the board of directors;</li> <li>(3) to sign the share certificates issued by the Company;</li> <li>(4) to sign important documents of the board of directors and other documents which should be signed by the legal representative of the Company;</li> <li>(5) to exercise powers of the legal representative of the Company;</li> <li>(6) in any emergent force majeure event such as imperial natural disasters, exercise his special right for the business of the Company in compliance with laws and in the interests of the Company, and to report to the board of directors and the <b>general meeting</b> of the Company afterwards;</li> <li>(7) other powers delegated by the board of directors.</li> </ol> <p><b>Where the above matters are otherwise provided for in other laws, regulations or departmental rules, regulatory documents or the Articles of Association, such provisions shall prevail.</b></p>	<p>Article 114 The chairman of the board of directors shall exercise the following powers:</p> <ol style="list-style-type: none"> <li>(1) to preside over <b>general meetings</b>, and to convene and chair the meetings of the board of directors;</li> <li>(2) to review the implementation of the resolutions of the board of directors;</li> <li>(3) to sign the share certificates issued by the Company;</li> <li>(4) to sign important documents of the board of directors and other documents which should be signed by the legal representative of the Company;</li> <li>(5) to exercise powers of the legal representative of the Company;</li> <li>(6) in any emergent force majeure event such as imperial natural disasters, exercise his special right for the business of the Company in compliance with laws and in the interests of the Company, and to report to the board of directors and the <b>general meeting</b> of the Company afterwards;</li> <li>(7) <b>to supervise and review the implementation of the resolutions of the board of directors;</b></li> <li>(8) other powers delegated by the board of directors.</li> </ol>
<p>Article 153 The board of directors shall convene at least <b>four (4)</b> regular meetings per year which shall be convened by the chairman of the board of directors. All directors and supervisors shall be notified <b>fourteen (14)</b> days (exclusive of the date of meeting) in advance of the meeting.</p> <p><b>The board of directors shall convene extraordinary meeting under the following circumstances:</b></p> <ol style="list-style-type: none"> <li>(1) <b>proposed by shareholders representing more than ten per cent (10%) of the voting right;</b></li> <li>(2) <b>jointly proposed by more than one-third (1/3) of the total members of the board of directors;</b></li> <li>(3) <b>proposed by the supervisory committee;</b></li> <li>(4) <b>necessary as defined by the chairman of the board of directors;</b></li> <li>(5) <b>proposed by more than half (1/2) of the independent directors;</b></li> <li>(6) <b>proposed by the general manager.</b></li> </ol> <p>The chairman of the board of directors shall convene and preside the board meeting within ten (10) days of acknowledgement of the proposal.</p>	<p>Article 116 There shall be at least <b>two (2)</b> regular meetings of the Board in a year and the meeting shall be convened by the Chairman of the Board. <b>For regular meetings, notice of meetings shall be despatched to all members of the Board and Supervisory Committee at least fourteen (14) days prior to the meeting; for other meetings, notice of meetings shall be despatched to all members of the Board and Supervisory Committee at least ten (10) days prior to the meeting (not including the date of meeting).</b></p> <p>Article 117 <b>Shareholders representing one-tenth or more of the voting rights, more than one-third of the members of the Board and Supervisory Committee may propose to convene an extraordinary meeting of the Board.</b> The chairman of the board of directors shall convene and preside the board meeting within <b>ten (10)</b> days of acknowledgement of the proposal.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 154 Notice of board meetings and extraordinary board meetings shall be served in the following ways: <b>(MP92)</b></p> <p>(1) if the board of directors has not in advance specified or changed the originally specified time and venue of regular board meeting, the chairman of the board of directors shall, at least <b>fourteen (14)</b> days (exclusive of the day of meeting) before the meeting, notify all the directors and supervisors the time and venue of the regular board meeting by telex, telegraph, fax, express mail, registered mail or personal delivery.</p> <p>(2) notices shall be in Chinese and, if necessary, may be attached with a copy in English, with meeting agenda attached. Any director may waive the rights for requesting to receive the notice of board meetings.</p> <p>(3) if a director has attended the meeting, and has not raised objection of not having received the notice of meeting before or upon attending the meeting, then he shall be deemed to have received the notice of the meeting.</p>	<p>Article 118 Notice of board meetings and extraordinary board meetings shall be served in the following ways:</p> <p>(1) if the board of directors has not in advance specified or changed the originally specified time and venue of regular board meeting, the chairman of the board of directors shall, at least <b>ten (10)</b> days (exclusive of the day of meeting) before the meeting, notify all the directors and supervisors the time and venue of the regular board meeting by telex, telegraph, fax, express mail, registered mail or personal delivery.</p> <p>(2) notices shall be in Chinese and, if necessary, may be attached with a copy in English, with meeting agenda attached. Any director may waive the rights for requesting to receive the notice of board meetings.</p> <p>(3) if a director has attended the meeting, and has not raised objection of not having received the notice of meeting before or upon attending the meeting, then he shall be deemed to have received the notice of the meeting.</p>
<p><b>Article 155 In respect of any issue to be decided by more than two-thirds (2/3) of the directors of the board of directors, a notice shall be sent to all the directors within the time specified in the Articles of Association together with sufficient information, in strict accordance with the specified procedure.</b></p> <p><b>Where more than one-fourth (1/4) of directors or more than three (3) independent directors deem the documents as inadequate or the justification as unclear, they may jointly propose to adjourn the board meeting or suspend discussing some of the topics at the board meeting, and the board of directors shall adopt such a proposal.</b></p> <p><b>Article 156 Any regular or extraordinary meetings of the board of directors may be held through telephone conference or using similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other, all such directors shall be deemed to be present in person at the meeting.</b></p>	—
—	<p><b>Article 121 If any director has connection with the enterprise involved in the resolution made at a board meeting, the said director shall not vote on the said resolution for himself or on behalf of other directors. The board meeting may be held when more than half (1/2) of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half (1/2) of the non-connected directors. If the number of non-connected directors attending the meeting is less than three (3), the matter shall be submitted to the general meeting for discussion and approval.</b></p>



**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 160 Save otherwise specified in the Articles of Association or in the listing rules of the stock exchange with which the Company's shares are listed, the board of directors may adopt written resolution in lieu of board meeting, but the draft of the said resolution must be sent to every director by personal delivery, post, telegraph or fax. If the board of directors has sent the resolution to all directors and the number of directors signing on the resolution satisfies the quorum, and the resolution has been sent to the board secretary by the aforesaid means, the said resolution shall be deemed as the board resolution, no convention of board meeting will be necessary.</p> <p>Article 161 A written resolution signed separately by all directors is as effective as a board meeting duly convened. Such written resolution may have more than one copy of each signed by one (1) or more than one (1) director. A resolution signed by a director or with his name on it issued by telegraph, telex, mail, fax or by personal delivery shall be considered as a signed document signed by him for the purpose of this article.</p>	<p align="center">—</p>
<p>Article 163 The board of directors shall cause the decisions of the matters discussed at the meeting to be recorded on the minutes thereof. The directors and recorder present at the meeting shall sign the minutes. (MP95)</p> <p>At the board meeting, opinions expressed by independent directors shall be stated in minutes of the board meeting.</p> <p>Minutes of the board meeting shall be kept as records of the Company for a period of no less than ten (10) years.</p> <p>Any director shall have right to inspect the documents and information of board meetings. Where independent directors have any enquiry, the Company shall make a comprehensive reply as soon as possible. Minutes of board meeting shall upon reasonable notice by any director be available for his inspection during office hours.</p> <p>The directors are liable for the resolutions passed at the meeting of the board of directors. If a resolution of the board of directors contravenes the laws, administrative regulations or this Articles of Association causing the Company to sustain substantial losses, the directors involved in passing such resolutions shall be liable to indemnify the Company provided that if a director can prove that he made an objection during the voting and the same has been entered into the minutes of the meeting, such director may be discharged from liability. A director who waives his right of voting, or who fails to attend the meeting and fails to appoint a proxy to act on his behalf shall not be exempt from liability; a director who explicitly expresses his objection in the course of discussion but fails to cast an objection vote in the voting shall not be exempt from liability. (MP95)</p>	<p><b>Article 124</b> The board of directors shall cause the decisions of the matters discussed at the meeting to be recorded on the minutes thereof. The directors and recorder present at the meeting shall sign the minutes.</p> <p>At the board meeting, opinions expressed by independent directors shall be stated in minutes of the board meeting.</p> <p>Minutes of the board meeting shall be kept as records of the Company for a period of no less than ten (10) years.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
—	<p>Article 126 Unless under the exceptional circumstances specified in Rule 13.44 to Listing Rules or by Hong Kong Stock Exchange, a director shall not vote on any resolutions of the board of directors approving any contract or arrangement or any other proposal in which he or his associates (as defined in the Listing Rules) has a material interest; nor shall he be counted in the quorum present at the meeting.</p> <p>If any substantial shareholder (as defined in the Listing Rules) or director has any conflict of interests deemed by the board of directors as material in any issue to be considered by the board of directors, the said issue shall not be passed by written resolutions or submitted to a subordinate committee (except the committee established specially for the said issue as per a resolution passed at the board meeting) for handling, and the board of directors shall hold a meeting concerning the said issue. Independent directors and their associates (as defined in the Listing Rules) without any material interest in the transaction shall attend the relevant board meeting.</p> <p>Article 127 Save otherwise specified in the Articles of Association or in the listing rules of the stock exchange with which the Company's shares are listed, the board of directors may adopt written resolution in lieu of board meeting, but the draft of the said resolution must be sent to every director by electronic means of communication such as e-mail, personal delivery, post, telegraph or fax. If the board of directors has sent the resolution to all directors and the number of directors signing on the resolution satisfies the quorum, and the resolution has been sent to the board secretary by the aforesaid means, the said resolution shall be deemed as the board resolution, no convention of board meeting will be necessary.</p> <p>Article 128 A written resolution signed separately by all directors is as effective as a board meeting duly convened. Such written resolution may have more than one copy of each signed by one (1) or more than one (1) director. A resolution signed by a director or with his name on it issued by electronic means of communication such as e-mail, telegraph, telex, mail, fax or by personal delivery shall be considered as a signed document signed by him for the purpose of this article.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Chapter 12 Secretary to the Board of Directors of the Company</p> <p>Article 165 The Company shall have a board secretary. The board secretary shall be a senior managerial officer of the Company. (MP96)</p> <p>Article 166 The Company’s board secretary shall be a natural person having professional knowledge and experience, and appointed by the board of directors. The provisions in the Articles of Association relating to person excluding for being a director shall be applicable to the board secretary. His major duties are: (MP97)</p> <ol style="list-style-type: none"> <li>(1) to guarantee that the Company has maintained complete constitutional documents and records;</li> <li>(2) to ensure that the Company shall prepare and submit reports and documents requested by competent authorities in accordance with the laws;</li> <li>(3) to guarantee that the Company’s register of shareholders has been properly maintained, and that persons who are entitled to receive the relevant records and documents of the Company receive the relevant records and documents in a timely manner;</li> <li>(4) responsible for matters relating to information disclosure of the Company, and to ensure that information disclosure of the Company is timely, accurate, lawful, true and complete;</li> <li>(5) responsible for preparing for general meetings and board meetings of the Company, earnestly organize recording and sorting out the matters discussed on the meetings, sign on resolutions, and fulfill the duty of accurate recording;</li> <li>(6) to fulfill other duties as stipulated by laws, administrative regulations, the Articles of Association and the listing rules of the stock exchange with which the Company’s shares are listed.</li> </ol> <p>Article 167 Directors or other senior managerial officers of the Company may at the same time act as the board secretary of the Company. An accountant of the accounting firm and solicitor of the solicitors’ firm engaged by the Company shall not at the same time act as the board secretary. (MP98)</p> <p>In the event that a director acts as the board secretary and a certain act has to be performed separately by a director and the board secretary, such person who is at the same time the director and the board secretary shall not perform such act in both capacities.</p>	<p>—</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<b>Chapter 13 General Manager of the Company</b>	<b>Chapter 6 General Manager and other senior management of the Company</b>
<p>Article 168 The Company shall have one (1) general manager appointed or dismissed by the board of directors. <b>(MP99)</b></p> <p><b>Deputy general manager and person in charge of finance are nominated by the general manager</b> and appointed and dismissed by the board of directors.</p> <p><b>Board secretary is nominated by the chairman of the board of directors and appointed and dismissed by the board of directors.</b></p> <p>The general manager, deputy general manager, board secretary, person in charge of finance <b>or other persons who perform the same or similar functions</b> constitute the senior managerial officers of the Company.</p>	<p>Article 129 The Company shall have one (1) general manager appointed or dismissed by the board of directors.</p> <p><b>The Company shall have deputy general managers</b> appointed and dismissed by the board of directors.</p> <p>The general manager, deputy general managers, board secretary, person in charge of finance constitute the senior managerial officers of the Company.</p>
<p>Article 172 The general manager of the Company shall be accountable to the board of directors and shall perform the following functions: <b>(MP100)</b></p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production and business operation of the Company and to organise the implementation of the resolutions of the board of directors;</li> <li>(2) to organise the implementation of the annual business plan and investment program of the Company;</li> <li>(3) to draw up proposals for the establishment of internal management bodies of the Company;</li> <li>(4) to draw up the basic management systems of the Company;</li> <li>(5) to formulate basic rules and regulations of the Company;</li> <li>(6) to propose for the appointment or dismissal of deputy general manager and the person in charge of finance of the Company;</li> <li>(7) to appoint or dismiss principal management staff other than those to be appointed or dismissed by the board of directors;</li> <li>(8) to draw up the wages, benefits, rewards and punishments, decide upon employment and removal, promotion and demotion, increase and reduction of salary, appointment, employment, removal and dismissal of staff and workers of the Company;</li> <li><b>(9) to propose to convene an extraordinary board meeting;</b></li> <li>(10) other functions designated by the Articles of Association and the board of directors.</li> </ol>	<p>Article 133 The general manager of the Company shall be accountable to the board of directors and shall perform the following functions:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production and business operation of the Company and to organise the implementation of the resolutions of the board of directors;</li> <li>(2) to organise the implementation of the annual business plan and investment program of the Company;</li> <li>(3) to draw up proposals for the establishment of internal management bodies of the Company;</li> <li>(4) to draw up the basic management systems of the Company;</li> <li>(5) to formulate basic rules and regulations of the Company;</li> <li>(6) to propose for the appointment or dismissal of deputy general manager and the person in charge of finance of the Company;</li> <li>(7) to appoint or dismiss principal management staff other than those to be appointed or dismissed by the board of directors;</li> <li>(8) to draw up the wages, benefits, rewards and punishments, decide upon employment and removal, promotion and demotion, increase and reduction of salary, appointment, employment, removal and dismissal of staff and workers of the Company;</li> <li>(9) other functions designated by the Articles of Association and the board of directors.</li> </ol>

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**APPENDIX I    PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 173 The general manager may attend the meetings of the board of directors, but the general manager, not being a director, shall not have the right to vote in the meetings of the board of directors. (MP101)</p> <p>Article 174 In performing his functions and powers, the general manager shall not alter the resolutions of the general meeting or those of the board of directors or exceed the scope of his authority.</p>	—
—	<p>Article 138 The Company shall have a board secretary, who shall be responsible for preparing for general meetings and board meetings of the Company, keeping of documents, the management of information of shareholders of the Company, and the handling of information disclosure matters.</p> <p>The board secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.</p>
<p><b>Chapter 14 Supervisory Committee</b></p>	<p><b>Chapter 7 Supervisory Committee</b></p> <p><b>Section 1 Supervisors</b></p>
<p>Article 188 The Company shall have a supervisory committee. It exercises its functions by monitoring the board of directors and its members, general managers and other management officers, and preventing their abuse of power, violation of the rights and interests of shareholders, the Company and the Company’s employees. (MP103)</p>	<p><b>Section 2 Supervisory Committee</b></p> <p>Article 148 The Company shall have a supervisory committee.</p>
<p>Article 191 The supervisory committee shall convene a meeting once every six (6) months and the same shall be convened by the chairman of the supervisory committee. (MP107)</p> <p>Supervisor may propose to convene extraordinary meetings of the Supervisory committee.</p> <p>The resolutions shall be passed by voting over two-thirds (2/3) of the members of the supervisory committee. (LR App13, Part D para 1(d)(ii))</p>	—

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 192 Supervisory committee <b>is responsible to the general meeting and</b> exercises the following authorities <b>in accordance with law: (MP108)</b></p> <p>(1) to examine and submit written comments on regular reports of the Company prepared by the board of director;</p> <p>(2) to inspect the Company’s finance;</p> <p>(3) to supervise directors, general managers, deputy general managers and other senior managerial officers in exercising of their duties, and propose to impeach directors, <b>general managers</b>, deputy general managers and other senior managerial officers who perform actions that are in violation of the laws, the administrative regulations and the Articles of Association;</p> <p>(4) to demand a correction when actions conducted by any director, general managers, deputy general managers or any other senior managerial officers damage the interests of the Company;</p> <p>(5) to propose an extraordinary <b>general meeting</b> to be convened. To call and hold <b>general meetings</b> when the board of directors fails to call and hold the <b>general meeting</b> according to the Company Law;</p> <p>(6) to move a motion at the <b>general meeting</b>;</p> <p>(7) to file a lawsuit against the directors, general manager, deputy general manager and other senior managerial officers according to the provisions of the Company Law;</p> <p>(8) to conduct an investigation when any unusual operational situation happened, they may appoint professional authorities such as legal counsel and accountants to provide assistance, if necessary. The relevant costs should be borne by the Company;</p> <p>(9) <b>to negotiate with or take up lawsuits against the directors on behalf of the Company;</b></p> <p>(10) to perform any other duties authorized by the laws, administrative regulations, departmental rules, the Articles of Associations and the <b>general meeting</b>.</p>	<p>Article 151 Supervisory committee exercises the following authorities:</p> <p>(1) to examine and submit written comments on regular reports of the Company prepared by the board of director;</p> <p>(2) to inspect the Company’s finance;</p> <p>(3) to supervise directors, general managers, deputy general managers and other senior managerial officers in exercising of their duties, and propose to impeach directors, <b>general managers</b>, deputy general managers and other senior managerial officers who perform actions that are in violation of the laws, the administrative regulations and the Articles of Association;</p> <p>(4) to demand a correction when actions conducted by any director, general managers, deputy general managers or any other senior managerial officers damage the interests of the Company;</p> <p>(5) to propose an extraordinary <b>general meeting</b> to be convened. To call and hold <b>general meetings</b> when the board of directors fails to call and hold the <b>general meeting</b> according to the Company Law;</p> <p>(6) to move a motion at the <b>general meeting</b>;</p> <p>(7) to file a lawsuit against the directors, general manager, deputy general manager and other senior managerial officers according to the provisions of the Company Law;</p> <p>(8) to perform any other duties authorized by the laws, administrative regulations, departmental rules, the Articles of Associations and the <b>general meeting</b>.</p>
<p>—</p>	<p><b>Article 152 The supervisory committee shall convene a meeting once every six (6) months and the same shall be convened by the chairman of the supervisory committee.</b></p> <p><b>Supervisor may propose to convene extraordinary meetings of the Supervisory committee.</b></p> <p><b>The resolutions shall be passed by voting over two-thirds (2/3) of the members of the supervisory committee.</b></p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 193 Supervisory committee shall formulate rules of procedures of supervisory committee, stipulate the format of the discussion and voting procedures of supervisory committee to ensure the efficient and scientific decision-making of the supervisory committee.</p> <p><b>The rules of procedures prescribe the convention and voting procedures of the supervisory committee and shall be included in the Articles of Association or as its appendix, and shall be formulated by supervisory committee and be approved by the general meeting.</b></p>	<p>Article 153 Supervisory committee shall formulate rules of procedures of supervisory committee, stipulate the format of the discussion and voting procedures of supervisory committee to ensure the efficient and scientific decision-making of the supervisory committee.</p>
<p>Article 196 The supervisory committee has the right to give suggestions on the appointment of the accounting firms by the Company. When necessary, has the right to appoint another accounting firm on behalf of the Company to conduct independent examination on the financial issues of the Company, could directly report the situations to Securities Committee of the State Council and other regulatory departments.</p> <p>Article 197 The reasonable expenses of the supervisory committee incurred in engaging professionals such as lawyers, registered accountants and certified public auditors in the course of carrying out the duties of the supervisory committee shall be borne by the Company. (MP110)</p>	—

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Chapter 15 Qualifications and Obligations of Directors, Supervisors, General Managers, Deputy General Managers and Other Senior Managerial Officers of the Company</b></p> <p><b>Article 198</b> The occurrence of any one of the following events shall disqualify a person from being a director, supervisor, general manager, deputy general manager or other senior managerial officers of the Company: (MP112)</p> <p>(1) lacking capacity in taking civil action or such capacity being restricted;</p> <p>(2) being convicted of committing corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and not more than five (5) years have elapsed since the expiration of the enforcement of the punishment; or being deprived of political rights due to conviction and not more than five (5) years have elapsed since the expiration of the enforcement period;</p> <p>(3) being a director or factory manager, manager of a company or enterprise being liquidated as a result of improper operation and management of which he shall be personally liable for such liquidation and not more than three (3) years have elapsed since the date of completion of the liquidation of such company or enterprise;</p> <p>(4) being the legal representative of a company or enterprise of which the business licence has been cancelled as a result of the contravention of the laws and in which he shall be personally liable and not more than three (3) years have elapsed since the date of cancellation of the business licence of such company or enterprise;</p> <p>(5) having relatively large amount of personal indebtedness which has become due but have not yet been settled;</p> <p>(6) being under investigation by the judicial authorities in respect of contravention of criminal laws, and such investigation has not yet been finalised;</p> <p>(7) being prohibited by laws or administrative regulations to act as leader of an enterprise;</p> <p>(8) not being a natural person; and</p> <p>(9) being convicted by the relevant supervisory authorities of contravention of the provisions of relevant securities regulations which involved fraud or dishonest acts and not more than five (5) years have lapsed since the date of such conviction.</p>	<p>—</p>



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**APPENDIX I    PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Any election or appointment of directors, supervisors, or employment of other senior managerial officers in violation of the preceding paragraph of this article shall be invalid. If any situation mentioned in the preceding paragraph of this article exists during the term of directors, supervisors, general managers, deputy general manager or other senior managerial officers, the Company should dismiss their office.</p> <p>Article 199 The validity of an act undertaken by a director, general manager, deputy general manager and other senior managerial officer of the Company acting on behalf of the Company towards a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person. (MP113)</p> <p>Article 200 In addition to the obligations required by laws, administrative regulations or the listing rules of any stock exchange on which the shares of the Company are listed, a director, supervisor, general manager, deputy general manager and other senior managerial officer of the Company shall also be responsible to each shareholder in respect of the following obligations in performing the duties and exercising the powers given to him by the Company: (MP114)</p> <ol style="list-style-type: none"> <li>(1) not to cause the Company to exceed the scope of business stipulated in its business licence;</li> <li>(2) to act faithfully in the best interests of the Company;</li> <li>(3) not to deprive by any means the Company of its assets, including (but not limited to) opportunities beneficial to the Company; and</li> <li>(4) not to deprive the personal interests of the shareholders including (but not limited to) the rights to distribution and voting rights but excluding corporate reorganisation schemes submitted to and passed at a general meeting in accordance with this Articles of Association.</li> </ol>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 201 In exercising his rights or performing his obligations, the director, supervisor, general manager, deputy general manager and other senior managerial officer of the Company shall have the responsibility to exercise the prudence, diligence and skill of a reasonable and prudent person acting under similar circumstances. (MP115)</p> <p>Article 202 In performing his duty, a director, supervisor, general manager, deputy general manager and other senior managerial officer of the Company shall observe the fiduciary principle and shall not put himself in a position where his personal interests and the obligations undertaken may conflict. Such principle shall include (but not limited to) the undertaking of the following obligations: (MP116)</p> <ol style="list-style-type: none"> <li>(1) to act honestly in the best interests of the Company;</li> <li>(2) to exercise powers within, and not to exceed the scope of, his authority;</li> <li>(3) to exercise the discretionary power vested in him personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws or administrative regulations or the informed consent of the general meeting;</li> <li>(4) to treat the shareholders of the same class equally and to be fair to the shareholders of different classes;</li> <li>(5) unless otherwise provided in this Articles of Association or with the approval granted with the informed consent of the general meeting, no contract, transaction or arrangement shall be entered into with the Company;</li> <li>(6) no property of the Company shall be used in any manner for private benefit without the informed consent of the general meeting;</li> <li>(7) not to take advantage of his authority to receive bribery or other illegal incomes, and not to embezzle the assets of the Company in any way including but not limited to opportunities beneficial to the Company;</li> <li>(8) not to receive any commission from transactions related to the Company without the informed consent of the general meeting;</li> <li>(9) to abide by the Articles of Association, to perform his duties faithfully, to protect the interests of the Company, and not to pursue personal benefits by exploiting his position and authority in the Company;</li> </ol>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(10)    not to compete in any way with the Company without the informed consent of the general meeting;</p> <p>(11)    not to embezzle the funds of the Company or to lend the funds of the Company to others; not to deposit the assets of the Company in accounts opened under his own name or the name of other persons; not to use the assets of the Company as security for the liabilities of the shareholders of the Company or other personal liabilities; and</p> <p>(12)    unless otherwise permitted by informed consent of the general meeting, no confidential information of the Company acquired during his term of office shall be disclosed; unless the objective is serving the interests of the Company, no such information shall be used; however, such information may be disclosed to a court of law or other governmental supervisory authorities under the following situations:</p> <ol style="list-style-type: none"> <li>1.        disclosure is provided under the law;</li> <li>2.        disclosure is required in the public interest; and</li> <li>3.        disclosure is required in the interests of such director, supervisor, general manager and other senior managerial officers.</li> </ol>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 203 A director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company shall not instruct the following persons or bodies (“related persons”) to do such acts which such director, supervisor, general manager, deputy general manager and other senior managerial officers are prohibited from doing: (MP117)</p> <ol style="list-style-type: none"> <li>(1) the spouse or minor children of a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company;</li> <li>(2) the trustee of a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company or of the persons mentioned in paragraph (1) of this article;</li> <li>(3) the partner of a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company or of the persons mentioned in paragraphs (1) and (2) of this article;</li> <li>(4) companies actually and solely controlled by a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company, or companies actually and jointly controlled with the persons referred to in paragraphs (1), (2) and (3) of this article or other directors, supervisors, general managers, deputy general managers and other senior managerial officers of the Company; and</li> <li>(5) the director, general manager, deputy general manager and other senior managerial officers of a company being controlled as mentioned in paragraph (4) of this article.</li> </ol> <p>Article 204 The fiduciary duties of a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company do not necessarily cease upon the expiry of his term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and conditions under which the relation with the Company was terminated. (MP118)</p> <p>Article 205 Responsibilities borne by directors, supervisors, general manager, deputy general manager and other senior managerial officers who have violated certain regulations can be released through approval by the general meeting with shareholders fully informed of the situation; but this does not include the situation stipulated in article 60 of this Articles of Association. (MP119)</p>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 206 Directors, supervisors, general managers, deputy general managers and other senior managerial officers of the Company who, directly or indirectly, have a material interest in any contracts, transactions or arrangements entered into or proposed to be entered into by the Company (save for the employment contracts entered into by the Company and its directors, supervisors, general managers, deputy general managers and other senior managerial officers) shall disclose to the board of directors the nature and extent of such interest as soon as possible irrespective of whether such matters require the permission of the board of directors under normal circumstances. (MP120)</p> <p>Where a director or his associate has any interest in a resolution of the board meeting, the said director shall avoid discussing and cannot participate in voting; the said director shall not be counted in the quorum of the meeting.</p> <p>Unless the interested directors, supervisors, general managers, deputy general managers and other senior managerial officers of the Company has already made disclosures to the board of directors in accordance with the requirements of the aforesaid clause of this Article and that the board of directors has approved the matter in a meeting in which they were not counted as the quorum nor attended the meeting, the Company has the right to revoke such contracts, transactions or arrangements, except that the counterparty involved, acting in good intention, was not aware of the breach of duties by such directors, supervisors, general managers, deputy general managers and other senior managerial officers. (LR App.3, para 4(1))</p> <p>If the related persons of directors, supervisors, general managers, deputy general managers and other senior managerial officers of the Company are interested in any contract, transaction or arrangement, such directors, supervisors, general managers, deputy general managers and other senior managerial officers shall also deemed to have such interests.</p> <p>Article 207 In the event that a director, supervisor, general manager, deputy general manager or other senior managerial officer of the Company notifies the board of directors in writing and makes a representation that on the basis of contents of the notice, he will be interested in the contract, transaction or arrangement to be entered into by the Company before the Company firstly considers the relevant contract, transaction or arrangement, the relevant director, supervisor, general manager, deputy general manager or other senior managerial officer shall be deemed to have made a disclosure as required in the previous paragraphs. (MP121)</p>	

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 208 The Company shall not in any manner pay tax on behalf of any of its directors, supervisors, general managers, deputy general managers and other senior managerial officers. (MP122)</p> <p>Article 209 No loans or guarantees for loans shall be provided, directly or indirectly, by the Company to a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company and those of its parent company, nor shall such loans or guarantee for loans be provided to the related persons of the above-mentioned persons. (MP123)</p> <p>The provisions as aforesaid shall not apply to the following situations:</p> <ol style="list-style-type: none"> <li>(1) the Company provides loans or guarantee for loans to its subsidiaries;</li> <li>(2) the Company provides to a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company, pursuant to the employment contract approved in the general meeting, loans or guarantees for loans or other payments to enable them to pay the expenses incurred for the purpose of the Company or in the course of performing their duties;</li> <li>(3) if the normal scope of business of the Company includes the provision of loans and guarantees for loans, the Company may provide loans or guarantees for loans to the relevant director, supervisor, general manager, deputy general manager and other senior managerial officers and their related persons provided that the terms of such loans or guarantees for loans shall be on normal commercial terms.</li> </ol>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 210 If the provision of a loan made by the Company is in breach of the provisions of the preceding articles, the recipient of the sum of money shall repay the same forthwith regardless the terms of such loan. (MP124)</p> <p>Article 211 The Company shall not be forced to execute loan guarantee provided in violation of paragraph 1 of article 209 except in the following circumstances: (MP125)</p> <p>(1) in providing loans to the related persons of a director, supervisor, general manager, deputy general manager and other senior managerial officers of the Company or those of its parent company, the person who has provided the loan has no knowledge of the contravention; and</p> <p>(2) the security provided by the Company has been sold legally by the person who has provided the loan to a bona fide purchaser.</p> <p>Article 212 The guarantee referred to in the preceding article shall include the assumption of obligations by the guarantor or the provision of property to secure the performance of obligations by the obligor. (MP126)</p> <p>Article 213 In the event that a director, supervisor, general manager, deputy general manager and any other senior managerial officers of the Company shall be in breach of his obligations to the Company, the Company shall be entitled to take the following measures apart from the various rights and remedies provided by laws and administrative regulations: (MP127)</p> <p>(1) to demand the relevant director, supervisor, general manager, deputy general manager and other senior managerial officers indemnify the losses sustained by the Company as a result of the dereliction of duties on his part;</p> <p>(2) to revoke any contract or transaction made between the Company and the relevant director, supervisor, general manager, deputy general manager and other senior managerial officers and a contract or transaction made between the Company and a third party (if such third party knows or should have known that the director, supervisor, general manager, deputy general manager and other senior managerial officers representing the Company are in breach of the obligations to the Company);</p>	

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(3) to demand the relevant director, supervisor, general manager, deputy general manager and other senior managerial officers to return the benefit received as a result of the breach of the obligations;</p> <p>(4) to recover from the relevant director, supervisor, general manager, deputy general manager and other senior managerial officers the moneys including (but not limited to) commission accepted by them which should have been received by the Company; and</p> <p>(5) to demand the relevant director, supervisor, general manager, deputy general manager and other senior managerial officers to return the interest earned or that may be earned from the moneys which should have been payable to the Company.</p> <p>Article 214 The Company shall enter into a contract in writing with directors and supervisors of the Company in respect of remuneration, the terms of which shall have obtained the prior approval at a general meeting. The terms of the remuneration matters as aforesaid shall include: (MP128)</p> <p>(1) the remuneration for acting as a director, supervisor or other senior managerial officer of the Company;</p> <p>(2) the remuneration for acting as a director, supervisor or other senior managerial officer of a subsidiary of the Company;</p> <p>(3) the remuneration for provision of other services in the management of the Company and its subsidiaries; and</p> <p>(4) the payment for compensation for loss of office or retirement of such directors or supervisors.</p> <p>Except pursuant to the contract aforesaid, no legal proceedings shall be instituted by a director or supervisor in respect of benefits receivable by him in respect of the aforesaid matters.</p>	



**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 215 There shall be a provision in the contract in relation to remuneration made between the Company and a director or supervisor of the Company that the director or the supervisor of the Company shall be entitled to the compensation or other payments as a result of loss of office or retirement when the Company is to be taken over, provided that prior approval shall have been obtained at a general meeting. A takeover of the Company referred to above shall mean one of the following situations: (MP129)</p> <p>(1) a takeover offer to all shareholders has been made by any person; and</p> <p>(2) a takeover offer has been made by any person to enable the offer or to become the controlling shareholder. The meaning of “controlling shareholder” is the same as that defined in article 56 of this Articles of Association.</p> <p>In the event that the relevant director or supervisor does not comply with the provisions of this Article, any moneys received by him shall belong to the persons who accept the said offer to sell their shares; the expenses incurred as a result of proportional distribution of such moneys shall be borne by such director or supervisor and such expenses shall not be deducted from such moneys.</p>	
<p>Chapter 16 Financial and Accounting System and Profit Distribution</p>	<p>Chapter 8 Financial and Accounting System, Profit Distribution and Audit</p> <p>Section 1 Financial and Accounting System</p>
<p>Article 217 The Company shall prepare financial reports at the end of every accounting year (commencing from 1 January to 31 December of the calendar year), to be audited and verified in accordance with the laws. (MP131)</p>	<p>—</p>
<p>Article 218 The Company should submit and disclose, within four (4) months after the end of a financial year, to the regulatory departments under State Council Securities Committee of the State Council and the domestic and offshore Stock Exchange the Company’s annual report. The Company should submit and disclose, within two (2) months from the end of the first half of a financial year, to the local representatives of the regulatory departments under Securities Committee of State Council and the domestic and offshore Stock Exchange the Company’s interim report. <b>The Company should submit, within one (1) month from the end of the first three (3) months and the first nine (9) months, to the local representatives of the regulatory departments under Securities Committee of State Council and the domestic and offshore Stock Exchange the Company’s quarterly financial report.</b></p> <p>The aforesaid financial report shall be drafted in accordance with the relevant laws, administrative regulations and departmental rules.</p>	<p>Article 157 The Company should submit and disclose, within four (4) months after the end of a financial year, to the regulatory departments under State Council Securities Committee of the State Council and the domestic and offshore Stock Exchange the Company’s annual report. The Company should submit and disclose, within two (2) months from the end of the first half of a financial year, to the local representatives of the regulatory departments under Securities Committee of State Council and the domestic and offshore Stock Exchange the Company’s interim report.</p> <p>The aforesaid financial report shall be drafted in accordance with the relevant laws, administrative regulations and departmental rules.</p>

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 219 The financial report prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each annual general meeting. (MP132)</p> <p>Article 220 The Company's financial statements shall be made available at the Company twenty (20) days before the date of every annual general meeting for shareholders' inspection. Each shareholder shall be entitled to obtain a copy of the financial statements referred to in this chapter. (MP133)</p> <p>The financial reports in the preceding paragraph shall include directors' report, balance sheet (including documents to be attached in accordance with PRC laws, other laws, and administrative regulations), income statement or (under condition of not violating PRC laws) financial highlights approved by Hong Kong Stock Exchange.</p> <p>The Company shall, at least twenty-one (21) days before annual general meeting, send the aforesaid reports or financial highlights to every holder of H Shares by prepaid mail at the address as shown in the shareholders' register.</p> <p>Article 221 The Company's annual financial statements shall, besides being prepared under the PRC accounting standards and regulations, be also prepared under international accounting standards or the accounting standards of the overseas listing place. If there are material discrepancies between the financial statements prepared under the two accounting standards, an explanation shall be made in the financial statements. When making distributions on the after tax profits for the relevant accounting year, the lesser of the after tax profits in the above two financial statements shall be adopted. (MP134)</p> <p>Article 222 Interim and quarterly results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and legal regulations as well as international accounting standards or the accounting standards of the place of overseas listing. (MP135)</p> <p>Article 223 The Company shall issue financial reports four times every financial year. The quarterly or interim financial reports should be issued within forty-five (45) days after the end of the third (3rd) month, sixth (6th) month and ninth (9th) month of each financial year, and the annual financial reports should be issued within three (3) months after the end of the financial year. (MP136)</p>	—

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 225 The Company’s common reserve fund includes common reserve fund and capital common reserve fund. The common reserve fund is divided into statutory common reserve fund and discretionary common reserve fund.</p>	—
<p>Article 227 The capital common reserve fund shall include the following sums of money: (MP138)</p> <p>(1) premium received in excess of the par value of the shares issued;</p> <p>(2) other revenue required to be transferred to capital common reserve fund by the finance regulatory authority under the State Council.</p>	—
—	<p>Article 163 No profit distribution shall be made when the audit report of the Company for the latest year is modified or unqualified with the paragraphs of material uncertainty related to going concern or when other circumstances occur in which the Company considers that profit distribution is not appropriate.</p>
<p>Article 234 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Company in respect of overseas listed foreign shares. (MP140)</p> <p>The receiving agent appointed by the Company shall meet the relevant requirements of the laws or the stock exchange of the place of listing. <b>The receiving agent which the Company appoints for the holders of H Shares shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong. (LR App.13, Part D para 1(c))</b></p>	<p>Article 167 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Company in respect of overseas listed foreign shares.</p> <p>The receiving agent appointed by the Company shall meet the relevant requirements of the laws or the stock exchange of the place of listing.</p>
<p><b>Chapter 17 Internal Audit</b></p>	<p><b>Section 2 Internal Audit</b></p>
<p><b>Chapter 18 Appointment of Accountants Firm</b></p>	<p><b>Section 3 Appointment of Accountants Firm</b></p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 237 The Company shall appoint an independent accounting firm which shall meet the relevant requirements of the State to audit the annual financial report and to review other financial reports of the Company. (MP141)</p> <p>The Company shall appoint an accounting firm which is qualified under the relevant provisions of the Securities Law to audit the financial reports, verify the net assets and offer other relevant consulting services, and the term of which shall be one year, and may be renewed.</p> <p><b>The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.</b></p> <p><b>If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the board of directors.</b></p>	<p>Article 170 The Company shall appoint an independent accounting firm which shall meet the relevant requirements of the State to audit the annual financial report and to review other financial reports of the Company.</p> <p>The Company shall appoint an accounting firm which is qualified under the relevant provisions of the Securities Law to audit the financial reports, verify the net assets and offer other relevant consulting services, and the term of which shall be one year, and may be renewed.</p>
<p>Article 238 <b>The accounting firm appointed by the Company shall hold office from the conclusion of that annual general meeting to the conclusion of the next annual general meeting.</b> (MP142)</p> <p>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.</p>	<p>Article 171 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.</p>
<p>Article 239 The accounting firm appointed by the Company shall enjoy the following rights: (MP143)</p> <ol style="list-style-type: none"> <li>(1) to inspect the books and accounts, records or evidence of the Company at any time and has the right to require directors, general managers and deputy general managers or other senior managerial officers of the Company to provide the relevant information and explanation;</li> <li>(2) to require the Company to adopt all reasonable measures to obtain from its subsidiaries information and explanation which are requisite for such accounting firm to carry out its duties; and</li> <li>(3) to attend annual general meetings and receive notice of meeting and other information related to such meeting which any shareholder is entitled to receive and speak at any meeting of shareholders about the matters related to its being the accounting firm of the Company.</li> </ol>	<p align="center">—</p>

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**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
Article 241 Any accounting firm can be dismissed prior to the expiry of its term of office by ordinary resolution passed in a general meeting regardless of the provisions of the terms of the contract entered into by the accounting firm and the Company. If the relevant accounting firm is entitled to claim compensation against the Company due to the dismissal, such right shall not be affected. (MP145)	—
Article 242 <b>The remuneration or the manner to determine the remuneration</b> of the accounting firm shall be decided at the <b>general meeting</b> . (MP146)	Article 173 The <b>audit fees</b> of the accounting firm shall be decided at the <b>general meeting</b> .

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 243 The decisions of the Company to appoint, dismiss or not to re-appoint an accounting firm shall be made at the general meeting and shall be filed with CSRC. (MP147)</p> <p>Where a resolution is proposed to be passed at a general meeting to appoint a firm other than an incumbent accounting firm to fill any vacant office of accounting firm, or to dismiss an accounting firm before the expiration of its term of office, the following requirements shall be met: (LR App13, Part D para 1(e)(i))</p> <p>(1) the relevant motion shall be sent to the accounting firm proposed to be appointed or the accounting firm which intends to vacate its office or the accounting firm who has vacated from its office in the relevant accounting year, before the notice of meeting of the general meeting is issued to the shareholders. Vacating the office shall include leaving by removal, resignation or retirement.</p> <p>(2) if the accounting firm which is vacating its office makes a statement in writing and requests the Company to notify the shareholders of that statement, the Company shall, unless the written statement is received too late, take the following measures:</p> <ol style="list-style-type: none"> <li>1. to state in the notice given in respect of the resolution, the fact that the accounting firm which is vacating the office has made a statement; and</li> <li>2. to send a copy of the statement as attachment to the notice to shareholders in the matter provided in the Articles of Association.</li> </ol> <p>(3) if the statement of the relevant accounting firm has not been sent in accordance with paragraph (2) of this article, such accounting firm may request the representation be read at the meeting of shareholders and may make further complaint.</p> <p>(4) an accounting firm which is vacating its office shall be entitled to attend the following meetings:</p> <ol style="list-style-type: none"> <li>1. the general meeting at which its term of office will expire;</li> <li>2. the general meeting at which it is proposed to fill the vacancy caused by its removal; and</li> <li>3. the general meeting convened due to its resignation;</li> </ol> <p>The accounting firm vacating its office shall be entitled to receive all notices or other relevant information of the said meetings, and speak at the said meetings in respect of the affairs in which it is involved as a former accounting firm of the Company.</p>	<p>—</p>

**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 244 When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views at the general meeting. Where the accounting firm resigns, it shall state in the general meeting as to whether or not there are irregularities in the Company. (MP148)</p> <p>An accounting firm may resign by leaving a written notice of resignation at the legal address of the Company. The notice shall be effective on the date when the notice is left at the registered address of the Company or a later date specified in the notice. Such notice shall contain the following statements: (LR App.13, Part D para 1(e)(ii))</p> <p>(1) a declaration to the effect that there are no circumstances connected with its resignation which it considers should be accounted for to the shareholders or creditors of the Company; or</p> <p>(2) a statement of any circumstances which should be accounted for.</p> <p>Within fourteen (14) days of receiving the above-mentioned written notice, the Company shall send a copy of such notice to the relevant administrative authorities. If the notice includes statement referred to item 2 above, the Company shall keep a copy of such statement in the Company for shareholders' inspection. The Company shall also send a copy of such statement by mail to each shareholder who is eligible to receive the Company's financial report. The address of a recipient shall be his address recorded on the register of members. Subject to the compliance with the laws and regulations of the places of incorporation and listing of the Company and the Listing Rules, the above-mentioned copy of statement may be sent in the manner provided under article 268 in lieu of sending by mail as aforesaid. (LR App13, Part D para 1(e)(iii)) (LR2.07A))</p> <p>When the notice of resignation of the accounting firm contains a statement that has to be accounted for, the accounting firm may request the board of directors to convene an extraordinary general meeting for the purpose of hearing the explanation of the circumstances connected with its resignation. (LR App13, Part D para 1(e)(iv))</p>	
<p>—</p>	<p>Article 174 When the Company dismisses or does not re-appoint an accounting firm, it shall give a 30-day prior notice to the accounting firm, and the accounting firm shall have the right to present its views at the general meeting where a voting process concerning the dismissal of such accounting firm is carried out. Where the accounting firm resigns, it shall state in the general meeting as to whether or not there are irregularities in the Company.</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Chapter 19 Insurance</b></p> <p><b>Article 245</b> The Company purchases various types of insurance from the designated institutions in specific way in accordance with the provisions of the relevant supervisory authorities in the PRC. The board of directors discusses and decides the insurance type, the insured amount and the period of insurance cover according to the practice of other countries of similar trades, as well as practice and laws in the PRC.</p>	—
<p><b>Chapter 20 Labour Management</b></p> <p><b>Article 246</b> The Company formulates its labour and personnel system appropriate to its circumstances according to the relevant provisions of the Labour Law of the People's Republic of China.</p>	—
—	<p><b>Chapter 9 Notice and Announcement</b></p> <p><b>Section 1 Notice</b></p> <p><b>Article 175</b> Unless otherwise provided in the Articles of Association, the corporate communications (within the meaning of the Listing Rules) (including notices of the Company) may, subject to compliance with the laws and regulations and the relevant listing rules of the place where the shares of the Company are listed, be issued in the following manner:</p> <ol style="list-style-type: none"> <li>(1) by personal delivery;</li> <li>(2) by mail;</li> <li>(3) by announcement;</li> <li>(4) by email;</li> <li>(5) by publishing on the websites designated by the Company and the stock exchange where the Company's shares are listed;</li> <li>(6) by any other means as approved by the securities regulatory authority and the stock exchange where the Company's shares are listed or as specified in the Articles of Association.</li> </ol> <p><b>Article 176</b> If the notice of the Company is served by personal delivery, the recipient shall affix signature (or seal) to the return on service and the signing date shall be the date of service; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service. If the corporate communications (within the meaning of the Listing Rules) (including notices of the Company) is served by announcement, all relevant persons shall be deemed to have received the notice upon the publication of such announcement.</p>



**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
	<p>If the corporate communications (including notices of the Company) is served by personal delivery, the addresses of the recipients shall be such addresses as shown in the register of members, and the recipients shall sign (or seal) on the return receipt and the date of signing the return receipt by the recipient shall be deemed to be the date of delivery; if the notice is served by email, the addresses of the recipients shall be such addresses as shown in the register of members, and the date of service shall be the fifth working day from the date of delivery to the post office; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service; if the notice is served by email or website, the date of delivery shall be the date of service.</p> <p>Article 177 In case where the notice of general meeting is not despatched to a person who is entitled to receive such notice due to accidental omission or such person fails to receive such notice, the general meeting and the decisions made in such meeting shall not be invalidated.</p> <p>Section 2 Announcement</p> <p>Article 178 The Company shall designate media and websites of the stock exchange that meet the conditions prescribed by the CSRC as media for publishing Company's announcements and other information that needs to be disclosed.</p>
Chapter 21 Merger and Division of the Company	Chapter 10 Merger, Division, Capital Increase and Reduction, Dissolution and Liquidation of the Company  Section 1 Merger, Division, Capital Increase and Reduction of the Company
<p>Article 247 A proposal for merger or division of the Company shall be proposed by the board of directors of the Company. After the same has been passed according to the procedures provided in this Articles of Association, the relevant application procedures for approval shall be completed according to law. Shareholders who object to the proposal for merger or division of the Company shall be entitled to demand that the Company or the shareholders who consent to the proposal for merger or division of the Company purchase their shares at a fair price. (MP149)</p> <p>The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders. Holders of H Shares shall be served copies of the above-mentioned document by mail. Subject to the compliance with the laws and regulations of the places of incorporation and listing of the Company and the Listing Rules, the above-mentioned copy may be sent in the manner provided under article 268 in lieu of sending by mail as aforesaid. (LR 2.07A)</p>	—

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 249 In the event of a division of the Company, its assets shall be divided accordingly. <b>(MP151)</b></p> <p>In the event of a division of the Company, <b>the parties involved shall execute a division agreement and</b> prepare the balance sheet and list of assets. The Company shall notify the creditors within ten (10) days from the date of the division resolution and shall make an announcement in newspapers within thirty (30) days thereof. <b>(LR App.3, para 7 (1))</b></p> <p><b>The liabilities of the Company prior to the division shall be undertaken by the companies after such division in accordance with the agreement entered into.</b></p>	<p>Article 180 In the event of a division of the Company, its assets shall be divided accordingly.</p> <p>In the event of a division of the Company, the Company shall prepare the balance sheet and list of assets. The Company shall notify the creditors within ten (10) days from the date of the division resolution and shall make an announcement in newspapers within thirty (30) days thereof.</p> <p><b>The liabilities of the Company prior to the division shall be undertaken jointly and severally by the companies after such division, except as otherwise stipulated in the written agreement between the Company and its creditors on the settlement of debts prior to the division.</b></p>
—	<p>Article 181 <b>Upon the reduction of registered capital, the Company shall prepare a balance sheet and a list of its assets.</b></p> <p><b>The Company shall notify its creditors within ten (10) days from the date of passing the resolution for the reduction of registered capital and shall publish the notice at least three (3) times in a newspaper within thirty (30) days thereof. Creditors shall have the right within thirty (30) days from the date of receiving the notice, and the creditors who have not received the notice shall have the right within ninety (90) days from the date the notice was first published in the newspaper, to request the Company to settle the debts or to provide corresponding securities in respect of the debts.</b></p> <p><b>The registered capital shall not be less than the minimum statutory requirement after the reduction of capital by the Company.</b></p>
<p>Article 250 In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law. <b>(MP152)</b></p>	<p>Article 182 In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law.</p> <p><b>Any increase or decrease in the registered capital of the Company shall be registered at the company registration authorities in accordance with law.</b></p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Chapter 22</b> Dissolution and Liquidation of the Company</p> <p>Article 251 The Company shall dissolve and proceed with liquidation in accordance with law upon occurrence of any one of the following events: <b>(MP153)</b></p> <p>(1) the term of business provided in these Articles of Association is expired or other reasons for dissolution as specified in these Articles of Association occur;</p> <p>(2) the <b>general meeting</b> resolves to dissolve the Company;</p> <p>(3) dissolution of the Company is required for the merger or division of the Company;</p> <p><b>(4) the Company is pronounced insolvent in accordance with law as a result of its inability to pay debts when due;</b></p> <p>(5) the Company’s business license is revoked or the Company is ordered to close down or be dissolved in accordance with the laws;</p> <p>(6) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to shareholders’ interests, and no solution can be found through any other channel, shareholders representing 10% or above of the total voting rights of the Company may request the People’s Court to dissolve the Company.</p>	<p><b>Section 2</b> Dissolution and Liquidation</p> <p>Article 183 The Company shall dissolve and proceed with liquidation in accordance with law upon occurrence of any one of the following events:</p> <p>(1) the term of business provided in these Articles of Association is expired or other reasons for dissolution as specified in these Articles of Association occur;</p> <p>(2) the <b>general meeting</b> resolves to dissolve the Company;</p> <p>(3) dissolution of the Company is required for the merger or division of the Company;</p> <p>(4) the Company’s business license is revoked or the Company is ordered to close down or be dissolved in accordance with the laws;</p> <p>(5) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to shareholders’ interests, and no solution can be found through any other channel, shareholders representing 10% or above of the total voting rights of the Company may request the People’s Court to dissolve the Company.</p>

**APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 252 In the circumstance set out in (1) of the preceding article, the Company may continue to subsist by amending the Articles of Association.</p> <p>Amendment to the Articles of Association pursuant to the preceding paragraph shall be subject to approval by two-thirds (2/3) of the voting rights held by the shareholders attending the <b>general meeting</b>.</p> <p>In the event that the Company is dissolved under the provisions of paragraphs (1), (2), <b>(5) and (6)</b> of the preceding article, it shall set up within fifteen (15) days a liquidation committee to commence the liquidation process. The members of liquidation committee shall be determined by way of ordinary resolution passed in <b>general meeting</b>. In the event that the liquidation committee has not been duly formed to conduct the liquidation process, the creditors of the Company may apply to the People’s Court to order the relevant personnel to establish the liquidation committee to conduct the liquidation process. (MP154)</p> <p><b>In the event that the Company is dissolved under the provisions of paragraph (4) of the preceding article, the People’s Court shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.</b></p> <p><b>In the event that the Company is dissolved voluntarily, it shall be subject to approval by two-thirds (2/3) of the voting rights held by the shareholders attending the general meeting. (LR App.3 para 21)</b></p> <p><b>In the event that the Company is dissolved under the provisions of paragraph (5) of the preceding article, the relevant supervisory authorities shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.</b></p>	<p>Article 184 In the circumstance set out in (1) of the preceding article, the Company may continue to subsist by amending the Articles of Association.</p> <p>Amendment to the Articles of Association pursuant to the preceding paragraph shall be subject to approval by two-thirds (2/3) of the voting rights held by the shareholders attending the <b>general meeting</b>.</p> <p>In the event that the Company is dissolved under the provisions of paragraphs (1), (2), <b>(4) and (5)</b> of the preceding article, it shall set up within fifteen (15) days <b>from the date on which the reasons for dissolution occurs</b> a liquidation committee to commence the liquidation process. The members of liquidation committee shall be determined by way of ordinary resolution passed in <b>general meeting</b>. In the event that the liquidation committee has not been duly formed to conduct the liquidation process, the creditors of the Company may apply to the People’s Court to order the relevant personnel to establish the liquidation committee to conduct the liquidation process.</p>
<p>Article 253 In the event that the board of directors decides to liquidate the Company (except for liquidation as a result of the pronouncement of insolvency by the Company), it shall specify in the notice convening the general meeting for such purpose that the board of directors has made a full inquiry of the affairs of the Company and considers that the Company may settle all the Company’s debts within twelve (12) months upon commencement of liquidation. (MP155)</p> <p>Upon the passing of the liquidation resolution at the general meeting, the duties of the board of directors of the Company shall cease forthwith.</p> <p>The liquidation committee shall comply with the directions of the general meeting and report to the general meeting at least once every year the income and expenditure, the business of the Company and the progress of liquidation and submit a final report to the general meeting upon the completion of liquidation.</p>	<p align="center">—</p>

## APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Article 255</b> The liquidation committee shall during the liquidation process perform the following functions and powers: <b>(MP157)</b></p> <ol style="list-style-type: none"> <li>(1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;</li> <li>(2) to give notice or make announcement to creditors;</li> <li>(3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;</li> <li>(4) to effect payment of all taxes due as well as taxes arising in the course of liquidation;</li> <li>(5) to sort out the Company's right to and liability for debts;</li> <li>(6) to deal with the remaining assets after settlement of debts by the Company; and</li> <li>(7) to represent the Company to participate in civil proceedings.</li> </ol>	<p><b>Article 185</b> The liquidation committee shall during the liquidation process perform the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;</li> <li>(2) to give notice or make announcement to creditors;</li> <li>(3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;</li> <li>(4) to effect payment of all taxes due as well as taxes arising in the course of liquidation;</li> <li>(5) to sort out the Company's right to and liability for debts;</li> <li>(6) to deal with the remaining assets after settlement of debts by the Company;</li> <li>(7) to represent the Company to participate in civil proceedings.</li> </ol>
<p>Article 258 Upon the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report <b>and statement of income and expenditure and the financial accounts for the liquidation which, upon being certified by an accountant registered in China, shall be submitted to the general meeting or relevant supervisory authorities for confirmation. (MP160)</b></p> <p>The liquidation committee shall submit within thirty (30) days after the confirmation by the general meeting or relevant supervisory authorities the documents mentioned above to the company registration authorities and apply for the cancellation of the registration of the Company and announce the termination of the Company.</p>	<p><b>Article 189</b> Upon the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report <b>for submission to the general meeting or the People's Court for their confirmation, and shall submit to the company registration authorities and apply for the cancellation of the registration of the Company and announce the termination of the Company.</b></p>
<p><b>Chapter 23</b> Procedures for Amendments to the Articles of Association</p>	<p><b>Chapter 11</b> Procedures for Amendments to the Articles of Association</p>
<p><b>Article 261</b> The Company may amend the Articles of Association pursuant to the laws, administrative regulations and the provisions of this Articles of Association. <b>(MP161)</b></p>	<p>—</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 263 The procedures for amending these Article of Association shall be as follows:</p> <ol style="list-style-type: none"> <li>(1) after passing resolutions pursuant to this Articles of Association, the board of directors shall propose to the general meeting to amend this Articles of Association and draw up the amendment proposal;</li> <li>(2) notify the shareholders of the amendment proposal and convene the general meeting for a vote; and</li> <li>(3) the amendments submitted to the general meeting for a vote shall be passed by special resolutions. (LR App.3 para 16)</li> </ol> <p>The board of directors is authorized by ordinary resolutions passed at general meetings to: (1) increase registered capital, the board of directors has the right to modify the content of the registered capital in the articles of association according to the specific circumstances, or (2) if changes in the text or the order of provisions of the Articles of Association are required after submission for approval by the foreign trade departments and the securities management department of the State Council, the board of directors has the right to make appropriate changes according to the requirements of the foreign trade departments and the securities management department of the State Council.</p>	—
<p>Article 264 If an amendment to these Articles of Association approved by resolution at a <b>general meeting</b> involves matters requires the approval from the competent regulatory authority, it shall be submitted to the competent regulatory authority for approval; <b>the amendments to the Articles of Association which involve the contents of the Mandatory Provisions shall become effective upon the approval by the companies examining and approving authorities authorized by the State Council and the CSRC;</b> if the amendments involve company registration matters, application for alteration of the registration shall be made to the companies registration and management organisation in accordance with law. (MP162)</p>	<p>Article 193 If an amendment to these Articles of Association approved by resolution at a <b>general meeting</b> involves matters requires the approval from the competent regulatory authority, it shall be submitted to the competent regulatory authority for approval; if the amendments involve company registration matters, application for alteration of the registration shall be made to the companies registration and management organisation in accordance with law.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Chapter 24 Settlement of Disputes</b></p> <p><b>Article 267</b> The Company shall comply with the following rules of dispute resolution: (MP163)</p> <p>(1) In respect of disputes and claims for rights relating to the affairs of the Company that arise from the rights and obligations provided for in this Articles of Association, the Company Law and other relevant laws and administrative regulations, between the holders of overseas listed foreign shares and the Company, between the holders of overseas listed foreign shares and the directors, supervisors, general managers, deputy general managers or other senior managerial officers of the Company, between the holders of overseas listed foreign shares and holders of Domestic Shares, the parties involved shall refer these types of disputes or claims for rights to arbitration for settlement.</p> <p>The disputes or claims for rights mentioned above which are submitted for arbitration refer to the whole of the claims or the entire dispute; if the identities of persons having the same cause of action or parties whose participation are necessary for the settlement of the disputes or the claims for rights involve the Company, the shareholders of the Company, directors, supervisors, general managers, deputy general managers or other senior managerial officers of the Company, they shall submit themselves to such arbitration.</p> <p>Disputes involving the definition of a shareholder or register of shareholders need not be settled by arbitration.</p> <p>(2) The party applying for arbitration may choose either the China International Economic or Trade Arbitration Committee to proceed with the arbitration pursuant to its arbitration rules or the Hong Kong International Arbitration Centre to proceed with the arbitration pursuant to its securities arbitration rules. After the disputes or claims for rights have been referred to arbitration by the claimant, the other party shall proceed the same with the arbitration institution chosen by such applicant.</p> <p>If the applicant chooses the Hong Kong International Arbitration Centre to proceed with the arbitration, either party may request to proceed with the same in Shenzhen in accordance with the provisions of the securities arbitration rules of Hong Kong International Arbitration Centre.</p>	<p>—</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(3)      The laws of the People’s Republic of China shall be applicable to the settlement of the disputes and claims for rights mentioned in paragraph (1) of this Article by way of arbitration unless the laws and administrative regulations provide otherwise.</p> <p>(4)      The ruling given by the arbitration institution shall be final and binding on the parties involved.</p>	
<p><b>Chapter 25    Notice</b></p> <p><b>Article 268</b>    Unless otherwise provided in the Articles of Association, the notices, information or written statements given by the Company to the holders of the overseas-listed foreign shares must be delivered to each of those holders at their registered address in the Register of members by hand or by postage-prepaid mail.</p> <p>Where notice is given by way of announcement according to any right exercised pursuant to the Articles of Association, such notice shall be given by means of public announcements in newspapers or Hong Kong Stock Exchange’s website. Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice.</p> <p>With regard to joint shareholders, the Company is only required to deliver or send any notice, information or other documents to one of such joint shareholders.</p> <p>Notices of the Company to the holders of Domestic Shares shall be published by way of an announcement in one or several newspapers designated by the securities regulatory authorities of the State and all holders of the Domestic Shares shall be deemed to have received the notice upon the publication of the announcement.</p> <p><b>Article 269</b>    The notice sent by post shall have address clearly stated, postage prepaid and placed inside the envelope. Such notice shall be received by shareholders five (5) days after its posting.</p> <p><b>Article 270</b>    Any notices, documents, information or written statements served on the Company by shareholders or the directors shall be delivered to the legal address of the Company by personal delivery or by registered post.</p> <p>Notice sent by personal delivery, receiver shall sign (or seal) on reply slip with the date of acknowledgement of receipt as the delivery date. For notices made in the form of announcement, the first day of publication of an announcement is considered the day the notification being received.</p>	—



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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>Article 271 In proving service of notices, documents, information or written statements by the shareholders or directors to the Company, they shall provide evidence that the relevant notice, document, information or written statement has been served within the time of service specified by the usual methods, and the same has been served by delivering to the correct address by way of prepaid post.</p> <p>The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.</p>	

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p><b>Chapter 26</b> Appendices</p> <p>Article 272 Interpretation</p> <p>(1) Controlling shareholder <b>is defined in the article 61 of the Articles of Association.</b></p> <p>(2) De facto controller means the person who is able to dominant the acts of the company by means of its investment relations, agreement or other arrangement although he is not a shareholder of the company.</p> <p>(3) Associated relations means the relations between the controlling shareholder, de facto controller, directors, supervisors, senior managerial officers and enterprises directly or indirectly controlled by them as well as other relations that may cause the transfer of the company’s interest. However, the associated relations between the state shareholding enterprises exist not merely because it is associated with state-controlled share.</p> <p>(4) A <b>“holdings subsidiary” refers to a subsidiary in which the company holds more than 50% equity or may decide the majority of the membership of its board of directors or which is effectively controlled by the company under an agreement or through other arrangement.</b></p> <p style="padding-left: 40px;"><b>“Control” means control of the financial and operation decisions of the said subsidiary in accordance with the Articles of Association or agreement.</b></p> <p>(5) <b>Daily operations refer to purchase and sale of products and services within the business scope of the company and controlling subsidiaries thereof and payment of relevant monies, borrowing from banks within the approved budgetary limit and relevant repayment, and other acts essentially within the normal business scope of the company.</b></p> <p>(6) <b>Asset disposal, including but not limited to purchase or sale of assets and businesses, consigning or consigned management of assets and businesses, gifting or accepting assets, leasing in or out assets, investing to establish or acquire legal entities or subscribe shares issued by legal entities, consigned financial management or entrusted loans, allowing or allowed to use assets, disposal of credits and debts, and increase or decrease of capital to holdings and shareholding subsidiaries.</b></p>	<p><b>Chapter 12</b> Appendices</p> <p>Article 196 Interpretation</p> <p>(1) Controlling shareholder means <b>a shareholder whose ordinary shares (including preference shares with restored voting rights) represent more than 50 per cent of the total share capital of the Company; a shareholder who hold less than 50 per cent of the shares but whose voting rights of the shares are sufficient to have a significant impact on the resolutions of the general meeting.</b></p> <p>(2) De facto controller means the person who is able to dominant the acts of the company by means of its investment relations, agreement or other arrangement although he is not a shareholder of the company.</p> <p>(3) Associated relations means the relations between the controlling shareholder, de facto controller, directors, supervisors, senior managerial officers and enterprises directly or indirectly controlled by them as well as other relations that may cause the transfer of the company’s interest. However, the associated relations between the state shareholding enterprises exist not merely because it is associated with state-controlled share.</p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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Existing Articles of the Articles of Association	Proposed amendments to Articles of the Articles of Association
<p>(7)      Disposal of major assets refers to asset disposal to be submitted for consideration at general meetings in accordance with laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authority at the place of listing of the company, and this Articles of Association.</p> <p>(8)      External guarantee refers to external guarantee provided by the company and controlling subsidiaries thereof with their credit in accordance with Civil Code of the People’s Republic of China, or external mortgage of assets in accordance with Civil Code of the People’s Republic of China, external pledge of chattels or rights in accordance with Civil Code of the People’s Republic of China, and promise to the creditor or beneficiary that the guarantor will fulfill the repayment obligation if the debtor fails to make repayment in accordance with the contract, including guarantee provided by the company for others, guarantee provided by the company for its controlling subsidiaries, guarantee provided by the controlling subsidiaries for the company, and guarantee provided by controlling subsidiaries for each other.</p> <p>(9)      The audited financial indices serving as benchmarks in the Articles of Association refer to standards of consolidated statements.</p>	

The full text of the proposed amendments to the Rules of Procedures for the Shareholders General Meetings is set out below.

**COMPARISON TABLE ON THE MAJOR AMENDMENTS  
TO THE RULES OF PROCEDURES  
FOR THE SHAREHOLDERS GENERAL MEETINGS OF  
ZHEJIANG SHIBAO COMPANY LIMITED**

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 3 A <b>general meeting</b> shall exercise the following functions and powers in accordance with laws:</p> <p>(I) to decide on the Company’s operational policies and investment plans;</p> <p>(II) to elect or remove the directors, and decide on matters relating to the remuneration of directors;</p> <p>(III) to elect and replace supervisors not representing the staffs, and to decide remuneration of the relevant supervisor;</p> <p>(IV) to consider and approve reports of the board of directors;</p> <p>(V) to consider and approve reports of the supervisory committee;</p> <p>(VI) to consider and approve the Company’s proposed annual financial budget and final accounts;</p> <p>(VII) to consider and approve the Company’s proposals for profit distribution and recovery of losses;</p>	<p>Article 3 A <b>general meeting</b> shall exercise the following functions and powers in accordance with laws:</p> <p>(I) to decide on the Company’s operational policies and investment plans;</p> <p>(II) to elect or remove the directors, and decide on matters relating to the remuneration of directors;</p> <p>(III) to elect and replace supervisors not representing the staffs, and to decide remuneration of the relevant supervisor;</p> <p>(IV) to consider and approve reports of the board of directors;</p> <p>(V) to consider and approve reports of the supervisory committee;</p> <p>(VI) to consider and approve the Company’s proposed annual financial budget and final accounts;</p> <p>(VII) to consider and approve the Company’s proposals for profit distribution and recovery of losses;</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
(VIII) to resolve on the increase or reduction in the Company's registered capital;	(VIII) to resolve on the increase or reduction in the Company's registered capital;
(IX) to resolve on issues such as material external investment, merger, division, dissolution and liquidation of the Company;	(IX) to resolve on issues such as material external investment, merger, division, dissolution and liquidation <b>and change of form of the Company</b> ;
(X) to resolve on the issue of bonds of the Company;	(X) to resolve on the issue of bonds of the Company;
(XI) to resolve on the appointment, removal <b>or cessation of appointment</b> of the Company's accountants firm;	(XI) to resolve on the appointment and removal of the Company's accountants firm;
(XII) to amend the Articles of Association of the Company;	(XII) to amend the Articles of Association of the Company;
(XIII) to consider motions of shareholders representing three per cent (3%) (inclusive) or more of the voting shares in the Company;	(XIII) to consider motions of shareholders representing three per cent (3%) (inclusive) or more of the voting shares in the Company;
(XIV) to consider and approve particulars of external guarantee prescribed in article 4;	(XIV) to consider and approve particulars of external guarantee prescribed in article 4;
(XV) to consider material purchase or sale of assets of the Company within 1 year with value over 30% of <b>the total assets</b> ;	(XV) to consider material purchase or sale of assets of the Company within 1 year with value over 30% of <b>the latest audited total assets</b> ;

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>(XVI) to consider and approve change in use of proceeds;</p> <p>(XVII) to consider share option scheme and employee shareholding plan;</p> <p>(XVIII) to resolve on any other matters at <b>general meetings</b> as required under the laws, administrative regulations and <b>this</b> Articles of Association.</p>	<p>(XVI) to consider and approve change in use of proceeds;</p> <p>(XVII) to consider share option scheme and employee shareholding plan;</p> <p><b>(XVIII) the annual general meeting of the Company may authorize the Board to determine to issue shares to specific targets with a total financing amount of no more than RMB300 million and no more than 20 per cent of the net assets as at the end of the latest year, and such authorization will expire on the date of the next annual general meeting, and shall comply with the relevant regulatory provisions of the stock exchange where the shares of the Company are listed (if any);</b></p> <p>(XIX) to resolve on any other matters at <b>general meetings</b> as required under the laws, administrative regulations and the <b>Articles of Association.</b></p>
<p>Article 5 The Company may not enter into any contract with anyone other than a director, <b>supervisor</b>, general manager, deputy general manager or other senior executive to have all or significant part of the Company's business in the care of the said person, unless approved by the shareholders at a <b>general meeting.</b></p>	<p>Article 5 <b>Unless otherwise under special emergency circumstances,</b> the Company may not enter into any contract with anyone other than a director, general manager, deputy general manager or other senior executive to have all or significant part of the Company's business in the care of the said person, unless approved by the shareholders at a <b>general meeting.</b></p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 7 Under any of the following circumstances, the Company shall convene an extraordinary <b>general meeting</b> within two months from the date upon which the circumstance occurs:</p> <p>(I) The number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required by <b>these</b> Articles of Association;</p> <p>(II) The unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;</p> <p>(III) <b>Shareholder(s) holding more than ten per cent (10%) (inclusive) of the Company's issued and outstanding shares carrying voting rights (excluding proxy voting rights) request(s) in writing the convening of an extraordinary general meeting;</b></p> <p>(IV) The Board deems it necessary, or <b>the Supervisory Committee proposes, to convene an extraordinary general meeting; and</b></p> <p>(V) Other circumstances stipulated by laws, administrative regulations, department rules or <b>the Articles of Association.</b></p>	<p>Article 7 Under any of the following circumstances, the Company shall convene an extraordinary <b>general meeting</b> within two months from the date upon which the circumstance occurs:</p> <p>(I) The number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required by the Articles of Association;</p> <p>(II) The unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;</p> <p>(III) <b>Shareholders who individually or jointly hold 10% or more of the shares of the Company have requested to convene the meeting;</b></p> <p>(IV) The Board deems it necessary;</p> <p>(V) <b>The Supervisory Committee proposes to convene an extraordinary general meeting; and</b></p> <p>(VI) Other circumstances stipulated by laws, administrative regulations, department rules or the Articles of Association.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>The amount of shareholding mentioned in (III) above is calculated based on shares held by relevant shareholders on the day of making the request in writing. If the Company cannot convene a <b>general meeting</b> within the abovementioned period, the Company shall report to the agency of the China Securities Regulatory Commission (the “CSRC”) where the Company is located and the stock exchange(s) on which the Company’s Shares are listed to explain the reasons and make public announcement.</p>	<p>The amount of shareholding mentioned in (III) above is calculated based on shares held by relevant shareholders on the day of making the request in writing. If the Company cannot convene a <b>general meeting</b> within the abovementioned period, the Company shall report to the agency of the China Securities Regulatory Commission (the “CSRC”) where the Company is located and the stock exchange(s) on which the Company’s Shares are listed to explain the reasons and make public announcement.</p>
<p>Article 14 To convene an annual <b>general meeting</b> of the Company, the Company shall issue a written notice 20 days prior to the general meeting to notify all the shareholders in the shareholders’ register of the issues to be considered at the meeting; in the case of an extraordinary <b>general meeting</b>, the Company shall issue a written notice 15 days prior to the meeting informing all the registered shareholders of the matters to be considered at and the date and place of the meeting. <b>When the Company convenes a meeting of class shareholders, the period of notice and the notification method shall be as specified in Article 131 of the Articles of Association.</b> The starting date for counting for notification period of a general meeting shall not include the date of convening the meeting.</p>	<p>Article 14 To convene an annual <b>general meeting</b> of the Company, the Company shall issue a written notice 21 days prior to the general meeting to notify all the shareholders in the shareholders’ register of the issues to be considered at the meeting; in the case of an extraordinary <b>general meeting</b>, the Company shall issue a written notice 15 days prior to the meeting informing all the registered shareholders of the matters to be considered at and the date and place of the meeting. The starting date for counting for notification period of a <b>general meeting</b> shall not include the date of convening the meeting.</p>



Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p><b>Article 15</b> The notice of the general meeting shall meet the following requirements:</p> <p>(I) be in writing;</p> <p>(II) stock registration date of the shareholder having the right to attend the general meeting;</p> <p>(III) specify the venue, date and time of the meeting;</p> <p>(IV) state the matters to be discussed at the meeting;</p> <p>(V) provide such information and explanation as are necessary for the shareholders to make an informed decision on issues to be discussed; including (but not limited to) where a proposal is made to amalgamate the Company with another, repurchase shares of the Company, reorganise the share capital, or restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract, if any, and the cause and effect of such proposal must be properly explained;</p>	<p><b>Article 15</b> The notice of a general meeting shall include the following:</p> <p>(I) time, venue and duration of the meeting;</p> <p>(II) the matters and proposals submitted to the meeting for deliberation;</p> <p>(III) contain conspicuously a statement that all ordinary shareholders (including the holders of preference shares whose voting rights have been restored) are entitled to attend the shareholders' meeting and may appoint a proxy to attend and vote at such meeting, while such proxy may not necessarily be a shareholder;</p> <p>(IV) state the record date for shareholders entitled to attend the general meeting;</p> <p>(V) name and phone number of the permanent associated person;</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>(VI) contain a disclosure of the nature and extent of the material interests of any director, supervisor, general manager, deputy general manager or other senior managerial officer in the matters to be discussed and the effect of the matters to be discussed on such director, supervisor, general manager, deputy general manager or other senior managerial officer in his capacity as shareholder in so far as it is different from the effect on the interests of other shareholders of the same class;</p> <p>(VII) contain the full text of any special resolution to be proposed at the meeting;</p> <p>(VIII) contain a clear statement that a shareholder entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;</p> <p>(IX) specify the time and place for lodging the proxy form for the relevant meeting;</p> <p>(X) name and phone number of the permanent associated person;</p> <p>(XI) where the general meeting adopts means of internet, it shall, in the notice, set out expressly the voting time and procedures of internet means.</p>	<p>(VI) voting time and voting procedures by online or other means.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p data-bbox="240 400 785 666"><b>Article 18</b> Notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by hand or by prepaid mail to their addresses as shown in the register of shareholders. The notice for domestic shareholders shall be made by announcement.</p> <p data-bbox="240 719 785 1347">The announcement as mentioned in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council; after the publication of notice, all the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting. The notice for H Share shareholders shall be published on the website of the Hong Kong Stock Exchange or one or more newspapers designated by the Hong Kong Stock Exchange; after the publication of notice, all the holders of H shares shall be deemed to have received the notice of the relevant general meeting.</p>	<p data-bbox="809 400 1353 1066"><b>Article 18</b> Subject to the laws and regulations of the place where the shares of the Company are listed and the listing rules of the relevant securities, the corporate communications including the notice of a general meeting issued by the Company to the holders of overseas listed foreign shares shall be delivered to such shareholders (whether or not entitled to vote at the general meeting) by personal delivery or prepaid mail to the addressee's address as shown in the register of shareholders, or by electronic means (by email) or by publishing the relevant corporate communications on its own website and the website of the Hong Kong Stock Exchange.</p> <p data-bbox="809 1119 1353 1268">The corporate communication referred to in the preceding paragraph shall have the meaning ascribed to it under the Hong Kong Listing Rules.</p> <p data-bbox="809 1321 1353 1385">The notice for domestic shareholders shall be made by announcement.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>The Company shall give notice of general meeting to allow for adequate time for the holders of overseas listed shares whose registered addresses are in Hong Kong to exercise their rights or act according to the terms of the notice.</p>	<p>The announcement as mentioned in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council; after the publication of notice, all the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting. The notice for H Share shareholders shall be published on the website of the Hong Kong Stock Exchange or one or more newspapers designated by the Hong Kong Stock Exchange; after the publication of notice, all the holders of H shares shall be deemed to have received the notice of the relevant general meeting.</p> <p>For the holders of H shares, corporate communications (including notice of general meeting) may also be made by way of announcement published at the website of the Company and websites designated by the Hong Kong Stock Exchange or other means as permitted by the Hong Kong Listing Rules and the Articles of Association, subject to relevant provisions of laws, administrative regulations, regulatory documents and requirements of securities regulatory authorities of the place where the shares of the Company are listed and upon the completion of relevant required procedures.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 20 When the election of directors and supervisors shall be discussed at the <b>general meeting</b>, full disclosure of the particulars of these directors and supervisors shall be made in the notice of <b>meeting</b>, which shall at least include the following:</p> <p>(I) education background, work experience and any other offices concurrently held;</p> <p>(II) their relationship with the Company, controlling shareholder or de facto controller(s) (if any);</p> <p>(III) their shareholding in the Company;</p> <p>(IV) any disciplinary action by CSRC and other authorities received (if any).</p> <p>Directors and supervisors are nominated for election individually and separately by proposed resolutions, and nominated directors and supervisors are elected by majority vote.</p>	<p>Article 20 When the election of directors and supervisors shall be discussed at the <b>general meeting</b>, full disclosure of the particulars of these directors and supervisors shall be made in the notice of the <b>general meeting</b>, which shall at least include the following:</p> <p>(I) education background, work experience and any other offices concurrently held;</p> <p>(II) their relationship with the Company, controlling shareholder or de facto controller(s) (if any);</p> <p>(III) their shareholding in the Company;</p> <p>(IV) any disciplinary action by CSRC and other authorities received (if any).</p> <p><b>(V) Other information subject to disclosure as required by the securities regulatory authorities of the places where the Company's shares are listed and the Hong Kong Listing Rules.</b></p> <p>Directors and supervisors are nominated for election individually and separately by proposed resolutions, and nominated directors and supervisors are elected by majority vote.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 30 The power of attorney of shareholders appointing others to attend <b>general meetings</b> shall set out the following contents:</p> <p>(I) name of the proxy;</p> <p>(II) whether the proxy has voting right or not;</p> <p>(III) indications to vote for, vote against or abstain from voting on every matter to be included in the agenda for consideration at the <b>general meeting</b>;</p> <p>(IV) date of issue of the power of attorney and the effective date;</p> <p>(V) the signature (or seal with a chop) of the appointor. For a legal person Shareholder, the power of attorney shall be sealed with the chop of the corporate body.</p>	<p>Article 30 The power of attorney of shareholders appointing others to attend <b>general meetings</b> shall set out the following contents:</p> <p>(I) name of the proxy;</p> <p>(II) whether the proxy has voting right or not;</p> <p>(III) indications to vote for, vote against or abstain from voting on every matter to be included in the agenda for consideration at the <b>general meeting</b>;</p> <p>(IV) date of issue of the power of attorney and the effective date;</p> <p>(V) <b>the signature (or seal) of the appointer or his/her attorney duly authorized in writing in accordance with the provisions of the listing rules of the place where the shares are listed. Where the appointer is a legal person shareholder, the seal of the legal person shall be affixed to the power of attorney or it shall be signed by its director or attorney duly authorized in accordance with the provisions of the listing rules of the place where the shares are listed.</b></p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>The power of attorney for voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time. Where such a power of attorney is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized power of attorney and other authorization documents shall, together with the proxy form, be deposited at the Company's domicile or at such other place as specified in the notice of the meeting.</p>	<p>The power of attorney for voting is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized power of attorney and other authorization documents shall, together with the proxy form, be deposited at the Company's domicile or at such other place as specified in the notice of the meeting.</p>
<p>Article 41 The chairman of the Board shall preside over the <b>general meeting</b>. When the chairman is unable or fails to perform its duty, the vice-chairman shall act on his behalf. If the vice-chairman is unable or fails to preside over the meeting, the meeting shall be presided over by a director elected by over half of the directors. <b>If no chairman of the meeting has been so designated, shareholders present shall choose one person to act as the chairman of the meeting. If for any reason the shareholders fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</b></p>	<p>Article 41 The chairman of the Board shall preside over the <b>general meeting</b>. When the chairman is unable or fails to perform its duty, the vice-chairman shall act on his behalf. If the vice-chairman is unable or fails to preside over the meeting, the meeting shall be presided over by a director elected by over half of the directors.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 42 The chairman of the Supervisory Committee shall preside over a <b>general meeting</b> being convened by the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duty, the meeting shall be presided over by a supervisor elected by over half of the supervisors. <b>If no chairman of the meeting has been so designated, shareholders present shall choose one person to act as the chairman of the meeting. If for any reason the shareholders fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</b></p>	<p>Article 42 The chairman of the Supervisory Committee shall preside over a <b>general meeting</b> being convened by the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duty, the meeting shall be presided over by a supervisor elected by over half of the supervisors.</p>
<p>Article 51 Abstaining from voting and voting procedures of shareholders connected to a connected transaction:</p> <p>(I) at any <b>general meeting</b> where a connected transaction will be considered, the chairman of the meeting shall announce the list of the shareholders connected to the transaction as well as the total number of shares carrying voting rights held by the shareholders present but not connected to the transaction and their proportion to the total number of shares;</p> <p>(II) shareholders connected to the connected transaction shall initiate abstaining from voting to the chairman of the meeting and the chairman shall require the connected shareholders to abstain from voting;</p>	<p>Article 51 Abstaining from voting and voting procedures of shareholders connected to a connected transaction:</p> <p>(I) at any <b>general meeting</b> where a connected transaction will be considered, the chairman of the meeting shall announce the list of the shareholders connected to the transaction as well as the total number of shares carrying voting rights held by the shareholders present but not connected to the transaction and their proportion to the total number of shares;</p> <p>(II) shareholders connected to the connected transaction shall initiate abstaining from voting to the chairman of the meeting and the chairman shall require the connected shareholders to abstain from voting;</p>



Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>(III) if the Chairman of the Board attend the meeting as a connected shareholder, the Chairman shall delegate the vice-chairman or other directors to chair the meeting when it comes to the voting on the matters in respect of the connected transaction;</p> <p>(IV) if any connected shareholders object the decision of the convener of the general meeting, they shall report the case to the competent securities regulatory authority or submit the case to a People’s Court for ruling whether a transaction constitute a connected transaction or they are entitled to voting. However, before any valid ruling is made by the competent securities regulatory authority or the People’s Court or any other competent authority, the connected shareholders shall not vote and their shares carrying voting rights shall be excluded from the total number of valid voting shares. <b>The stipulation under Article 267 of the Articles of Association shall apply when it involves holders of foreign shares;</b></p> <p>(V) Shareholders who shall abstain from voting may participate in discussions in respect of matters involving their connected transaction and account for the reasons for entering into the transaction, and the basic details, the fairness and legality of the transaction and other related matters at the <b>general meeting.</b></p>	<p>(III) if the Chairman of the Board attend the meeting as a connected shareholder, the Chairman shall delegate the vice-chairman or other directors to chair the meeting when it comes to the voting on the matters in respect of the connected transaction;</p> <p>(IV) if any connected shareholders object the decision of the convener of the general meeting, they shall report the case to the competent securities regulatory authority or submit the case to a People’s Court for ruling whether a transaction constitute a connected transaction or they are entitled to voting. However, before any valid ruling is made by the competent securities regulatory authority or the People’s Court or any other competent authority, the connected shareholders shall not vote and their shares carrying voting rights shall be excluded from the total number of valid voting shares.</p> <p>(V) Shareholders who shall abstain from voting may participate in discussions in respect of matters involving their connected transaction and account for the reasons for entering into the transaction, and the basic details, the fairness and legality of the transaction and other related matters as necessarily at the <b>general meeting.</b></p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 65 The following matters shall be passed by ordinary resolution at a <b>general meeting</b>:</p> <p>(I) the working reports of the board of directors and the supervisory committee;</p> <p>(II) plans for profit distribution and for making up of losses proposed by the board of directors;</p> <p>(III) <b>appointment and removal</b> of the members of the board of directors and the members of the supervisory committee <b>and their remuneration and method of payment</b>;</p> <p>(IV) annual <b>budget, statement of final accounts, balance sheet, profit and loss statement and other financial statements</b> of the Company;</p> <p>(V) annual reports of the Company; and</p> <p>(VI) other matters other than those shall be passed by special resolution at a general meeting as stipulated by laws, administrative regulations or <b>this</b> Articles of Association.</p>	<p>Article 65 The following matters shall be passed by ordinary resolution at a <b>general meeting</b>:</p> <p>(I) the working reports of the board of directors and the supervisory committee;</p> <p>(II) plans for profit distribution and for making up of losses proposed by the board of directors;</p> <p>(III) <b>appointment and removal</b> of the members of the board of directors and the members of the supervisory committee <b>and their remuneration</b>;</p> <p>(IV) the annual <b>budget and final accounts</b> of the Company;</p> <p>(V) annual reports of the Company; and</p> <p>(VI) other matters other than those shall be passed by special resolution at a general meeting as stipulated by laws, administrative regulations or the <b>Articles of Association</b>.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 66 The following matters shall be passed by special resolution at a <b>general meeting</b>:</p> <p>(I) <b>increase or decrease of share capital of the Company, and issue of any class of shares, warrants and other similar securities;</b></p> <p>(II) <b>issue of the Company's debentures;</b></p> <p>(III) split, spin-off, merger, dissolution and winding up of the Company;</p> <p>(IV) amendments to the Articles of Association;</p> <p>(V) where the purchase or dispose of major assets or the amount of guarantee within one (1) year exceed thirty percent (30%) of the Company's total assets;</p> <p>(VI) equity incentive scheme of the Company;</p> <p>(VII) as stipulated by laws, administrative regulations or <b>this</b> Articles of Association, and other matters deemed by ordinary resolution as having significant potential influence on the Company and thereby need to be approved by special resolution.</p>	<p>Article 66 The following matters shall be passed by special resolution at a <b>general meeting</b>:</p> <p>(I) <b>increase or decrease of registered capital</b> of the Company;</p> <p>(II) split, spin-off, merger, dissolution and winding up of the Company;</p> <p>(III) amendments to the Articles of Association;</p> <p>(IV) where the purchase or dispose of major assets or the amount of guarantee within one (1) year exceed thirty percent (30%) of the Company's total assets;</p> <p>(V) equity incentive scheme of the Company;</p> <p>(VI) as stipulated by laws, administrative regulations or the <b>Articles of Association</b>, and other matters deemed by ordinary resolution at a <b>general meeting</b> as having significant potential influence on the Company and thereby need to be approved by special resolution.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p><b>Chapter 14 Special Voting Procedures for Class Shareholders</b></p> <p><b>Article 80</b> Holders of different classes of shares are class shareholders.</p> <p>Class shareholders shall enjoy rights and fulfil obligations pursuant to the laws, administrative regulations and the Articles of Association.</p> <p><b>Article 81</b> Rights conferred on any class shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by the affected class shareholders at a separate meeting conducted in accordance with Articles 83 to 87.</p> <p><b>Article 82</b> The following circumstances shall be deemed as change or cancellation of the rights of a certain class shareholder:</p> <p>(I) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;</p>	—

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>(II) to change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;</p> <p>(III) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;</p> <p>(IV) to reduce or cancel rights attached to the shares of such class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;</p> <p>(V) to add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of such class;</p> <p>(VI) to cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of such class;</p> <p>(VII) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;</p> <p>(VIII) to restrict the transfer or ownership of the shares of such class or to impose additional restrictions;</p>	

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>(IX) to issue rights to subscribe for, or to convert into, shares of such class or another class;</p> <p>(X) to increase the rights and privileges of the shares of another class;</p> <p>(XI) to restructure the Company in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructuring; and</p> <p>(XII) to amend or cancel any clause of the Articles of Association.</p> <p>Article 83 Affected class shareholders, whether or not otherwise entitled to vote at the general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (II) to (VIII), (XI) and (XII) of the preceding article, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>Interested shareholder(s) as specified in the preceding paragraph refers to:</p> <p>(I) In the event of a repurchase of shares by the Company by way of a general offer to all shareholders of the Company or by way of public transactions on a stock exchange pursuant to Article 29 of these Articles of Association, an “interested shareholder” is a controlling shareholder as defined in Article 61 of the Articles of Association;</p>	

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>(II) in the event of a repurchase of shares by the Company by an off-market agreement pursuant to Article 29 of the Articles of Association, an “interested shareholder” is a shareholder related to the agreement;</p> <p>(III) in the event of a reorganization of the Company, an “interested shareholder” is a shareholder who assumes a relatively less proportion of obligation than that of any other shareholder of that class or who has an interest different from that of any other shareholder of that class.</p> <p>Article 84 Resolutions of a class general meeting shall be approved by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting who, in accordance with the preceding article, are entitled to vote at the meeting.</p> <p>Article 85 To convene the meeting of class shareholders, the Company shall, 20 days prior to the annual general meeting (excluding the date of issue of notice and date of meeting) or 15 days prior to the extraordinary general meeting (excluding the date of issue of notice and date of meeting), give registered holders of shares of the class, written notice, specifying matters to be considered at the meeting and the date and place of the meeting.</p>	

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p><b>Article 86</b> The notice of a class general meeting shall be served only to the shareholders with the right to vote at the said meeting.</p> <p>Class general meetings shall follow a procedure most similar to that for general meetings, and the provisions in these Rules concerning the procedure for general meetings shall apply to class general meetings.</p> <p><b>Article 87</b> Apart from holders of other classes of shares, holders of domestic shares and H shareholders are deemed to be shareholders of different classes.</p> <p>Special voting procedures for class shareholders shall not apply in the following circumstances:</p> <p>(I) with the approval by special resolutions in a general meeting, the Company issues and plans to issue, at one or more occasions, a total number of shares not exceeding 20% of each of its existing issued and outstanding domestic shares and H shares in every 12 months;</p> <p>(II) the Company's plan to issue domestic shares and H shares at the time of its establishment is completed within 15 months after approval of CSRC or relevant authority at the time.</p>	



The full text of the proposed amendments to the Rules of Procedures for the Board of Directors is set out below.

**COMPARISON TABLE OF THE MAJOR AMENDMENTS  
TO THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS OF  
ZHEJIANG SHIBAO COMPANY LIMITED**

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 3 Regular Meetings</p> <p>There are two types of meeting: regular meetings and extraordinary meetings.</p> <p>There shall be at least <b>four (4)</b> regular meetings of the Board in a year and the meeting shall be presided over by the Chairman of the Board. Notice of meetings shall be despatched to all members of the Board and Supervisory Committee <b>fourteen (14)</b> days prior to the meeting (not including the date of meeting).</p>	<p>Article 3 Regular Meetings</p> <p>There are two types of meeting: regular meetings and extraordinary meetings.</p> <p>There shall be at least <b>two (2)</b> regular meetings of the Board in a year and the meeting shall be presided over by the Chairman of the Board. <b>For regular meetings, notice of meetings shall be despatched to all members of the Board and Supervisory Committee at least fourteen (14) days prior to the meeting; for other meetings,</b> notice of meetings shall be despatched to all members of the Board and Supervisory Committee at least <b>ten (10)</b> days prior to the meeting (not including the date of meeting).</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 5 Extraordinary Meetings</p> <p><b>The Chairman shall convene an extraordinary meeting in case of any of the following circumstances arises:</b></p> <p><b>(I) requested by shareholders holding 10% or more of the voting rights;</b></p> <p><b>(II) proposed jointly by more than one third of the directors;</b></p> <p><b>(III) proposed by the Supervisory Committee;</b></p> <p><b>(IV) considered necessary by the Chairman;</b></p> <p><b>(V) proposed by over half of the independent directors;</b></p> <p><b>(VI) proposed by the general manager.</b></p> <p>The Chairman shall convene and preside over a meeting of the Board within 10 days upon receipt of the request.</p>	<p>Article 5 Extraordinary Meetings</p> <p><b>Shareholders representing one-tenth or more of the voting rights, more than one-third of the members of the Board and Supervisory Committee may propose to convene an extraordinary meeting of the Board.</b></p> <p>The Chairman shall convene and preside over a meeting of the Board within 10 days upon receipt of the request.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 8 Notice of Meeting</p> <p>Board meetings shall be notified as follows:</p> <p>(I) If the Board has not in advance specified or changed the originally specified time and venue of regular Board meeting, the chairman of the Board shall, at least <b>fourteen (14)</b> days before the meeting (excluding the day of the meeting), notify all the directors and supervisors of the time and venue of the regular Board meeting by telex, telegram, fax, express mail, registered mail or personal delivery.</p> <p>(II) The notice shall be served in Chinese, or in English if necessary, including the agenda. Any director may waive the right to obtain the notice of Board meeting.</p> <p>(III) Notice of meeting shall be deemed to have been served to any director who attends the meeting without raising any objection before or during the meeting that he has not received the notice of meeting.</p>	<p>Article 8 Notice of Meeting</p> <p>Board meetings shall be notified as follows:</p> <p>(I) If the Board has not in advance specified or changed the originally specified time and venue of regular Board meeting, the chairman of the Board shall, at least <b>ten (10)</b> days before the meeting (excluding the day of the meeting), notify all the directors and supervisors of the time and venue of the regular Board meeting by <b>electronic communication such as e-mail</b>, telex, telegram, fax, express mail, registered mail or personal delivery.</p> <p>(II) The notice shall be served in Chinese, or in English if necessary, including the agenda. Any director may waive the right to obtain the notice of Board meeting.</p> <p>(III) Notice of meeting shall be deemed to have been served to any director who attends the meeting without raising any objection before or during the meeting that he has not received the notice of meeting.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 9</p> <p><b>All matters that have been resolved by over two thirds (2/3) of the directors in a Board meeting shall be notified to all members of the Board within the time required under these Rules together with adequate relevant information, and they shall be proceeded with strictly in accordance with these Rules. If over one fourth (1/4) of the directors or over three (3) directors find that the information is inadequate or rationale unclear, they may jointly propose to postpone the Board meeting or discussion of the relevant part of the matters. In such event, the Board shall accept the proposal.</b></p> <p>Regular or extraordinary Board meetings convened in the form of teleconference or with the help of communications equipment shall ensure that the attending directors are able to hear clearly the directors who speak at the meetings and communicate amongst themselves. All the participating directors shall be deemed as having attended the meeting in person.</p>	<p>Article 9</p> <p>Regular or extraordinary Board meetings convened in the form of teleconference or with the help of communications equipment shall ensure that the attending directors are able to hear clearly the directors who speak at the meetings and communicate amongst themselves. All the participating directors shall be deemed as having attended the meeting in person.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 15 Form of Meeting</p> <p>Board meetings shall generally be held onsite. Where necessary, the Board may adopt written motion in lieu of Board meeting provided that the directors can adequately express their views, but the draft of the said motion must be sent to every director by personal delivery, post, telegraph or fax. If the number of the directors signing on the draft satisfies the quorum, and the motion has been sent to the secretary of the Board by the aforesaid means, the said motion shall be deemed as the Board resolution, then no further Board meeting will be necessary.</p>	<p>Article 15 Form of Meeting</p> <p>Board meetings shall generally be held onsite. Where necessary, the Board may adopt written motion in lieu of Board meeting provided that the directors can adequately express their views, but the draft of the said motion must be sent to every director by <b>electronic communication such as e-mail</b>, personal delivery, post, telegraph or fax. If the number of the directors signing on the draft satisfies the quorum, and the motion has been sent to the secretary of the Board by the aforesaid means, the said motion shall be deemed as the Board resolution, then no further Board meeting will be necessary.</p>

The full text of the proposed amendments to the Rules of Procedures for the Supervisory Committee is set out below.

**COMPARISON TABLE OF THE MAJOR AMENDMENTS  
TO THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE OF  
ZHEJIANG SHIBAO COMPANY LIMITED**

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 10 The Supervisory Committee shall be responsible to <b>the general meeting</b> and shall have the following functions:</p> <p>(I) to review the periodical reports prepared by the Board of Directors and give opinion in writing;</p> <p>(II) to inspect the Company's financial situation;</p> <p>(III) to oversee the Company's directors, president, vice-president and other senior management personnel for any violations of laws, administrative regulations, <b>the Articles of Association</b> or any resolutions of <b>general meetings</b> committed, and to propose to remove directors, president, vice-president or senior management personnel who have committed the above violation;</p> <p>(IV) if any act of the Company's directors, president, vice-president and other senior management personnel harms the interests of the Company, to require them to rectify such act accordingly;</p>	<p>Article 10 The Supervisory Committee shall be responsible to <b>the general meeting</b> and shall have the following functions:</p> <p>(I) to review the periodical reports prepared by the Board of Directors and give opinion in writing;</p> <p>(II) to inspect the Company's financial situation;</p> <p>(III) to oversee the Company's directors, president, vice-president and other senior management personnel for any violations of laws, administrative regulations, <b>the Articles of Association</b> or any resolutions of <b>general meetings</b> committed, and to propose to remove directors, president, vice-president or senior management personnel who have committed the above violation;</p> <p>(IV) if any act of the Company's directors, president, vice-president and other senior management personnel harms the interests of the Company, to require them to rectify such act accordingly;</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>(V) to propose the convening of extraordinary <b>general meetings</b> and, in case the Board fails to perform their duties to convene and preside over <b>the general meetings</b> in accordance with the Company Law, to convene and preside over <b>the general meetings</b>;</p> <p>(VI) to make proposals to <b>the general meetings</b>;</p> <p>(VII) to initiate legal proceedings against any director, president, vice-president and other senior management personnel pursuant to the Company Law;</p> <p><b>(VIII) if there are any unusual circumstances in the Company's operations, to conduct investigation, and, if necessary, to engage an accounting firm, law firm or other professionals to assist in their work and the relevant expenses shall be borne by the Company;</b></p> <p><b>(IX) to communicate with any director or initiate legal proceedings against any director on behalf of the Company;</b></p> <p>(X) to exercise other duties or powers as provided by laws, administrative regulations, ministerial regulations and <b>the Articles of Association</b> or vested by <b>the general meeting</b>.</p>	<p>(V) to propose the convening of extraordinary <b>general meetings</b> and, in case the Board fails to perform their duties to convene and preside over <b>the general meetings</b> in accordance with the Company Law, to convene and preside over <b>the general meetings</b>;</p> <p>(VI) to make proposals to <b>the general meetings</b>;</p> <p>(VII) to initiate legal proceedings against any director, president, vice-president and other senior management personnel pursuant to the Company Law;</p> <p>(VIII) to exercise other duties or powers as provided by laws, administrative regulations, ministerial regulations and <b>the Articles of Association</b> or vested by <b>the general meeting</b>.</p>

Existing Articles of the Rules of Procedures	Proposed Amendments to Articles of the Rules of Procedures
<p>Article 14 Regular meetings of the Supervisory Committee shall be convened by the chairman of the Supervisory Committee, and the notice shall be served to all the supervisors in written form, as by fax, mail or email, at least 10 (but not more than 30) days in advance. The notice of provisional meetings of the Supervisory Committee shall be served to all the supervisors in written form five days in advance (otherwise served at least 48 hours in advance in emergency). Provisional meetings of the Supervisory Committee may be held and pass resolutions by conference call or fax, with the resolutions signed by the supervisors and faxed or mailed to the Company, provided that the attending supervisors fully express their opinions.</p> <p>The notice of meetings of the Supervisory Committee shall include the following information:</p> <p><b>(I) the date of the meeting;</b></p> <p><b>(II) the venue and duration of the meeting;</b></p> <p><b>(III) the subject and agenda of the meeting;</b></p> <p><b>(IV) the convener and chairman of the meeting and in the case of extraordinary meetings, the proposer and his/her proposal in writing;</b></p>	<p>Article 14 Regular meetings of the Supervisory Committee shall be convened by the chairman of the Supervisory Committee, and the notice shall be served to all the supervisors in written form, as by fax, mail or email, at least 10 (but not more than 30) days in advance. The notice of provisional meetings of the Supervisory Committee shall be served to all the supervisors in written form five days in advance (otherwise served at least 48 hours in advance in emergency). Provisional meetings of the Supervisory Committee may be held and pass resolutions by conference call or fax, with the resolutions signed by the supervisors and faxed or mailed to the Company, provided that the attending supervisors fully express their opinions.</p> <p>The notice of meetings of the Supervisory Committee shall include the following information:</p> <p><b>(I) the date, venue and duration of the meeting;</b></p> <p><b>(II) the subject and agenda;</b></p> <p><b>(III) the date of the notice;</b></p> <p>A meeting of the Supervisory Committee shall be attended by more than two thirds (inclusive) of the members of the Supervisory Committee.</p>



<b>Existing Articles of the Rules of Procedures</b>	<b>Proposed Amendments to Articles of the Rules of Procedures</b>
<p><b>(V) the meeting materials necessary for voting by the supervisors;</b></p> <p><b>(VI) the date of the notice;</b></p> <p><b>(VII) the contact person and his/her contact information.</b></p> <p>A meeting of the Supervisory Committee shall be attended by more than two thirds (inclusive) of the members of the Supervisory Committee.</p>	

In order to further broaden the Company's financing channels, optimize the Company's capital structure and promote the Company's business development, the 20th meeting of the seventh session of the Board of the Company held on 17 May 2024 considered and approved the "Resolution on Proposing to the Shareholders' General Meeting to Authorize the Board to Issue Shares to Specific Targets under Simplified Procedures", and agreed that the Board proposes to the shareholders' general meeting to authorize the Board to determine to issue A shares to specific targets with a total financing amount of not more than RMB300 million and not more than 20% of the net assets at the end of the latest year, and the number of shares to be issued shall not exceed 20% of the total number of issued shares (including A shares and H shares) of the Company as at the date of approval of the resolution at the general meeting of the Company. The validity period of authorization shall commence from the date of approval at the 2023 AGM, and end on the date on which the 2024 annual general meeting is held. The details are as follows:

**I. SPECIFIC CONTENTS OF AUTHORISATION****(I) Confirmation on Whether the Company Meets the Conditions for Issuing A Shares to Specific Targets under Simplified Procedure**

To authorise the Board to conduct self-examination on the actual situation of the Company and relevant matters in accordance with the relevant laws, regulations, normative documents and the Articles of Association, to confirm whether the Company meets the conditions for issuing A shares to specific targets under simplified procedure.

**(II) Class and Quantities of Shares to Be Issued**

The shares to be issued to specific targets are domestic listed RMB ordinary shares (A Shares) with a nominal value of RMB1.00 per share. The amount of gross proceeds from the issuance of shares shall not exceed RMB300 million and 20% of the net assets of the Company as of the end of the most recent financial year. The number of shares to be issued is calculated by dividing the total amount of proceeds by the issue price and shall not exceed 30% of the total share capital of the Company prior to the issuance, and the total number of shares to be issued shall not exceed 20% of the total number of issued shares of the Company as at the date of passing the resolution at the general meeting of the Company.

**(III) Method of Issue, Targets of Issue and Arrangements for the Allotment to Original Shareholder**

The issuance will be conducted by way of issuing shares to specific targets under simplified procedures. The targets of issue shall be not more than 35 specific targets such as legal persons, natural persons or other legal investment organizations that comply with the requirements of the regulatory authorities.

The final targets of issue will be determined by the Board and its authorised persons to be authorized by the shareholders' general meeting in consultation with the sponsor (lead underwriter) in accordance with the relevant laws, regulations and normative documents, according to the subscription bidding situation and following the principle of price priority. All targets of issuance of shares will subscribe for the shares in cash by RMB at the same price.

**(IV) Pricing Method or Price Range**

The pricing benchmark date of the issuance of shares to specific targets is the first day of the issuance period. The issue price of the issuance shall not be lower than 80% of the average share trading price of the 20 trading days prior to the pricing benchmark date (the average share trading price of the 20 trading days prior to the pricing benchmark date = the total amount of share trading of the 20 trading days prior to the pricing benchmark date/the total share trading volume of the 20 trading days prior to the pricing benchmark date).

The minimum issue price of the shares to be issued to specific targets will be adjusted accordingly if any ex-rights or ex-dividends events of the shares of the Company, such as the declaration of dividends, bonus issue, and capitalization from capital reserve, occur during the period from the pricing benchmark date to the date of the issuance.

The adjusted formulas are as follows:

Distribution of cash dividends:  $P1=P0-D$

Bonus issue or capitalization from capital reserve:  $P1=P0/(1+N)$

The above-mentioned two items being carried out simultaneously:  $P1=(P0-D)/(1+N)$

Where, P0 represents the issue price prior to the adjustment, D represents the amount of cash dividend per share, N represents the number of bonus shares or capitalization issue per share, and P1 represents the adjusted issue price.

The final issue price will be determined by the Board of the Company (within the authorisation granted by the shareholders' general meeting) as discussed with the sponsor (lead underwriter) of the issuance based on the results of the price inquiry and in accordance with the relevant regulations.

**(V) Lock-up Period**

Upon the completion of the issuance of shares to specific targets, the target subscribers shall not transfer their shares within six months commencing from the closing date of the issuance. Where a target subscriber falls within the circumstances as provided

for in paragraph 2 of Article 57 of the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (《上市公司證券發行注冊管理辦法》), the shares subscribed by it shall not be transferred within 18 months from the date of the completion of the issuance.

Target subscribers reducing their shareholding acquired under the transactions upon expiration of the above lock-up period shall also be required to comply with the relevant requirements of laws, regulations, administrative rules, regulatory documents such as the Company Law and the Securities Law, the relevant regulatory provisions of the stock exchange where the shares of the Company are listed (if any), as well as the Articles of Association.

The shares derived from the shares of the Company acquired by the target subscribers pursuant to the issuance of shares to specific targets as a result of the distribution of share dividends and capitalization of capital reserve by the Company shall also be subject to the above lock-up period arrangement.

#### **(VI) Place of Listing**

Application shall be made for the listing of, and permission to deal in, the shares to be issued to specific targets on the Shenzhen Stock Exchange.

#### **(VII) Use of Proceeds**

The use of proceeds from the issuance shall comply with the following provisions:

- (i) the national industrial policies and relevant laws and administrative regulations on environmental protection and land management;
- (ii) the use of proceeds shall not be for holding financial investments, and shall not be directly or indirectly invested in companies whose principal business is the trading of securities;
- (iii) after the implementation of the issuance proceed investment project, no competition shall exist between the controlling shareholder, actual controller and other enterprises under their control which will cause material adverse effects, obviously unfair connected transactions, or which seriously affects the independence of the Company's production and operation.

#### **(VIII) Arrangement of Accumulated Undistributed Profits Prior to Completion of the Issuance**

Undistributed profits accumulated by the Company prior to the issuance of shares to specific targets shall be shared by new and existing shareholders after the issuance.

**(IX) Validity Period of the Resolutions**

The validity period shall commence from the date of approval at the 2023 AGM, and end on the date on which the 2024 annual general meeting of the Company is held.

**II. AUTHORISATION TO THE BOARD TO HANDLE SPECIFIC MATTERS OF THE  
ISSUANCE**

The Board and its authorized persons are authorised to handle all matters relating to the issuance of shares to specific targets under simplified procedure in accordance with relevant laws, regulations and the Articles of Association, including but not limited to:

**(I) Confirmation on Whether the Company Meets the Conditions for Issuing Shares  
to Specific Targets under Simplified Procedure**

To authorise the Board to conduct self-examination on the actual situation of the Company and relevant matters in accordance with the relevant laws, regulations, normative documents and the Articles of Association, to confirm whether the Company meets the conditions for issuing shares to specific targets under simplified procedure.

**(II) Other Authorization**

- (i) To the extent permitted by relevant laws, administrative regulations, administrative rules and regulatory documents of the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”), relevant rules and regulations of the Shenzhen Stock Exchange (hereinafter referred to as the “Applicable Laws”) and the Articles of Association, to formulate and implement the specific plan for the issuance of shares to specific targets in accordance with the opinions of the regulatory authorities and the actual situation of the Company, including but not limited to determining the timing of the issuance, the number of shares to be issued, the starting and ending date of the issuance, the issue price, the selection of the target subscribers, the size of the proceeds and other matters relating to the plan for the issuance of shares to specific targets;
- (ii) To engage intermediaries such as the sponsors, lead underwriters, accounting firms and law firms involved in the issuance of shares to specific targets, to prepare and issue the offering circulars, professional reports, opinions and other application documents in relation to the issuance of shares to specific targets, and to determine and arrange the payment of the remuneration of relevant intermediaries;

- (iii) To sign, amend, supplement, submit, report or execute the application documents, agreements, contracts, inquiry questions and feedback replies and other documents or materials related to the issuance of shares to specific targets in accordance with applicable laws and the review and registration requirements of regulatory authorities;
- (iv) If there is any change in the applicable laws or the policies of the regulatory authorities on the issuance of shares by listed companies to specific targets or any change in the market conditions, the Board shall be authorized to make corresponding amendments or adjustments to the relevant matters such as the issuance plan and application documents for the issuance of shares to specific targets, except for matters required to be re-voted at the general meeting under the applicable laws or the Articles of Association;
- (v) After the completion of the issuance, to amend the corresponding provisions of the Articles of Association according to the results of the issuance, report to the relevant government departments and regulatory authorities for approval or filing, handle the change registration and/or filing with the market entity registration authority, and to handle the registration, lock-up, listing and other related matters of new shares with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen Stock Exchange;
- (vi) Set up a special account for the proceeds from the issuance and handle matters related to the use of the proceeds;
- (vii) In the event of force majeure or other circumstances sufficient to make the issuance difficult to be implemented, or even if it can be implemented but it will bring adverse consequences to the Company, to decide at its discretion to postpone or terminate the issuance plan in advance;
- (viii) To handle all other matters relating to the issuance of shares to specific targets that are necessary, appropriate or appropriate to the extent permitted by applicable laws;
- (ix) To authorize the chairman of the Board or other persons authorized by the chairman of the Board to handle matters in relation to the issuance to specific targets as authorized by the general meeting;
- (x) The above authorization shall be valid from the date of approval at the 2023 AGM to the date of holding the 2024 annual general meeting.

**III. CAUTION ON RISKS**

The board of directors of the Company proposes to the general meeting to authorize the Board to deal with matters related to the issuance of shares to specific targets under simplified procedures, which is subject to the consideration at the 2023 AGM. The Board will consider the specific issuance plan within the authorization period according to the financing needs of the Company, and submit the same to the Shenzhen Stock Exchange for review and approval by the CSRC for registration, and the implementation of it is uncertain. The Company will fulfill its information disclosure obligations in a timely manner as required. Investors are advised to pay attention to investment risks.

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## APPENDIX VI FUTURE PLAN REGARDING RETURN TO SHAREHOLDERS

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*The following is the full text of the Plan for Shareholders' return for the next three years (2024-2026). This document is prepared in Chinese and translated into English. If there is any inconsistency between the English and Chinese versions, the Chinese version shall prevail.*

### **THE PLAN FOR SHAREHOLDERS' RETURN FOR THE NEXT THREE YEARS (2024-2026)**

In order to further raise the Zhejiang Shibao Company Limited\* (hereinafter referred to as the “**Company**”)’s attention towards the shareholders’ return and provide sustainable, stable and reasonable investment returns to Shareholders, the Company has formulated the Plan for Shareholders’ Return for the Next Three Years (2024-2026) (hereinafter referred to as the “**Plan**”) pursuant to the requirements of the Company Law, the Securities Law, the Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies, the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution by Listed Companies and Articles of Association, after taking into account the actual operating conditions and the future needs for development of the Company. The details of the Plan are as follows:

#### **I. CONSIDERATIONS IN THE FORMULATION OF THE PLAN**

The Company is committed to sustainable development. It establishes sustainable, stable, scientific and foreseeable return plan and mechanism for its investors after taking into account factors including the actual operation and development of the Company, the cost of social capital as well as the financing conditions. The Company makes proactive, specific and systematic arrangement for the Company’s profit distribution to ensure the continuity and stability of its profit distribution policies.

#### **II. PRINCIPLES FOR THE FORMULATION OF THE PLAN**

Formulation of the Plan shall comply with the relevant laws and regulations as well as the relevant profit distribution requirements under the Articles of Association. The Company shall adhere to the principles of the reasonable investment returns to the shareholders and sustainable development of the Company in formulating a reasonable plan for shareholders’ return. Meanwhile, the Company manages to maintain a balance between short-term interests and long-term development of the Company to ensure the continuity and stability of the profit distribution policies.

\* For identification purposes only



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**APPENDIX VI FUTURE PLAN REGARDING RETURN TO SHAREHOLDERS**

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**III. THE PLAN FOR SHAREHOLDERS' RETURN FOR THE NEXT THREE YEARS (2024-2026)**

- (I) Distribution method: for the next three years, the Company may distribute dividends in cash, in shares or in a combination of both cash and shares. The Company will give priority to dividend distribution in cash when the conditions for distribution of cash dividends are satisfied, i.e., the Company's profit for the year will be distributed as dividend in cash after making allocation to the statutory surplus reserve and surplus reserve. If the board of directors of the Company considers that, as a result of the rapid growth in the Company's operating income, the share price of the Company no longer matches the scale of the share capital of the Company, the Company may propose and implement a policy of profit distribution in the form of share dividends.
- (II) Distribution period: for the next three years, the Company, by principle, will have annual profit distribution when there is distributable profit. The board of directors of the Company may propose to the Company to distribute interim dividends or pre-pay dividends before the Spring Festival based on the Company's current profit scale, cash flow, development stage and capital needs. In case the board of directors of the Company fails to prepare a plan for the annual profit distribution, the reasons of non-distribution should be disclosed in periodic reports and the independent directors shall express independent opinions in this regard.
- (III) Distribution proportion: the profit to be distributed by the Company shall not exceed the cumulative distributable profit. The profit distributed in cash in any accounting year shall not be lower than 20% of the distributable profit realized for the year.
- (IV) Varied cash dividends distribution policies: the board of directors of the Company should consider the following factors including the features of the industry in which the Company operates, the stage of development, the Company's business model, profit level and whether there is any arrangement for significant capital expenditures (excluding fund raising projects) etc., to distinguish the following conditions and propose varied cash dividends distribution policies according to the procedures as required under the Articles of Association:
  - 1. if the Company is in a mature development stage without arrangements for significant capital expenditures, the minimum percentage of cash dividend in profit distribution shall be 80%;
  - 2. if the Company is in a mature development stage with arrangements for significant capital expenditures, the minimum percentage of cash dividend in profit distribution shall be 40%;

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**APPENDIX VI FUTURE PLAN REGARDING RETURN TO SHAREHOLDERS**

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3. if the Company is in a growth development stage with arrangements for significant capital expenditures, the minimum percentage of cash dividend in profit distribution shall be 20%.

The board of directors of the Company shall formulate the detailed profit distribution plan according to the relevant requirements of the CSRC and based on the detailed operating data, after taking full account of the Company's profit scale, cash flow status, development stage and the current capital requirements as well as the opinions of shareholders (particularly the public investors) and the independent directors, etc. Implementation of the profit distribution plan shall be conditional upon the approval of shareholders (including their proxies) holding more than half of voting rights present at the general meeting.

**IV. THE PERIOD FOR FORMULATING THE PLAN AND RELEVANT DECISION-MAKING MECHANISM**

- (I) The board of directors of the Company shall review the Plan once every three years and revise the Plan timely and reasonably after taking into account the market conditions and policy changes, ensuring its content complies with the relevant laws and regulations and the profit distribution policies as confirmed in the Articles of Association.
- (II) For the next three years, if there are adjustments to the Plan in the event of any changes in the external operating environment and the Company's own operating conditions, the new shareholders' return plan shall comply with the relevant laws and regulations and the requirements of the Articles of Association.
- (III) In the event of any changes in the external operating environment and its own operating conditions that the Company needs to re-formulate or revise the shareholders' return plan according to the Articles of Association, the board of directors shall draft and formulate the relevant resolution and the independent directors shall express their opinions. The relevant resolution shall then be submitted to the general meeting after being approved by the board of directors and be passed by more than half of the voting rights held by shareholders (including their proxies) attending the general meeting; in the event that the Company revise the profit distribution policies as confirmed in the Articles of Association and re-formulate or revise the shareholders' return plan, the board of directors shall draft and formulate the relevant resolution which shall be submitted to the board of directors for approval only after being approved by the independent directors. The independent directors and the supervisory committee shall express their opinions and the relevant resolution will be submitted to the general meeting after being approved by the board of directors and be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

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**APPENDIX VI FUTURE PLAN REGARDING RETURN TO SHAREHOLDERS**

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**V. OTHERS**

Any matters not covered in the Plan shall be implemented in accordance with the provisions of the relevant laws, regulations and the Articles of Association. The interpretation to the Plan, so as its amendments, shall be vested to the board of directors and shall be effective from the date of approval at the Company's general meeting.

Board of Directors of Zhejiang Shibao Company Limited\*

20 May 2024

\* *For identification purposes only*

*The English version of this Appendix is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.*

**Mr. Zhang Shi Quan (張世權)**, aged 74, is the Chairman of the Company. He is a Chinese national with no permanent residence abroad. He is a senior economist. Since 12 June 2004, he has been appointed as the Chairman of the Company. From 12 June 2004 to 27 December 2017, Mr. Zhang was the General Manager of the Company. Mr. Zhang was awarded the title of “China Outstanding Private Entrepreneurs” (中國優秀民營企業家). He was also awarded “Top Ten Distinguished Persons for the Second Year for China’s Industrial Economy” (第二屆中國工業經濟年度十大傑出人物) granted by the Office for Election of Distinguished Persons for China’s Industrial Economy (中國工業經濟年度人物評選辦公室) in 2006. Mr. Zhang’s current term is from 30 June 2021 to 30 June 2024. Mr. Zhang is a director of Shibao Holding; an executive director of Hangzhou Shibao; the chairman of Jilin Shibao and Wuhu Sterling; and a director of Hangzhou New Shibao and Beijing Autonics. Mr. Zhang Shi Quan is the elder brother of Mr. Zhang Shi Zhong, the father of Mr. Zhang Bao Yi and Ms. Zhang Lan Jun, and the father-in-law of Mr. Tang Hao Han. Shibao Holding is the controlling Shareholder of the Company, of which Mr. Zhang Shi Quan, Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Mr. Zhang Shi Zhong are the actual controllers. As at the Latest Practicable Date, Mr. Zhang directly holds approximately 3.21% interest in the entire issued share capital of the Company and indirectly holds approximately 3.59% interest in the entire issued share capital of the Company through Shibao Holding. For the year of 2023, the remuneration of Mr. Zhang was RMB600,000.00 in total.

**Mr. Zhang Bao Yi (張寶義)**, aged 51, is a vice Chairman and the General Manager of the Company. He is a Chinese national with no permanent residence abroad. He has a bachelor’s degree. Since 12 June 2004, he has been appointed as a vice Chairman of the Company and since 28 December 2017, he has been appointed as the General Manager of the Company. From 12 June 2004 to 27 December 2017, Mr. Zhang was a deputy general manager of the Company. Mr. Zhang was granted the title of “Labour Model of Yiwu City” (義烏市勞動模範) in 2004. Mr. Zhang’s current term is from 30 June 2021 to 30 June 2024. Mr. Zhang is the chairman of Hangzhou New Shibao and Beijing Autonics; a director of Wuhu Sterling; and the general manager of Hangzhou Shibao. The relationship between Mr. Zhang Bao Yi and the Directors and controlling Shareholder of the Company is disclosed in the foregoing paragraph about Mr. Zhang Shi Quan. As at the Latest Practicable Date, Mr. Zhang indirectly holds approximately 10.77% interest in the entire issued share capital of the Company through Shibao Holding. For the year of 2023, the remuneration of Mr. Zhang was RMB1,049,999.95 in total.

**Mr. Tang Hao Han** (湯浩瀚), aged 56, is a vice Chairman and deputy general manager of the Company. He is a Chinese national with no permanent residence abroad. He has a doctor's degree. Since 12 June 2004, he has been appointed as a vice Chairman and deputy general manager of the Company. Mr. Tang was awarded the "Outstanding Entrepreneur of Jilin Province" (吉林省優秀企業家), "Labour Model of Jilin Province" (吉林省勞動模範), "National Outstanding Youth Entrepreneur Leader" (全國青年興業領頭人), "Outstanding Entrepreneur of National Privately-Owned Technological Enterprises" (全國優秀民營科技企業家) and "National Labour Day Medal" (國家「五一」勞動獎章). Mr. Tang's current term is from 30 June 2021 to 30 June 2024. The relationship between Mr. Tang and the Directors and controlling Shareholder of the Company is disclosed in the foregoing paragraph about Mr. Zhang Shi Quan. As at the Latest Practicable Date, Mr. Tang indirectly holds approximately 8.98% interest in the entire issued share capital of the Company through Shibao Holding. For 2023, the remuneration of Mr. Tang was RMB500,000.04 in total.

**Ms. Zhang Lan Jun** (張蘭君), aged 49, is the finance Director of the Company. She is a Chinese national with no permanent residence abroad. She has a master's degree. Since 12 June 2004, she has been appointed as the finance Director of the Company. Ms. Zhang has over 20 years of experience in finance and accounting. Ms. Zhang's current term is from 30 June 2021 to 30 June 2024. Ms. Zhang is the finance manager of Hangzhou Shibao. The relationship between Ms. Zhang and the Directors and controlling Shareholder of the Company is disclosed in the foregoing paragraph about Mr. Zhang Shi Quan. As at the Latest Practicable Date, Ms. Zhang indirectly holds approximately 8.98% interest in the entire issued share capital of the Company through Shibao Holding. For the year of 2023, the remuneration of Ms. Zhang was RMB399,999.96 in total.

**Mr. Zhang Shi Zhong** (張世忠), aged 63, is a Director of the Company. He is a Chinese national with no permanent residence abroad. Since 12 June 2004, he has been appointed as a Director of the Company. Mr. Zhang's current term is from 30 June 2021 to 30 June 2024. Mr. Zhang is the chairman of Shibao Holding. The relationship between Mr. Zhang Shi Zhong and the Directors and controlling Shareholder of the Company is disclosed in the foregoing paragraph about Mr. Zhang Shi Quan. As at the Latest Practicable Date, Mr. Zhang directly holds approximately 0.0009% interest in the entire issued share capital of the Company and indirectly holds approximately 3.59% interest in the entire issued share capital of the Company through Shibao Holding. For the year of 2023, the remuneration of Mr. Zhang was RMB250,320.00 in total.

**Mr. Gong Jun Jie (龔俊傑)**, aged 41, is an independent non-executive Director of the Company. He is a Chinese national with no permanent residency abroad and holds a master's degree. Mr. Gong graduated from Shanghai University of Finance and Economics with a major in accounting. Mr. Gong currently served as the general manager of Shanghai Haiyue Private Equity Fund Management Co., Ltd. Mr. Gong served as the vice president of the investment banking department of China Galaxy Securities Co., Ltd., the deputy director of the investment banking department of UBS Securities Co., Ltd., the managing director of the investment banking department of Caitong Securities Co., Ltd., and the executive director of the investment banking department and joint director of the Shanghai Branch of Credit Suisse Securities (China) Co., Ltd., and the chief representative and managing director of Shanghai Representative Office of CMB International Capital Corporation Limited. Since 30 June 2020, Mr. Gong has been appointed as an independent non-executive Director of the Company. His current term is from 30 June 2021 to 30 June 2024. Mr. Gong has obtained the Certificate of Independent Director Qualification of Listed Companies (《上市公司獨立董事資格證書》) issued by Shenzhen Stock Exchange. Mr. Gong has confirmed that he has met the independence guidelines as set out in rule 3.13 of the Listing Rules. For the year of 2023, the fee of Mr. Gong was RMB60,000.12 in total.

**Mr. Tsui Chun Shing (徐晉誠)**, aged 42, is an independent non-executive Director of the Company, with Chinese nationality and being a permanent citizen of Hong Kong Special Administrative Region of the PRC, holds a bachelor's degree. Mr. Tsui graduated from the University of Melbourne, Australia majoring in Accounting and Finance and obtained the Bachelor of Commerce. Mr. Tsui is a member of the Hong Kong Institute of Certified Public Accountants and possesses rich experience in the areas of financial accounting and corporate financial management. Mr. Tsui has been a director of Vision Partners CPA Limited since December 2019. Mr. Tsui was an independent non-executive director of Echo International Holdings Group Limited (a listed company on the GEM of the Hong Kong Stock Exchange) from August 2019 to October 2020. Since 30 June 2021, Mr. Tsui has been appointed as an independent non-executive Director of the Company. His current term is from 30 June 2021 to 30 June 2024. Mr. Tsui has obtained the Certificate of Independent Director Qualification of Listed Companies (《上市公司獨立董事資格證書》) issued by Shenzhen Stock Exchange. Mr. Tsui has confirmed that he has met the independence guidelines as set out in rule 3.13 of the Listing Rules. For the year of 2023, the fee of Mr. Tsui was RMB120,000.00 in total.

Save as disclosed above, each of the above Directors (i) has not held any directorship or has not been a supervisor in any other listed companies in the past three years; (ii) as at the Latest Practicable Date, does not have any other interests in the Shares of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (within the meaning of the Listing Rules) of the Company.

Save as disclosed above, there are no other matters concerning the above Directors that need to be brought to the attention of the Shareholders nor is there any other information which is required to be disclosed pursuant to any of the requirements of the rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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**Mr. Zhang Zhi Long (張治龍)**, aged 40, is a Supervisor of the Company. He is a Chinese national with no permanent residence abroad and holds a master's degree. Mr. Zhang graduated from Fudan University majoring in accounting. Mr. Zhang is currently the general manager of Hangzhou Xiaoshan Jingfu Private Fund Management Co. Ltd. (杭州蕭山精富私募基金管理有限公司). Mr. Zhang served as an investment manager of Zhejiang Haiyue Investment Management Co., Ltd. (浙江海越投資管理有限公司) and the sales director of the capital market department of Caitong Securities Co., Ltd. (財通證券股份有限公司). Mr. Zhang has been a Supervisor of the Company since 31 March 2023. His current term is from 31 March 2023 to 30 June 2024. For the year of 2023, the remuneration of Mr. Zhang was RMB16,000.00 in total.

**Ms. Feng Yan (馮燕)**, aged 59, is a Supervisor of the Company. She is a Chinese national with no permanent residence abroad. She has a bachelor's degree and is an associate professor. She has served as a professor at the Zhejiang University of Finance and Economics since September 2000. Since 30 June 2015, Ms. Feng has been appointed as a Supervisor of the Company. Her current term is from 30 June 2021 to 30 June 2024. For the year of 2023, the remuneration of Ms. Feng was RMB24,000.00 in total.

Save as disclosed above, each of the above Supervisors (i) has not held any directorship or has not been a supervisor in any other listed companies in the past three years; (ii) as at the Latest Practicable Date, does not have any other interests in the Shares of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (within the meaning of the Listing Rules) of the Company.

Save as disclosed above, there are no other matters concerning the above Supervisors that need to be brought to the attention of the Shareholders nor is there any other information which is required to be disclosed pursuant to any of the requirements of the rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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## APPENDIX IX BIOGRAPHY OF THE DIRECTORS PROPOSED TO BE ELECTED

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**Mr. Zhou Yu (周裕)**, aged 44, a Chinese national with no permanent residence abroad. He has a master's degree. Mr. Zhou has been the general manager of Jilin Shibao since October 2013. Mr. Zhou was awarded the "Outstanding (Excellent) Youth of Siping City" (四平市傑出(優秀)青年). Mr. Zhou currently serves as the vice chairman of the 9th Executive Committee of Siping Federation of Industry and Commerce (四平市工商聯第九屆執行委員會). Mr. Zhou served as a director of Zhejiang Longqing Capital (浙江龍慶資本) and a senior manager of the marketing department of Otis Elevator Co., Ltd. (奧的斯電梯有限公司). Mr. Zhou is the son-in-law of Mr. Zhang Shi Quan. The relationship between Mr. Zhou and the Directors and controlling Shareholder of the Company is disclosed in the biography of Mr. Zhang Shi Quan set out in Appendix VII to this circular. As at the Latest Practicable Date, Mr. Zhou does not hold any Shares of the Company. Ms. Zhang Lan Jun, the spouse of Mr. Zhou, indirectly holds approximately 8.98% interest in the entire issued share capital of the Company through Shibao Holding.

Save as disclosed herein, Mr. Zhou (i) has not held any directorship or has not been a supervisor in any other listed companies in the past three years; (ii) as at the Latest Practicable Date, does not have any other interests in the Shares of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (within the meaning of the Listing Rules) of the Company.

Mr. Zhou will enter into a service contract with the Company upon election. It is proposed that the annual remuneration of Mr. Zhou will be RMB600,000 (including basic salary, other benefits and pension contributions) and the exact amount will be determined by the Board in accordance with the authorization given by the Shareholders at the AGM and with reference to his responsibility, experience, workload and time devoted to the Company.

Save as disclosed above, the Board considers that there is no other information relating to the proposed appointment of Mr. Zhou as an executive Director that is required to be disclosed under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters which need to be brought to the attention of the Shareholders.

**Mr. Oh Haitao (閔海濤)**, aged 54, a Chinese national with no permanent residence abroad. He has a master's degree and a doctoral degree in engineering. Mr. Oh graduated from Jilin University (吉林大學) majoring in vehicle engineering. Mr. Oh has been appointed as the deputy director, professor and doctoral supervisor of the State Key Laboratory of Automobile Chassis Integration and Bionics of Jilin University (吉林大學汽車底盤集成與仿生全國重點實驗室) since April 2021. Mr. Oh has successively served as a teaching assistant, a lecturer, an associate professor, deputy head and a professor of the School of Automotive Engineering of Jilin



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**APPENDIX IX BIOGRAPHY OF THE DIRECTORS PROPOSED TO BE ELECTED**

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University of Technology (吉林工業大學) (the predecessor of Jilin University (吉林大學)) since March 1995. From January 2009 to December 2023, Mr. Oh was the technical director of Shandong Tangjun Ouling Automobile Manufacture Co., Ltd. (山東唐駿歐鈴汽車有限公司), responsible for the EREV project. Since January 2024, Mr. Oh has been the technical director of Suzhou Deyi New Energy Vehicle Technology Co., Ltd. (蘇州德逸新能源汽車科技有限公司), responsible for the technical consultation of new energy vehicle thermal management. Mr. Oh has obtained the Certificate of Independent Director Qualification of Listed Companies (《上市公司獨立董事資格證書》) issued by Shenzhen Stock Exchange.

Save as disclosed herein, Mr. Oh has not held any directorship or has not been a supervisor in any other listed companies in the past three years.

As at the Latest Practicable Date, Mr. Oh does not have any interests in the Shares of the Company within the meaning of the Part XV of the SFO. Mr. Oh has confirmed that he has met the independence guidelines as set out in rule 3.13 of the Listing Rules. In addition, Mr. Oh has confirmed that he has no relationship with any other Directors, senior management, substantial Shareholders and controlling Shareholders (within the meaning of the Listing Rules) of the Company.

Mr. Oh will enter into a service contract with the Company upon election. It is proposed that the annual remuneration of Mr. Oh will be RMB60,000 (including basic salary, other benefits and pension contributions) and the exact amount will be determined by the Board in accordance with the authorization given by the Shareholders at the AGM and with reference to his responsibility, experience, workload and time devoted to the Company.

Save as disclosed above, the Board considers that there is no other information relating to the proposed appointment of Mr. Oh as an independent non-executive Director that is required to be disclosed under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters which need to be brought to the attention of the Shareholders.

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## APPENDIX X BIOGRAPHY OF THE SUPERVISOR PROPOSED TO BE ELECTED

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**Mr. Liu Gang (劉剛)**, aged 62, a Chinese national with no permanent residence abroad. He has a bachelor's degree and is an engineer. Mr. Liu graduated from Anhui Polytechnic University majoring in mechanical manufacturing process and equipment. Mr. Liu is currently a consultant of Yibin Kaiyi Automobile Co., Ltd. (宜賓凱翼汽車有限公司). Mr. Liu served as the technical director, department head, director and consultant of Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司). As at the Latest Practicable Date, Mr. Liu directly holds approximately 0.0063% interest in the entire issued share capital of the Company.

Save as disclosed herein, Mr. Liu (i) has not held any directorship or has not been a supervisor in any other listed companies in the past three years; (ii) as at the Latest Practicable Date, does not have any other interests in the Shares of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (within the meaning of the Listing Rules) of the Company.

Mr. Liu will enter into a service contract with the Company upon election. It is proposed that the annual remuneration of Mr. Liu will be RMB24,000 (including basic salary, other benefits and pension contributions) and the exact amount will be determined by the Board in accordance with the authorization given by the Shareholders at the AGM and with reference to his responsibility, experience, workload and time devoted to the Company.

Save as disclosed herein, the Board considers that there is no other information relating to the proposed appointment of Mr. Liu as a shareholder representative Supervisor that is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters which need to be brought to the attention of the Shareholders.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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### ZHEJIANG SHIBAO COMPANY LIMITED\*

### 浙江世寶股份有限公司

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

**(Stock Code: 1057)**

### NOTICE OF 2023 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting for 2023 (the “**AGM**”) of Zhejiang Shibao Company Limited\* (the “**Company**”) will be held at the conference room of the Company on the 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China on 17 June 2024 (Monday) at 2:00 p.m. for the purpose of considering and approving the following resolutions. Unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as defined in the circular of the Company dated 20 May 2024.

1. To consider and approve the Company’s 2023 Audit Report. (**ordinary resolution**)
2. To consider and approve the Company’s 2023 Annual Report, Summary of Annual Report and results announcement. (**ordinary resolution**)
3. To consider and approve the Company’s 2023 Work Report of the board (“**Board**”) of directors (the “**Directors**”) of the Company. (**ordinary resolution**)
4. To consider and approve the Company’s 2023 Profit Distribution Proposal: to declare a cash dividend of RMB20,000,000.00 (tax inclusive) in total. (**ordinary resolution**)
5. To consider and approve the Company’s 2023 Corporate Governance Report. (**ordinary resolution**)
6. To consider and approve the remuneration proposal for Directors and supervisors of the Company (the “**Supervisors**”) for 2024: remuneration to Directors and Supervisors for 2024 does not exceed RMB4,500,000 (before tax) in total; and to authorize the Board to determine their respective remuneration. (**ordinary resolution**)
7. To consider and approve the re-appointment of Pan-China Certified Public Accountants LLP as the Company’s audit institution for 2024 to hold offices until the conclusion of the next annual general meeting, and to authorize the Board to determine their remuneration. (**ordinary resolution**)

\* For identification purposes only

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## NOTICE OF THE ANNUAL GENERAL MEETING

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8. To consider and approve the Company's 2023 Work Report of the supervisory committee of the Company ("**Supervisory Committee**"). (**ordinary resolution**)
9. To consider and approve the Proposed Amendments to the Articles of Association. (**special resolution**)
10. To consider and approve the amendments to the Rules of Procedures for the Shareholders General Meeting. (**special resolution**)
11. To consider and approve the amendments to the Rules of Procedures for the Board of Directors. (**special resolution**)
12. To consider and approve the amendments to the Rules of Procedures for the Supervisory Committee. (**special resolution**)
13. To consider and authorize the Board to issue A shares to specific targets by simplified procedure. (**special resolution**)
14. To consider and approve the future plan regarding return to Shareholders. (**ordinary resolution**)
15. To consider and approve the election of non-independent Directors of the 8th session of the Board (**ordinary resolution**)
  - 15.1 To re-elect Mr. Zhang Shi Quan as a non-executive Director.
  - 15.2 To re-elect Mr. Zhang Bao Yi as an executive Director.
  - 15.3 To re-elect Mr. Tang Hao Han as an executive Director.
  - 15.4 To re-elect Ms. Zhang Lan Jun as an executive Director.
  - 15.5 To elect Mr. Zhou Yu as an executive Director.
  - 15.6 To re-elect Mr. Zhang Shi Zhong as a non-executive Director.
16. To consider and approve the election of independent Directors of the 8th session of the Board (**ordinary resolution**)
  - 16.1 To elect Mr. Oh Haitao as an independent non-executive Director.
  - 16.2 To re-elect Mr. Gong Jun Jie as an independent non-executive Director.
  - 16.3 To re-elect Mr. Tsui Chun Shing as an independent non-executive Director.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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17. To consider and approve the election of Supervisors of the 8th session of the Supervisory Committee (**ordinary resolution**)

17.1 To elect Mr. Liu Gang as a shareholder representative Supervisor.

17.2 To re-elect Mr. Zhang Zhi Long as an independent Supervisor.

17.3 To re-elect Ms. Feng Yan as an independent Supervisor.

### REPORTING MATTERS

The independent Directors will submit their 2023 Work Report to the shareholders of the Company for reporting but not for approval at the AGM.

For details of resolution nos. 1, 2, 3, 5 and 8, please refer to the Company's 2023 Annual Report and the relevant overseas regulatory announcements published on the designated website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.zjshibao.com>). For the Director's and the Supervisor's biography under resolution nos. 15 to 17, please refer to the Company's circular dated 20 May 2024 published on the designated website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.zjshibao.com>).

By order of the Board  
**Zhejiang Shibao Company Limited**  
**Zhang Shi Quan**  
*Chairman*

Hangzhou, Zhejiang, the PRC

20 May 2024

*Notes:*

- (1) All resolutions at the AGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the designated website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.zjshibao.com>) in accordance with the Listing Rules.
- (2) Each shareholder of the Company who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf. Where a shareholder of the Company has appointed more than one proxy to attend the AGM, such proxies may only vote on a poll or a ballot. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing. In the case that an appointer is a legal person, the power of attorney must be either under the common seal of the legal person or under the hand of its director or other person, duly authorized. If the instrument appointing a proxy is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified. For holders of H Shares, the power of attorney or other documents of authorization and proxy forms must be delivered to the Hong Kong H

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## NOTICE OF THE ANNUAL GENERAL MEETING

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Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no less than 24 hours before the time appointed for the holding of the AGM in order for such documents to be valid.

- (3) Shareholders of the Company or their proxies must present proof of their identities upon attending the AGM. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable.
- (4) For the purposes of determining shareholders' eligibility to attend, speak and vote at the AGM, the register of members for H Shares of the Company will be closed, as follows:

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, 11 June 2024
Closure of register of members	Wednesday, 12 June 2024 to Monday, 17 June 2024 (both dates inclusive)
Record date	Monday, 17 June 2024

During the above closure period, no transfer of H Shares will be registered. To be eligible to attend, speak and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong H Share Registrar of the Company, 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 the aforementioned latest time.

- (5) Where there are joint registered holders of any Share, any one of such joint registered holders may vote at the AGM, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto; but if more than one of such joint registered holders is present at the AGM in person or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such Shares shall alone be entitled to vote in respect thereof.
- (6) Shareholders of the Company or proxies attending the AGM are responsible for their own transportation and accommodation expenses.

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## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

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### ZHEJIANG SHIBAO COMPANY LIMITED\* 浙江世寶股份有限公司

*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 1057)

#### NOTICE OF 2024 SECOND H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2024 second class meeting for holders of H Shares (the “**2024 Second H Shareholders’ Class Meeting**”) of Zhejiang Shibao Company Limited (the “**Company**”) will be held at the conference room of the Company on the 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China on 17 June 2024, Monday, at 3:00 p.m. (or immediately after the conclusion or adjournment of the 2024 second class meeting for holders of A Shares of the Company which will be held at the same place and date) to consider and, if thought fit, pass the following resolutions. Unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as defined in the circular of the Company dated 20 May 2024.

1. To consider and approve the Proposed Amendments to the Articles of Association. (**special resolution**)
2. To consider and authorize the Board to issue A shares to specific targets by simplified procedure. (**special resolution**)

By order of the Board  
**Zhejiang Shibao Company Limited**  
**Zhang Shi Quan**  
*Chairman*

Hangzhou, Zhejiang, the PRC  
20 May 2024

\* For identification purposes only

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## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

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*Notes:*

- (1) All resolutions at the 2024 Second H Shareholders' Class Meeting will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the designated website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.zjshibao.com>) in accordance with the Listing Rules.
- (2) Each Shareholder of the Company who has the right to attend and vote at the 2024 Second H Shareholders' Class Meeting is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf. Where a Shareholder of the Company has appointed more than one proxy to attend the 2024 Second H Shareholders' Class Meeting, such proxies may only vote on a poll or a ballot. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing. In the case that an appointer is a legal person, the power of attorney must be either under the common seal of the legal person or under the hand of its director or other person, duly authorized. If the instrument appointing a proxy is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified. The power of attorney or other documents of authorization and proxy forms must be delivered to the Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no less than 24 hours before the time appointed for the holding of the 2024 Second H Shareholders' Class Meeting in order for such documents to be valid.
- (3) For the purposes of determining Shareholders' eligibility to attend, speak and vote at the 2024 Second H Shareholders' Class Meeting, the register of members for H Shares of the Company will be closed, as follows:

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, 11 June 2024
Closure of register of members	Wednesday, 12 June 2024 to Monday, 17 June 2024 (both dates inclusive)
Record date	Monday, 17 June 2024

During the above closure period, no transfer of H Shares will be registered. To be eligible to attend, speak and vote at the 2024 Second H Shareholders' Class Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong H Share Registrar of the Company, 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 the aforementioned latest time.

- (4) Where there are joint registered holders of any Share, any one of such joint registered holders may vote at the 2024 Second H Shareholders' Class Meeting, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto; but if more than one of such joint registered holders is present at the 2024 Second H Shareholders' Class Meeting in person or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such Shares shall alone be entitled to vote in respect thereof.
- (5) Shareholders of the Company or their proxies must present proof of their identities upon attending the 2024 Second H Shareholders' Class Meeting. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable.
- (6) Shareholders of the Company or proxies attending the 2024 Second H Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses.