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If you are in doubt as to any aspect of this circular or as to the action you should take, 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 **BAIC Motor Corporation Limited***, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).



北京汽车
BAIC MOTOR

北京汽車股份有限公司

BAIC MOTOR CORPORATION LIMITED*

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

(Stock Code: 1958)

Proposed Issue of A Shares and Related Matters
Proposed Amendments to the Articles
and
Appointment of Non-employee Representative Supervisors of
the Third Session of the Board of Supervisors

A letter from the Board is set out on pages 4 to 22 of this circular.

A notice of the EGM to be held at 9:30 a.m. on Tuesday, 5 December, 2017 together with form of proxy and reply slip were issued and despatched to the Shareholders in accordance with the Listing Rules.

Whether or not you propose to attend the EGM, H Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon and return it 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, and for Domestic Shareholders, the form of proxy shall be returned to the Board of Directors' Office of the Company at the Investor Relationship Center, at Room 3-062, Tower A, BAIC Research and Development Base, No. 99 Shuanghe Street, Renhe Zhen, Shunyi District, Beijing, the People's Republic of China ("**the PRC**") as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

In the event that you attend or appoint a proxy to attend the EGM in person, you are requested to complete and return the enclosed reply slip in accordance with the instruction printed thereon and return it to the Hong Kong H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or to the Board of Directors' Office of the Company at the Investor Relationship Center, at Room 3-062, Tower A, BAIC Research and Development Base, No. 99 Shuanghe Street, Renhe Zhen, Shunyi District, Beijing, the PRC (for Domestic Shareholders), on or before Wednesday, 15 November, 2017.

* *For identification purposes only*

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DEFINITIONS

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

“A Share(s)”	the share(s) with a nominal value of RMB1.00 each in the share capital of the Company to be issued and listed on the Shanghai Stock Exchange
“A Share Offering”	the Company’s proposed initial public offering of no more than 485,000,000 A Shares, which will be listed on the Shanghai Stock Exchange
“Announcement”	the announcement of the Company dated 16 October, 2017, relating to, among other things, the proposed Issue of A Shares and related matters
“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“Company”	北京汽車股份有限公司 (BAIC Motor Corporation Limited*), a joint stock limited company incorporated in the PRC with limited liability and whose H Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1958)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the Company’s share capital, with a nominal value of RMB1.00 each which are subscribed for and paid up in RMB
“Domestic Shareholder(s)”	holder(s) of Domestic Shares

DEFINITIONS

“EGM”	the second extraordinary general meeting of 2017 of the Company to be convened and held at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry R&D Base, No.99 Shuanghe Road, Shunyi District, Beijing, the PRC at 9:30 a.m. on Tuesday, 5 December, 2017 for the purposes of, among other things, seeking approval by the Shareholders on the matters in relation to the proposed Issue of A Shares
“General Mandate”	the general mandate granted to the Board by the resolution of the Shareholders passed at the annual general meeting of the Company held on June 23, 2017 to, independently or simultaneously, allot, issue and deal with the new Shares that shall not exceed 20% of Domestic Shares and/or overseas listed foreign invested shares (H Shares) of the Company, respectively as at the date of the passing of the relevant resolution
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which to be subscribed for and traded in HK dollars and listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	a party who is independent of the Company and its connected persons
“Issue of A Shares” or “Issue”	the proposed issue of no more than 485,000,000 A Shares with a nominal value of RMB1.00 each to natural persons, legal persons and other investors who satisfy the regulatory requirements
“Latest Practicable Date”	27 October, 2017, being the latest practicable date prior to ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Main Board”	the Main Board of the Stock Exchange
“NSSF”	National Council for Social Security Fund (全國社會保障基金理事會)
“related person”	has the meaning ascribed to related person under the stock listing rules of Shanghai Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

In case of any discrepancy between the Chinese and English versions of this circular, the Chinese version shall prevail.

** For identification purposes only*

LETTER FROM THE BOARD



北京汽车
BAIC MOTOR

北京汽车股份有限公司
BAIC MOTOR CORPORATION LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1958)

Directors:

Name	Position
Mr. Xu Heyi	Chairman of the Board and non-executive Director
Mr. Zhang Xiyong	Non-executive Director
Mr. Zhang Jianyong	Non-executive Director
Mr. Chen Hongliang	Executive Director and president
Mr. Qiu Yinfu	Non-executive Director
Mr. Hubertus Troska	Non-executive Director
Mr. Bodo Uebber	Non-executive Director
Mr. Guo Xianpeng	Non-executive Director
Ms. Wang Jing	Non-executive Director
Mr. Zhu Baocheng	Non-executive Director
Mr. Ge Songlin	Independent non-executive Director
Mr. Wong Lung Tak Patrick	Independent non-executive Director
Mr. Bao Robert Xiaochen	Independent non-executive Director
Mr. Zhao Fuquan	Independent non-executive Director
Mr. Liu Kaixiang	Independent non-executive Director

Registered Address:

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Shunyi District
Beijing 101300, China

*Principal place of
business in Hong Kong:*

36/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

To the Shareholders,

Proposed Issue of A Shares and Related Matters
Proposed Amendments to the Articles
and
Appointment of the Non-employee Representative Supervisors of
the Third Session of the Board of Supervisors

I. INTRODUCTION

Reference is made to (i) the Announcement related to, among other things, the proposed Issue of A Shares and related matters; and (ii) the announcement of the Company dated 16 October, 2017 related to, among other things, the nomination of non-employee representative supervisors of the third session of the Board of Supervisors.

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LETTER FROM THE BOARD

This circular aims to provide you with, among other things, further information of the proposed Issue of A Shares, the nomination of the non-employee representative supervisors of the third session of the Board of Supervisors and related matters.

II. PROPOSED A SHARE OFFERING

The A Shares Offering

On 16 October, 2017, the Board resolved to submit to the EGM for approval of resolutions relating to the proposed initial public offering and listing of A Shares. The Issue of A Shares is subject to approval by Shareholders at the EGM, and approval from the CSRC and other relevant authorities.

Under the requirements of the relevant laws, regulations and regulatory documents, such as *the Company law of the PRC, the Securities Law of the PRC and the Measures for the Administration of Initial Public Offerings and Listing of Shares*, the Company has set out the following plan:

(1) *Class of Shares and nominal value per Share to be issued*

Class of shares

Domestically-listed RMB ordinary shares (A shares)

Nominal value per share

RMB1.00

(2) *Offering size*

The offering size shall be within the scope of the General Mandate to issue Shares granted by the resolution of the Shareholders passed at the 2016 general meeting of the Company. The Offering Size shall not exceed 20% of the issued Domestic Shares in issue of the Company as at the date of the passing of the relevant resolution.

The number of shares to be issued will be no more than 485,000,000 A Shares, representing approximately 6.0% of the enlarged total number of issued Shares of the Company after completion of the A Share Offering. The actual number of Shares to be issued will be determined by the Board as authorised by the general meeting of the Company and upon consultation with the regulatory authorities, and according to the Company's capital requirements and the market situation after negotiations with the sponsor(s) (the lead underwriters(s)).

LETTER FROM THE BOARD

(3) Offering targets

The offering targets will be natural persons, legal persons and other investors who satisfy the regulatory requirements. If any of the offering targets of the A Share Offering is a related person or connected person of the Company, the Company will take all reasonable measures to comply with the relevant listing rules requirements of the places at which the Shares are listed.

(4) Method of Issue

The Board will, as authorised by the Shareholders at the general meeting of the Company, together with the lead underwriter(s), based on the factors such as the market situation and so on, adopt a combination of placement of shares to participants of an off-line price consultation process and an offering of shares through an on-line application process or other offering methods of issue stipulated by the relevant government authorities in the PRC.

(5) Method of Pricing

The Board will, as authorised by the Shareholders at the general meeting of the Company, together with the lead underwriter(s), combined with the market situation and actual situation of the Company, determine the offering price through the price consultation with off-line investors or other legally practicable methods such as pricing by direct negotiations between the Company and the lead underwriter(s).

As confirmed by the PRC legal adviser to the Company, (a) according to the Measures for the Administration of Securities Issuance and Underwriting 《證券發行與承銷管理辦法》, for the initial public offering of shares, the offering price of the shares shall be determined through the price consultation with off-line investors or other legally practicable methods such as pricing by direct negotiations between the Company and the lead underwriter(s), taking into account the market situation and the actual situation of the Company; and (b) the proposed method of pricing of the Company as set out above complies with the relevant PRC laws and regulations.

Upon the Company has obtained the approval on the Issue of A Shares from CSRC and other relevant authorities, the Company expects that the factors to be considered by the Company and the lead underwriters in the pricing of the A Shares include but not limited to (i) the overall condition of the equity capital market; (ii) the valuation of A shares listed companies which engage in automobile manufacturing business; and (iii) the business development prospect and financial performance of the Company.

In addition, as confirmed by the PRC legal adviser to the Company, (a) according to Article 127 of the Company Law of the PRC, the shares may be issued at a price equal to or in excess of par value, but not below par value. As the par value of the A Shares to be issued by the Company is RMB1.00, the Issue price of A Shares will not be lower than RMB1.00 per Share; and (b) in accordance with the Measures on the Supervision and Management of the Transactions of State-owned Assets of the Enterprises 《企業國有資產交易監督管理辦法》, the Company expects the A Share issue price of the Company not to be less than the latest audited net asset value per Share prior to the A Share Offering. For reference only, the audited net asset value per Share as at 31 December 2016 calculated based on the financial information prepared under the International Financial Reporting Standards is RMB5.29.

LETTER FROM THE BOARD

(6) Use of proceeds

The net proceeds to be raised from the Issue of A Shares, after deduction of the relevant listing expenses, are proposed to apply to the following projects (in accordance with the importance and urgency of the projects):

Item	Project Name	Total Investment of the Project (RMB'000)	Amount of Proceeds to be Used (RMB'000)
1	Green manufacturing upgrading and transformation project of the self-owned brand high-end base of the Company	2,693,590	1,500,000
2	Reform of technology and upgrade of production capacity of Zhuzhou base of the Company	3,877,160	1,300,000
3	Replenishment of working capital and repayment of bank loans	<u>1,200,000</u>	<u>1,200,000</u>
Total		<u><u>7,770,750</u></u>	<u><u>4,000,000</u></u>

Before the proceeds from the A Share Offering becomes available, the Company may proceed with the above projects based on the Company's plan. The Company may use its internal fund or bank borrowings to advance the capital required for the above projects. The proceeds to be raised from the Issue of A Shares, when available, can be used to replace the self-funds early invested by the Company or repay the bank borrowings. If the proceeds from the A Share Offering is not sufficient to meet the investment need of projects above, the deficiency shall be made up by the Company through self-raising funds. The balance of the proceeds from the A Share Offering after meeting the investment need of the projects above will be used to supplement the Company's working capital.

In the event that the Issue of A Shares is not approved by the Shareholders or relevant regulatory authorities or is not completed for whatsoever reason, the Company may finance the abovementioned projects through its own fund and/or bank borrowings. Accordingly, the Directors are of the view that the business development of the Company will not be materially affected if the A Share Offering is not materialised.

(7) Form of underwriting

The underwriting syndicate organised by the lead underwriter(s) will underwrite the offering by way of standby commitment.

(8) Proposed stock exchange for listing

Shanghai Stock Exchange.

LETTER FROM THE BOARD

(9) Timing for the issue and listing of A Shares

Upon the obtaining of the approval from CSRC and the Shanghai Stock Exchange, the Board, the lead underwriter(s) and the relevant regulatory authorities will determine the timing for the Issue and listing of A Shares through the consultation.

(10) Application for the listing of the Domestic Shares

Upon completion of the A Share Offering, the Company will apply to the Shanghai Stock Exchange for the listing of all the issued shares of the Company on the Shanghai Stock Exchange (excluding the H Shares). Such Shares shall be subject to the requirements in respect of the lock-up period of the relevant law, regulation and regulatory documents.

(11) Conversion into a joint stock limited company with domestic and overseas listed shares

Given that the H Shares are listed on the Main Board of the Stock Exchange, the Company intends to apply for the public offering of A Shares and the listing of A Shares on the Shanghai Stock Exchange. The Company will apply for conversion into a joint stock company with domestic and overseas listed shares.

(12) Validity of the resolution

The resolution approving the Issue of A Shares shall be valid for 12 months from the date of approval at the EGM.

The Directors consider that a validity period of 12 months for resolutions regarding the A Share Offering is required since there is uncertainty as to the time required to obtain the approvals from the CSRC and other regulatory authorities.

The proposal on A Share Offering has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of special resolution.

Issue of A Shares under the General Mandate

The number of not more than 485,000,000 A Shares proposed to be issued in the A Share Offering will be issued pursuant to the General Mandate passed by the Shareholders on 23 June 2017. Under the General Mandate, the Directors can, independently or simultaneously, allot, issue and deal with the new Shares that shall not exceed 20% of Domestic Shares and/or H Shares in issue of the Company, respectively as at the date of the passing of relevant resolution. As at the Latest Practicable Date, there has been no Shares issued under the General Mandate. The 485,000,000 A Shares will be allotted and issued under the General Mandate.

In the event the General Mandate expires prior to the Issue of A Shares, the Directors will seek the Shareholders' approval to renew the General Mandate in the next annual general meeting of the Company. The Company will ensure that the issue of A Shares under the A Share Offering complies with the Listing Rules.

The Company will comply with Rule 13.36(5) of the Listing Rule such that the issue price of the A Shares to be issued under the General Mandate will not represent a discount of 20% or more to the applicable benchmarked price determined pursuant to Rule 13.36(5) of the Listing Rules.

LETTER FROM THE BOARD

The Company shall make further disclosure by announcements in accordance with the Listing Rules and other applicable laws and regulations once any of the above details of the proposal on the plan for the Issue of A Shares (such as the issue price, offering size and method of issue) is updated or finalised.

III. AUTHORISATION TO THE BOARD TO HAVE THE FULL POWER TO DEAL WITH MATTERS RELATING TO THE ISSUE AND LISTING OF A SHARES

To ensure smooth completion of the Issue of A Shares, the Board resolved to propose at the EGM to authorise the Board to have the full power to deal with all specific matters relating to the issue and listing of A Shares, including but not limited to:

- (i) in accordance with the plan for the issue and listing of A Shares as approved at the general meeting and in accordance with the applicable laws, regulations, regulatory documents and specific market conditions of the PRC, to be fully responsible for the implementation of the plan, including but not limited to, determining the specific offering date, the number of shares to be offered, offering structure, offering targets, method of issue, method of pricing, offering price and other matters relating to the A Share Offering;
- (ii) to handle the application matters relating to the issue and listing of A Shares, including but not limited to, applying for vetting, registration, filing, approval and consent by relevant government authorities, regulatory authorities, stock exchanges and securities registration and settlement institutions for the issue and listing of A Shares;
- (iii) to prepare, sign, execute, modify, supplement, complete and deliver any agreements, contracts or the necessary documents (including but not limited to letter of intent, prospectus, sponsorship agreement, underwriting agreement, listing agreement, various announcements, circular and shareholder notifications, various explanation letters or letter of undertaking which are required by regulatory authorities and relating to the issue and listing of A Shares) relating to the issue and listing of A Shares;
- (iv) upon submission of the application to the CSRC for the issue and listing of A Shares, amend the relevant provisions in the *Articles of Association of the Company (Draft)* (the “**Draft of Articles of Association of A Shares**”), the *Rules of Procedures for the Shareholders General Meeting* (the “**Draft Rules of Procedures for Shareholders General Meeting**”), the *Rules of Procedures of the Board* (the “**Draft Rules of Procedures for the Board**”) and *Rules of Procedures for the Board of Supervisors* (the “**Draft Rules of Procedures for the Board of Supervisors**”) in accordance with the vetting comments from CSRC and the relevant laws, rules and regulatory issued during the vetting period. Upon completion of the issue and listing of A Shares, to amend the relevant provisions of the Articles relating to the A Share Offering in accordance with the actual issuance, and to handle the registration of the relevant changes with the industry and commerce authorities;

LETTER FROM THE BOARD

- (v) to adjust the plan for the issue and listing of A Shares and the intended application and use of proceeds to be raised in accordance with the circumstances arising from the actual implementation of the plan for the issue and listing of A Shares, the market conditions, policy adjustments and the views of regulatory authorities;
- (vi) upon completion of the A Share Offering, to handle the matters relating to the listing of shares from the issue of A Shares on the Shanghai Stock Exchange;
- (vii) for the purpose of the the issue and listing of A Shares, to engage and appoint relevant professional parties, and to sign engagement or appointment agreements;
- (viii) to make relevant disclosure according to the relevant laws, regulations and the rules of the Shanghai Stock Exchange; and
- (ix) to handle other matters which the Board considers as necessary, proper or appropriate matters for the issue and the listing of A Shares.

The above authorisation shall be valid for 12 months from the date of approval at the EGM.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of special resolution.

IV. PROPOSAL ON THE ADOPTION OF THE USE OF PROCEEDS FROM THE ISSUE OF A SHARES

The net proceeds to be raised from the Issue of A Shares, after deduction of relevant listing expenses, are proposed to apply to the following projects (in accordance with the importance and urgency of the projects):

Item	Project Name	Total Investment of the Project (RMB'000)	Amount of Proceeds to be Used (RMB'000)
1	Green manufacturing upgrading and transformation project of the self-owned brand high-end base of the Company	2,693,590	1,500,000
2	Reform of technology and upgrade of production capacity of Zhuzhou base of the Company	3,877,160	1,300,000
3	Replenishment of working capital and repayment of bank loans	<u>1,200,000</u>	<u>1,200,000</u>
Total		<u><u>7,770,750</u></u>	<u><u>4,000,000</u></u>

LETTER FROM THE BOARD

Before the proceeds from the A Share Offering becomes available, the Company may proceed with the above projects based on the Company's plan. The Company may use its internal fund or bank borrowings to advance the capital required for the above projects. The proceeds to be raised from the Issue of A Shares, when available, can be used to replace the self-funds early invested by the Company or repay the bank borrowings. If the proceeds from the A Share Offering is not sufficient to meet the investment need of projects above, the deficiency shall be made up by the Company through self-raising funds. The balance of the proceeds from the A Share Offering after meeting the investment need of the projects above will be used to supplement the Company's working capital.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution.

V. OTHER RESOLUTIONS RELATING TO THE ISSUE OF A SHARES

To comply with the requirements of the CSRC and other relevant authorities (including the Shanghai Stock Exchange) in connection with the application of Issue of A Shares, the Company proposed to adopt other resolutions relating to the Issue of the A Shares. These resolutions are subject to approval by Shareholders at EGM.

(1) Proposal on Dilution of Current Returns as a result of the Issue and Proposed Remedial Measures

In accordance with the requirements of the *Opinions of General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in Capital Market* (Guo Fa Ban [2013] No. 110), the Company has analysed impacts on the the dilution of current returns as a result of A Share Offering, and proposed remedial measures.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix I** to this circular for the full text of the *Dilution of Current Returns as a result of the Issue and Proposed Remedial Measures*.

(2) Proposal on Undertakings on the Disclosure of Information in the Prospectus published in connection with the Issue of A Shares

In accordance with the *Securities Law of the PRC* and the *CSRC's Opinions on Further Promoting the Reform of IPO* and other relevant laws and regulations, the Company will give undertakings publicly in its prospectus of initial public offering and listing of the A Shares. If the prospectus of the Company's initial public offering and listing of its A Shares contains false representations, misleading statements or material omissions, constituting material and substantial impact on determining whether the Company meets the conditions for the offering, the Company will repurchase all A Shares offered in the initial public offering in accordance with the relevant laws. The specific share repurchase plan will be implemented according to, including but not limited to, the provisions of relevant laws, administrative regulations, departmental rules and the Company's Articles. The Company shall announce the repurchase

LETTER FROM THE BOARD

scheme of A Shares within 20 trading days after the securities regulatory authorities under the State Council or the judicial authority rules that the above-mentioned illegal situations exist in the Company's prospectus. Repurchase shall be completed within six months from the date where the repurchase obligation was triggered. The Company shall make announcement regarding the repurchase scheme, including the amount of shares, price range, timetable for the completion. In addition, the repurchase scheme is subject to the approval of the Shareholders at the general meeting. The repurchase price shall not be lower than the issue price at the time of A Share Offering plus interest at the prevailing bank demand deposit interest rate. If there are any ex-rights or ex-dividend activities such as dividend distribution, bonus shares, conversion of capital reserves to share capital, placing of shares, the repurchase base price shall be adjusted accordingly.

The Company and its controlling shareholder and de facto controller and the Directors, Supervisors, senior management personnel and other relevant responsible bodies of the Company will give undertakings publicly in its prospectus of initial public offering and listing of the A Shares that if the Company's prospectus contains any false representation, misleading statements or material omissions, resulting in losses to investors in securities trading, they will compensate investors according to the law.

If the Company is unable to fulfill the abovementioned undertakings, the Company will bear relevant liabilities in accordance with relevant laws and regulations and the requirements of regulatory authorities. If any investor suffered from any loss in the trading of securities as a result of the Company's failure to fulfil the abovementioned undertakings and the amount of loss are confirmed by judicial authorities by way of judicial adjudication, the Company will freeze the relevant amount of its capital, being the amount of compensation, on a voluntary basis, as a guarantee for the compensation required to be made by the Company according to laws, regulations and regulatory requirements.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution.

(3) Proposal on A Share Price Stabilisation Plan

To maintain the stability of the A Share price after the listing of the A Shares and to adequately protect the rights of minority Shareholders, the Company has formulated the Price Stabilisation Plan of A Shares within three years after the A Share Offering and the listing of the A Shares.

If, within three years after the listing of A Shares of the Company, the closing prices of the A Shares for 20 consecutive trading days are lower than the latest audited net assets value per share of the Company (if, after the benchmark date of the audit for the latest period, the net assets or the total number of Shares has changed due to profits distribution, conversion of capital reserve into share capital, additional offering, and placing of Shares, etc., the net asset per Share shall be adjusted accordingly), the Company, the controlling Shareholders of the Company, the Directors and senior management of the Company will execute the Price Stabilisation Plan, unless force majeure and other circumstances in compliance with relevant laws, regulations and listing rules of the place where the Company is listed and the equity structure meets the listing conditions.

LETTER FROM THE BOARD

This proposal has been considered and approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix II** to this circular for the full text of the *Price Stabilisation Plan*.

(4) Proposal on the Distribution of the Accumulated Profits Before the Issue and Listing of A Shares

Prior to the issue and listing of the A Shares, the Company may distribute profits and declare dividends according to relevant laws, regulations and the articles of association. In the process of the application of listing, the Company may distribute profit and declare dividends according to the resolutions passed at the general meeting of the Company.

The undistributed profits of the Company accumulated prior to the issue and listing of A Shares will be jointly enjoyed by all the Shareholders upon the issue and listing of A Shares in proportion to their respective shareholdings.

This proposal has been approved by the Board and will be submitted to the EGM for consideration and approval by way of ordinary resolution.

(5) Proposal on Shareholder dividend plan for the three-year after the Issue of A Shares

The Company has formulated *the Company Law of the PRC, the securities Law of the PRC the Shareholder Dividend Plan for the three-year after the Issue of A Shares* based on the relevant requirements of the relevant laws, regulations and regulatory documents, such as the *Notice on Further Implementing Matters Relevant to the Cash Dividend Distribution by Listed Companies issued by CSRC* and the *Guideline No. 3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies* in the PRC.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix III** to this circular for the full text of the *Shareholder Dividend Plan for the three-year after the Issue of A Shares*.

(6) Proposal on the Report on the Use of Proceeds from Previous Fund Raising Activities

In accordance with the CSRC's *Rules on the Report on the Use of Proceeds from Previous Fund Raising Activities*, the Company has prepared the Report on the Use of Proceeds from Previous Fund Raising Activities, regarding the actual use of the proceeds recently raised from overseas as of the date of the most recent audited financial report (being June 30, 2017).

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix IV** to this circular for details of the *Assurance Report on the Use of Proceeds from Previous Fund Raising Activities* and the *Report on the Use of Proceeds from Previous, Fund Raising Activity of the Company*.

LETTER FROM THE BOARD

VI. PROPOSED AMENDMENTS AND/OR ADOPTION OF THE MEASURES RELATING TO THE ISSUE OF A SHARES

(1) Proposal on amendments to the Articles to be valid after the issue and listing of A Shares

In accordance with the Company Law of the PRC, *CSRC Guidelines for Articles of Association of Listed Companies*, as well as related laws, regulations and normative documents, the Company proposed to amend the Articles (the “**Draft of Articles of Association of A Shares**”), which will be valid from the date of the issue and listing of A Shares.

Prior to the A Share Offering and the listing of A Shares, the Company’s existing Articles will remain in force.

The Board will submit to the EGM for authorisation to the Board and the Board to authorise the chairman of the Board to revise the Draft of Articles of Association of A Shares (including but not limited to the amendments and revisions to the text, chapters and provisions) approved at the EGM, in accordance with the requirements and recommendations of relevant governmental departments and regulatory authorities.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of special resolution. Please refer to **Appendix V** to this circular for details of the proposed amendments to the Articles.

(2) Proposal on amendments to the Rules of Procedures for the Shareholders General Meeting to be valid after the issue and listing of A Shares

In accordance with the *Company Law of the PRC*, *CSRC Guidelines for Articles of Association of Listed Companies*, as well as related laws, regulations and normative documents, the Company has formulated Draft Rules of Procedures for Shareholders General Meeting which shall take effect following the issue and listing of A Shares.

Prior to the A Share Offering and the listing of A Shares, the Company’s existing Rules of Procedures for Shareholders General Meeting will remain in force.

The Board will submit to the EGM for authorisation to the Board and the Board to authorise the chairman of the Board to revise the Draft of Articles of Association of A Shares (including but not limited to the amendments and revisions to the text, chapters and provisions) approved at the EGM, in accordance with the requirements and recommendations of relevant governmental departments and regulatory authorities.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix VI** to this circular for details of the proposed amendments to the Rules of Procedures for the Shareholders General Meeting for the purpose of the Draft Rules of Procedures for the Shareholders General Meeting.

LETTER FROM THE BOARD

(3) Proposal on amendments to the Rules of Procedures for the Board to be valid after the issue and listing of A Shares

In order to meet the relevant regulatory requirements, the Company has formulated the Draft Rules of Procedures for the Board which shall take effect following the A Share Offering and the listing of A Shares on the basis of the existing *Rules of Procedures for the Board* and under the requirements of the relevant laws, regulations and normative documents.

Prior to the A Share Offering and the listing of A Shares, the Company's existing Rules of Procedures for the Board will remain in force.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix VII** to this circular for details of the proposed amendments to the Rules of Procedures for the Board for the purpose of the Draft Rules of Procedures for the Board.

(4) Proposal on the adoption of Working System for Independent Directors

In order to meet the relevant regulatory requirements, the Company has formulated the *Working System for Independent Directors* in accordance with *the Measures for the Administration of Initial Public Offering and Listing of Shares*. The Working System for Independent Directors will take effect following the A Share Offering.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix VIII** to this circular for details of the Working System for Independent Directors.

(5) Proposal on the adoption of Administrative Measures on Related Party Transactions to be valid after the issue and listing of A Shares

In order to meet the relevant regulatory requirements, the Company has formulated the *Administrative Measures on Related Party Transactions* under the requirements of the relevant laws, regulations and normative documents, such as *the Company Law of the PRC*, *the Rules Governing the Listing of Securities on the Shanghai Stock Exchange* and *the Guidelines of the Shanghai Stock Exchange for the Implementation of Related Party*. The Administrative Measures on Related Party Transactions will take effect following the A Share Offering.

Prior to the A Share Offering and the listing of A Shares, the existing Administrative Rules on Related Party of the Company will remain in force.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix IX** to this circular for details of the Administrative Measures on Related Party Transactions.

LETTER FROM THE BOARD

(6) Proposal on the adoption of Administrative Measures on the Use of Proceeds

In order to regulate the management and use of proceeds of the Company, the Company has formulated the Administrative Measures on Use of Proceeds pursuant to the relevant laws, regulations and normative documents. The Administrative Measures on Use of Proceeds will take effect following the A Share Offering.

The proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix X** to this circular for details of the *Administrative Measures on Use of Proceeds*.

(7) Proposal on the adoption of the Administrative Measures on External Guarantees

In order to meet the relevant regulatory requirements, the Company has formulated the *Administrative Measures on External Guarantees* of the Company in accordance with the *Measures for the Administration of Initial Public Offering and Listing of Shares issued by CSRC* under the requirements of the relevant laws, regulations and normative documents.

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by the EGM by way of ordinary resolution. Please refer to **Appendix XI** to this circular for details of the *Administrative Measures on External Guarantees*.

VII. PROPOSAL ON THE ENGAGEMENT OF PRICEWATERHOUSECOOPERS ZHONG TIAN LLP (SPECIAL GENERAL PARTNERSHIP) AS THE AUDITOR FOR THE A SHARE OFFERING

The Board proposed PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) as the auditor of the Company for the A Share Offering.

The proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of ordinary resolution.

VIII. PROPOSAL ON AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF SUPERVISORS

In order to meet the relevant regulatory requirements, the Company has formulated the Draft Rules of Procedures for the Board of Supervisors which shall take effect following the A Share Offering and the listing of A Shares on the basis of the existing *Rules of Procedures for the Board of Supervisors* and under the requirements of the relevant laws, regulations and normative documents.

Prior to the A Share Offering and the listing of A Shares, the Company's existing Rules of Procedures for the Board of Supervisors will remain in force.

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This proposal has been approved by the Board of Supervisors, and will be submitted to the EGM for consideration and approval by way of ordinary resolution. Please refer to **Appendix XII** to this circular for details of the proposed amendments to the Rules of Procedures for the Board of Supervisors for the purpose of the Draft Rules of Procedures for the Board of Supervisors.

IX. PROPOSED CHANGE OF REGISTERED OFFICE AND AMENDMENTS TO THE ARTICLES

It is proposed that the address of the registered office of the Company to be changed to “No. 99, Shuanghe Street, Shunyi District, Beijing (北京市順義區雙河大街99號)” (the exact address is subject to the approval of the industry and commerce department) with effect from the date of the passing of the resolution by the Shareholder at the EGM and it is proposed to amend article 4 of the Articles to the following:

Article 4

Address of the registered office of the Company	:	No. 99, Shuanghe Street, Shunyi District, Beijing (the exact address is subject to the approval of the industry and commerce department)
Postal Code	:	101300

第四條

公司住所：北京市順義區雙河大街99號 (具體地址名稱以工商部門核准為準)
郵政編碼：101300

This proposal has been approved by the Board, and will be submitted to the EGM for consideration and approval by way of special resolution.

X. EFFECTS OF THE ISSUE OF A SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

All of the existing 5,494,647,500 Domestic Shares in issue as at the Latest Practicable Date will be converted into A Shares upon the completion of the A Share Offering.

For reference and illustration purpose only, assuming there are no changes to the total issued share capital of the Company prior to the completion of the A Share Offering and that a total of 485,000,000 A Shares are to be issued under the A Share Offering (which represents approximately 6.39% of the total issued share capital of the Company as at the Latest Practicable Date and approximately 6.0% of the total issued share capital of the Company as enlarged by the issue of the A Shares under the A Share Offering), the shareholding structure of the Company immediately before and after the completion of the Issue of A Shares under the A Share Offering is as follow:

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	Immediately before completion of the A Share Offering	Approximate percentage of the Company's total issued share capital	Immediately after completion of the A Share Offering	Approximate percentage of the Company's total issued share capital
	Number of Shares		Number of Shares	
Domestic Shares	5,494,647,500	72.34%	–	–
A Shares	–	–	5,979,647,500	74.0%
A Shares to be issued ⁽¹⁾	–	–	485,000,000	6.0%
A Shares to be converted from Domestic Shares into A Shares and transferred to NSSF ⁽¹⁾	–	–	46,455,007	0.57%
A Shares to be converted from Domestic Shares into A Shares to be held by other public Shareholders ⁽¹⁾	–	–	1,043,596,186	12.92%
A Shares to be converted from Domestic Shares into A Shares to be held by connected persons	–	–	4,404,596,307	54.51%
H Shares	2,100,690,682	27.66%	2,100,690,682	26.0%
H Shares to be held by public Shareholders ⁽²⁾	<u>1,334,872,500</u>	<u>17.57%</u>	<u>1,334,872,500</u>	<u>16.52%</u>
Total	<u>7,595,338,182</u>	<u>100%</u>	<u>8,080,338,182</u>	<u>100%</u>

Notes:

- (1) Assuming that the 485,000,000 A Shares to be issued under the A Share Offering will be held by independent third parties, a total amount of 1,575,051,193 A Shares will be held by the public (comprising (i) 485,000,000 A Shares to be issued; (ii) 46,455,007 A Shares to be converted from Domestic Shares into A Shares and transferred to NSSF (the final number is subject to the approval of the State-Owned Assets Supervision and Administration Commission of Beijing); and (iii) 1,043,596,186 A Shares to be converted from Domestic Shares into A Shares to be held by other public Shareholders).
- (2) As at the Latest Practicable Date, 1,334,872,500 H Shares were held by the public based on publicly available information and to the best knowledge of the Directors.

Public float

As at the Latest Practicable Date, based on publicly available information and to the best knowledge of the Directors, the percentage of public float of the Company satisfied the requirements of the minimum public float (that is, 17.57%) imposed by the Stock Exchange at the time of the Company's listing of H Shares.

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As a result of the proposed A Share Offering and assuming a maximum of 485,000,000 A Shares are to be issued, after completion of the A Share Offering, the percentage of A Shares to be held by the public and traded on the Shanghai Stock Exchange (including the A Shares to be converted from Domestic Shares into A Shares and transferred to the NSSF) is expected to be 19.49% at maximum, and the percentage of H Shares to be held by the public and traded on the Stock Exchange is expected to be 16.52% at minimum. The total number of Shares (both A Shares and H Shares in aggregate) to be held by the public following the completion of the A Share Offering will be approximately 36.01% of the Company's issued share capital. Therefore, upon completion of the A Share Offering, the Company will comply with the requirement on the minimum public float (that is, 17.57%) imposed by the Stock Exchange at the time of the Company's listing of H Shares. The Company will closely monitor its public float percentage to ensure its compliance, at all times, with relevant requirements on public float as stipulated under the Listing Rules and will promptly notify the Stock Exchange of any changes in the Company's public float.

As at the Latest Practicable Date, the Company had not entered or proposed to enter into any agreement in relation to subscription of A Shares with any connected persons of the Company.

XI. REASONS AND BENEFITS FOR THE A SHARE OFFERING

The Board believes that the A Share Offering will enhance the corporate image of the Company, broaden the Company's fund raising channels, improve the Company's capital structure and further enhance its sustainability and core competitiveness. The Board believes that the A Share Offering is in the interests of the Company and the Shareholders as a whole.

XII. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the Latest Practicable Date.

As of the Latest Practicable Date, the Company did not have any concrete plan and was not contemplating any fund raising activity by means of equity financing (apart from the Issue of A Shares) in the 12 months from the Latest Practicable Date.

XIII. OTHER INFORMATION

Please pay attention to the other information set out in **Appendices I to XII** to this circular.

Given that the A Share Offering is subject to approval at the EGM and the approval by the securities regulatory authorities (including CSRC) and other relevant regulatory authorities (including the Shanghai Stock Exchange), the A Share Offering may or may not proceed, Shareholders and investors shall exercise caution when dealing in the H Shares.

The Company will make further announcements to disclose any major updates and developments in connection with the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations.

LETTER FROM THE BOARD

XIV. APPOINTMENT OF NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF THE THIRD SESSION OF THE BOARD OF SUPERVISORS

Reference is made to the announcements of the Company dated August 19, 2016, March 6, 2017 and October 16, 2017 in respect of the postponed re-election and appointment of the Company's second session of the Board of Supervisors and appointment of the non-employee representative supervisors of the third session of the Board of Supervisors. As the term of the second session of the Board of Supervisors expired on September 8, 2016, the Board of Supervisors hereby nominates the non-employee representative supervisor candidates of the third session of the Board of Supervisors as follows:

Shareholder representative supervisors	Mr. Gu Zhangfei, Mr. Wang Min, Mr. Yao Shun, Mr. Jiang Dali
Independent supervisors	Mr. Pang Minjing, Mr. Zhan Zhaohui

An extraordinary general meeting will be held for considering the above list of the non-employee representative supervisor candidates. The term of the non-employee representative supervisors of the third session of the Board of Supervisors shall be three years with effect from the date of approval at the extraordinary general meeting of the Company.

The biographies of the non-employee representative supervisor candidates and further details related to their appointments are set out in Appendix XIII to this circular.

After the non-employee representative supervisors of the third session of the Board of Supervisors have taken office, Mr. Zhang Yuguo, Mr. Yu Wei and Mr. Zhu Zhenghua, all being the supervisors of the second session of the Board of Supervisors, shall cease to be supervisors. Mr. Zhang Yuguo, Mr. Yu Wei and Mr. Zhu Zhenghua have confirmed that there is no disagreement between them and the Board of Supervisors and there is no other matter in relation to their retirement that needs to be brought to the attention of the Shareholders of the Company or the Stock Exchange.

If the appointment of the above non-employee representative supervisor of the third session of the Board of Supervisors is approved at the extraordinary general meeting of the Company, the Company will enter into a service contract with each of them as soon as their appointments coming into effect. Shareholder representative supervisors will not receive any remuneration from the Company for serving as Shareholder representative supervisors. The supervisors' remuneration to be received by independent supervisors for serving as independent supervisors is RMB120,000 per year (before tax).

Save as disclosed above, each of the supervisor candidates confirmed that (i) he/she is not connected with the directors, supervisors, senior management, substantial shareholders or controlling shareholder; (ii) he/she does not hold any equity interest in the Company as defined in Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong); (iii) he/she is not in possession of any information that is required to be disclosed pursuant to Rule 13.51(2) (h) to Rule 13.51(2)(v) of the Listing Rules, nor is he/she being involved or has been

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involved in any activity that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules; (iv) there's no other matter that shall be brought to the attention of the shareholders or the Stock Exchange. Save as disclosed in the biographical details, each of the non-employee representative supervisor candidates confirmed that he/she did not hold any directorship in other listed companies in the last three years, nor is he/she holding any positions in any members of the Group.

XV. POLL PROCEDURE

Pursuant to Rules 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions set out in the notice of the EGM shall be voted by poll. Votes may be given either personally or by proxy.

XVI. RECOMMENDATION

The Board considers that the above-mentioned resolutions are in the interests of the Company and the Shareholders as a whole, and thereby recommends the Shareholders to vote in favour of the resolutions at the EGM.

XVII. THE EGM

A notice of the EGM to be held at 9:30 a.m. on Tuesday, 5 December, 2017 together with form of proxy and confirmation slip were issued and despatched to the Shareholders in accordance with the Listing Rules.

If you wish to attend the EGM (in person or by proxy), please complete and return the enclosed reply slip 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 (for holders of H Shares), or the Board of Directors' Office of the Company at the Investor Relationship Center, at Room 3-062, Tower A, BAIC Research and Development Base, No. 99 Shuanghe Street, Renhe Zhen, Shunyi District, Beijing, the PRC (for holders of Domestic Shares) on or before Wednesday, 15 November, 2017. The Company will convene a general meeting if members intending to attend the meeting hold Shares with voting rights exceeding half of the total number of Shares with voting rights in the Company. If not, the Company will convene the meeting by informing the Shareholders once again of the matters to be examined at the meeting as well as the date and place of the meeting in the form of a public announcement or other forms prescribed by the Articles within five days from the date confirming that members intending to attend the meeting hold Shares with voting rights will be less than half of the total number of Shares with voting rights in the Company.

Whether or not you propose to attend the EGM, H Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon and return it 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, and for Domestic Shareholders, the form of proxy shall be returned to the Board

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of Directors' Office of the Company at the Investor Relationship Center at Room 3-062, Tower A, BAIC Research and Development Base, No. 99 Shuanghe Street, Renhe Zhen, Shunyi District, Beijing, the PRC as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

In the event that you attend or appoint a proxy to attend the EGM in person, you are requested to complete and return the enclosed reply slip in accordance with the instruction printed thereon and return it 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 (for H Shareholders), or to the Board of Directors' Office of the Company at the Investor Relationship Center, at Room 3-062, Tower A, BAIC Research and Development Base, No. 99 Shuanghe Street, Renhe Zhen, Shunyi District, Beijing, the PRC (for Domestic Shareholders), on or before Wednesday, 15 November, 2017.

No Shareholders is required to abstain from voting in connection with the matters to be resolved at the EGM.

XVIII. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend the EGM, the register of members will be closed from Sunday, 5 November 2017 to Tuesday, 5 December 2017 (both days inclusive), during which period no transfer of the H Shares will be effected. Holders of H Shares of the Company whose names appear on the register of H Shares of the Company, as maintained by Computershare Hong Kong Investor Services Limited on Saturday, 4 November 2017 are entitled to attend and vote at the EGM following completion of the registration procedures. To be eligible to attend and vote at the EGM, all transfer documents of H Shares of the Company must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Friday, 3 November 2017 or China Security Depository and Clearing Corporation Limited at No. 17 Tai Ping Qiao Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Friday, 3 November 2017.

By order of the Board
BAIC Motor Corporation Limited
Xu Heyi
Chairman

31 October, 2017

* *For identification purposes only*

BAIC Motor Corporation Limited (the “Company”) has proposed to apply for the initial public offering of its RMB-denominated ordinary shares (A Shares) domestically in China and the listing of such shares on the Main Board of Shanghai Stock Exchange (the “Issue” or the “Issue of A Shares”). For further implementing the provisions of the *Opinions of General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Medium and Small Investors in the Capital Markets* (國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見) (Guo Ban Fa [2013] No. 110), the Company has conducted analysis in respect of the impact of the Issue on the dilution of current returns and proposed relevant remedial measures, with relevant particulars set out as follows:

I. IMPACT OF THE ISSUE ON DILUTION OF CURRENT RETURNS

Upon the receipt of proceeds from the Issue, the Company will apply the proceeds to the pre-determined investment projects in a timely and effective manner. From a medium-to-long term perspective, the implementation of the pre-determined investment projects will drive the expansion of the Company’s business scale and enhance the upgrading of the Company’s business, thereby improving the Company’s profitability and net profit level to realise reasonable capital returns for the Shareholders.

From a short term perspective, however, while there will be increase in both the Company’s net assets and total number of issued shares as a result of the Issue, it may take time for the financial effects of the pre-determined investment projects to manifest. As a result, it will be difficult to maintain a synchronous growth in the profits of the Company, and then downside risks may exist for a short term in respect of the Company’s earnings per share and weighted average return on net assets following the Issue.

II. NECESSITY AND RATIONALITY FOR THE BOARD’S SELECTION OF THIS FINANCING

(I) Benefits from industrial policies

In April 2017, the Ministry of Industry and Information Technology, the National Development and Reform Commission and the Ministry of Science and Technology jointly issued the *Mid-and Long-Term Development Plan for the Car Industry* (汽車產業中長期發展規劃) (Gong Xin Bu Lian Zhuang [2017] No. 53, the “Plan”). The Plan states that the car industry is an important force for promoting a new round of scientific and technological revolution and industrial reform, and it is an important support for developing a manufacturing powerhouse, and an important pillar for the national economy. On the one hand, the introduction of the Plan unifies the industrial ideas, embodies the industrial consensuses, and provides a clear direction, specific tasks and guarantees for the development of the car industry in the next ten years. It is of significant importance to give guidance to the acceleration of the reform and upgrading of the car industry, the nurturing of new kinetic energy and the development of new economy in China. On the other hand, the Plan sets forth the overall goal of developing China into an automotive powerhouse in ten years. The core essence of the Plan is to grow Chinese auto brands into world-renowned brands and develop enterprise groups with international competitiveness, which is of important guidance to the car manufacturing industry.

(II) The need of continuous growth of the Company as a going concern

From the Company's perspective, after years of development, the Company has now become a leading passenger vehicle manufacturer in China, built good reputation in the industry and established stable cooperative relationships with downstream enterprises. The Company has sound organizational structure, excellent operation, sustainable profitability, strong financial position, no false accounting records, no existence of material unlawful act and complies relevant laws including the *Company Law of the People's Republic of China*.

From the national policies perspective, a number of industrial policies and normative documents have been issued in recent years in China for the purpose of strongly supporting the manufacturing companies and creating a good policy environment for the development of traditional manufacturing companies. The Company intends to apply the proceeds to be gained from the public offering of RMB-denominated ordinary shares and the listing to support its future business development in line with the guidance of national industrial policies.

From market perspective, China is the largest car market in the world, with a rapid continuous growth in sales volume of passenger vehicles. At present, the whole industry is at the stage of stable prosperity improvement and the asset size and profitability keep steady growth which offers favorable market conditions. The amount and use of proceeds to be gained from the public offering of shares accommodate the current production and operation scale, the technology level and the management ability of the Company.

III. THE COMPANY'S SPECIFIC REMEDIAL MEASURES ON THE DILUTION OF CURRENT RETURNS

Consequent to the Issue, the Company's share capital and net assets will increase significantly, but pre-determined investment projects require certain investment cycle which will cause timing difference and uncertainty in realizing economic benefits from the proceeds. These factors may impact on the earnings per share and rate of return on net asset which may result in dilution of current returns for investors. To further implement relevant provisions in the *Opinions of the General Office of the State Council on Further Strengthening the Protection of Lawful Rights and Interests of Medium and Small Investors in the Capital Markets* (國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見) (Guo Ban Fa [2013] No. 110), optimize the mechanism for investor returns, safeguard the legitimate rights and interests of the medium and small investors and enhance investors' confidence, the Company proposes to take multiple measures to improve its profitability and strengthen return sustainability, with the specific remedial measures on the dilution of current returns set out as follows:

1. Accelerate the construction progress of pre-determined investment projects and improve the Company's overall competitiveness

During the reporting period, the Company has excellent operation with gradual increase in product sales, significant improvement in profitability, sound cash flow from operating activities and a balanced asset-liability structure. Considering its good operations, the Company will utilize any market opportunity for further improving its overall competitiveness

prior to the receipt of proceeds from the Issue, which the Company will, depending on the needs of actual needs of the projects, take measures for active planning including but limited to making initial investment to project constructions with part of its own funds. Upon the receipt of proceeds from the Issue, the Company will substitute funds in respect of the initial investments in a reasonable manner, reduce its financial costs and improve its capital utilization in compliance with the laws, regulations, normative documents and the Company's policy in respect of the use of proceeds ensuring the regulated, scientific and rational use of proceeds by the Company. The Company will make endeavor effort to speed up the construction progress of the pre-determined investment projects for achieving the expected economic benefits of such projects. Meanwhile, the business scale and market shares of the Company would be improved, from which the Company will improve its overall competitiveness.

2. Strengthen and regulate the management of the proceeds and improve their utilization

For the purpose of standardizing the management and use of the proceeds and practically protecting investors' legitimate rights and interests, the Company has formulated the Administrative System on Use of Proceeds in respect of proceeds deposit, use, supervision and accountability. The Company will strictly comply with the Administrative System on Use of Proceeds to enhance the management of proceeds in terms of use, accounting, risk prevention and other aspects for ensuring the proceeds are used in a scientific and rational way. Meanwhile, the sponsor, the custodian bank and the Company shall jointly supervise that the proceeds are used in accordance with the committed uses and amount for which the proceeds are used in the committed investment projects. The Company will work with the sponsor and the supervising bank in arranging investigation and supervision of the use of the proceeds. Subject to the compliance with the abovementioned system, the Company will further scientifically formulate a plan for the use of proceeds to maximize the utilization of the proceeds by considering various factors such as the current market conditions, asset price and cost of capital.

3. Further promote technology innovation, strengthen brand building and management and improve the Company's core competitiveness

- (1) The Company will rely on the initial public offering and listing of shares and the construction of pre-determined investment projects to further promote technology innovation and improve its R&D and innovation ability;
- (2) Meanwhile, the Company will deepen its own brand building and management, effectively enhance its influence in the industry and strive to increase its brand value and core competitiveness by means of technology innovation and product upgrading.

4. Optimize the mechanism for investor returns and proactively implement profit distribution policy

The Articles of Association of the Company specify the principles, methods, conditions and the decision-making procedures and mechanism of profit distribution and formulate a plan for Shareholders' dividend distribution. Under the guidance of profit distribution policy as stipulated in the Articles of Association of the Company, the Company will actively promote the implementation of a continued and stable profit distribution policy. The Company will, subject to its development strategies and the needs for development planning and taking into account the development stages and operating conditions of the Company and the investors' desires in profit distribution, continue to improve and optimize the mechanism for investor returns to ensure timely and reasonable returns to the investors.

5. Strengthen operation management and internal control and continue improving corporate governance of the Company

The Company recently has established a relatively complete and sound internal control and management system which ensures the regular and orderly operations of the Company. The Company will, in the next few years, further improve its operation and management, perfect and enhance its investment decision-making procedures, strictly control its expenses and expenditures, strengthen cost management, optimize budget management procedures and intensify the supervision over execution, to effectively improve the Company's operating efficiency in an all-round manner.

**IV. COMMITMENTS OF DIRECTORS, SENIOR MANAGEMENT PERSONNEL
AND THE HOLDING SHAREHOLDER**

The Directors and the Senior Management Personnel of the Company have made the following commitments:

- “1. I commit not to transfer benefits to other units or individuals, neither without compensation nor in unfair conditions, and also will not adopt other means to damage the benefits of the Company;
2. I commit to restrain my consumption conduct on my job;
3. I commit not to make use of the Company assets to be engaged in the investment and the consumption activities not related to my performance of duties;
4. I commit that the remuneration system formulated by the Board of Directors or the Remuneration Committee shall be linked to the execution of the Company's filling up return measures;
5. In the event that the Company proposes to implement the equities incentive, I commit that the conditions of exercising the equities incentive proposed to be announced by the Company shall be linked to the execution of the Company's filling up return measures.”

The Controlling Shareholder of Basic Motor Corporation Limited has made the commitments: “(1) The Company shall not exceed its power to intervene in the operation and management activities of the Company; and (2) The Company shall not infringe the benefits of the Company.”

BAIC Motor Corporation Limited**Stock Price Stabilisation Plan**

In order to stabilize the stock price of BAIC Motor Corporation Limited (the “Company”) and fully protect the interests of the Company’s Shareholders especially the small and medium Shareholders upon listing, the Company hereby formulates the stock price stabilisation plan. The stock price stabilisation plan shall come into effect from the day when the Company completes the initial public issue and listing of A Shares (the “Listing”) with a valid period of three years. The specific plans are as follows and the Company, its controlling shareholder(s), the Directors (excluding the independent Directors, hereinafter the same) and the senior management undertake as the follows:

1. CONDITIONS FOR INITIATING THE STOCK PRICE STABILISATION PLAN

If, within three years after the Listing, the average closing price of the shares of the Company is lower than its latest audited net asset value per share for consecutive twenty trading days (if after the latest audit base date, net assets or the total number of shares of the Company are changed due to profit distribution, conversion of capital reserve into share capital, additional issuance, placing of shares, etc., the net asset value per share shall be adjusted accordingly; hereinafter the same), conditions for initiating the share price stabilisation measures are triggered, unless it is caused by force majeure. Subject to the relevant laws and regulations and the listing rules of the place where the shares of the Company are listed and under the condition that the share distribution of the Company is in compliance with the listing conditions, the Company and its controlling shareholder(s), Directors and the senior management and other relevant parties will take share price stabilisation measures of the Company stated in “2. specific measures for stabilizing the share price” below. The abovementioned 20th trading day on which measures for stabilizing stock price are triggered is referred to as trigger date.

After the Trigger Date, if the closing prices of A shares of the Company for consecutive ten trading days are higher than the net asset value per share disclosed in the financial report of the preceding year, the share price stabilisation measures for this stage may be suspended. After such suspension, if the closing prices of the shares of the Company for twenty consecutive trading days are lower than the net asset value per share as disclosed in the financial report of the preceding year again, the share price stabilisation measures shall be continually implemented.

2. SPECIFIC MEASURES FOR STOCK PRICE STABILISATION

- (1) The controlling shareholder(s) of the Company shall notify the Company in writing whether they have any specific plan as to the increase in their A share holding of the Company within ten trading days from the day immediately following the Trigger Date, and the Company shall make announcement in this regard. Specific plan (if any) shall include the scope of number, price range, completion time, and other information relating to the proposed increase in shareholding. The total amount of the additional shareholding included in such plan shall be no less than RMB10 million.
- (2) If the controlling shareholder(s) fail(s) to announce the specific plan on the additional shareholding as mentioned above within the stipulated time or clearly express that there is no such plan, the Board shall, within ten trading days from the day immediately following the Trigger Date, prepare and announce the stock price stabilisation plan. If the controlling shareholder(s) do (does) not increase their shareholding after the time limit stated in the announcement, the Board shall, within ten trading days from the day immediately following the date when the time limit for implementing the additional shareholding expires, prepare and announce the specific stock price stabilisation plan of the Company, including but not limited to the plan for repurchase shares of the Company by way of centralized bidding at the stock exchange or any other plans in compliance with the relevant laws and regulations and requirements under the listing rules of the place in which shares of the Company are listed. Such stock price stabilisation plan shall include the scope of number, price range, completion time and other information relating to the proposed additional shareholding and the total amount of the proposed share repurchase shall be no less than RMB10 million. Such share repurchase plan shall be subject to consideration and approval at the general meeting and class meetings as well as the controlling shareholder(s)' undertaking for a favour vote.
- (3) If the Board fails to announce the stock price stabilisation plan as mentioned above within the stipulated time, the Directors and the senior management of the Company shall announce the plan of additional A Share holding within 10 trading days from the day immediately following the date when the Board should have done but failed to do so, subject to the relevant laws and regulations and the listing rules of the place in which shares of the Company are listed. If the stock price stabilisation plan of the Company is not approved at the general meeting and the class meetings, the Directors and the senior management of the Company shall, within ten trading days from the day immediately following the date when such plan is not approved at such general meeting and class meetings, announce the plan of additional A Share holding, subject to the relevant laws and regulations and the listing rules of the place in which shares of the Company are listed. The Directors and the senior management of the Company shall, within ten trading days from such announcement (if there are N trading days in the period restricting direct or indirect sale or purchase of shares by Directors and senior management, the period for additional shareholding shall be

postponed to N+5 trading days), utilize no less than 10% of the total after-tax remunerations received from the Company in the previous year to increase in shareholding of A Shares of the Company.

Within six months after the implementation of any of the three measures for stabilizing stock price as mentioned above, the obligations of the Company, its controlling shareholder(s), the Directors and the senior management for additional shareholding or share repurchase shall automatically be released. Upon the expiry of the six months period after the completion of performance of any of the abovementioned three stock price stabilisation measures, if the average closing price of the shares of the Company is still lower than the latest audited net asset value per share for twenty consecutive trading days, the obligation of the Company, its controlling shareholder(s), the Directors and the senior management to stabilize stock price shall be automatically incurred again in accordance with the abovementioned sequence.

Within the valid period of the stock price stabilisation plan, the newly appointed Directors and senior management shall fulfill the obligation as to such Directors and senior management as stipulated in the stock price stabilisation plan and shall fulfill other commitments which the Directors and senior management have made at the time of the Listing in accordance with the same standards.

3. RESTRICTIVE MEASURES IN THE STOCK PRICE STABILISATION PLAN

- (1) If the controlling shareholder(s) has (have) announced the specific additional shareholding plan but fails (fail) to implement the plan on their own, the Company shall retain the cash dividend payable to such controlling Shareholders(s) in the amount equivalent to the obligation of such controlling shareholder(s) for additional shareholding until the fulfillment of such obligation by such controlling shareholder(s). If the controlling shareholder(s) fails to put forward specific additional shareholding plan after the obligation for additional shareholding is triggered twice, the Company shall retain the cash dividend payable to the controlling shareholders in the amount equivalent to the obligation of the controlling shareholder for additional shareholding and apply the same to the share repurchase, and the controlling shareholder shall lose its rights to claim for the cash dividend. If the controlling shareholder(s) abstain(s) from voting or vote(s) against the share repurchase plan proposed by the Board, the Company shall retain the cash dividend payable to the controlling Shareholders(s) in the same amount equivalent to the obligation of additional shareholding and apply the same to the next share repurchase. Meanwhile the controlling shareholder(s) shall lose such rights for claiming for the cash dividend.
- (2) Directors and senior management of the Company shall actively fulfill their respective obligation for additional shareholding. If any of them fail to perform his/her obligation for additional shareholding according to relevant provisions of the stock price stabilisation plan during his/her tenure on his/her own, the Company shall retain salaries and remuneration in the amount equivalent to his/her obligation

of additional shareholding obligation and fulfill such obligation on his/her behalf. If any of them has successively failed to perform such obligation twice during his/her tenure, the controlling shareholder(s) or the Board shall propose replacement of the respective Director by the general meeting and the Board shall propose dismissal of the respective senior management officer.

- (3) If the Company and its controlling shareholder(s), Directors and senior management are unable to perform their obligations to increase shareholding or repurchase shares within a certain period by virtue of the minimum shareholding ratio of public Shareholders as required under securities regulatory regulations, such as the listing rules of the place in which the shares of the Company are listed, the relevant responsible parties may be exempted from the abovementioned punishments but shall proactively take other measures to stabilize the share price.

APPENDIX III SHAREHOLDER DIVIDEND PLAN FOR THE THREE-YEAR AFTER THE ISSUE OF A SHARES

BAIC Motor Corporation Limited Shareholder Dividend Plan for the three-year after the Issue of A Shares

To further standardize and improve BAIC Motor Corporation Limited (“BAIC Motor” or the “Company”)’s profit distribution policy, enhance the transparency of profit distribution, ensure investors’ rights to the development achievements of the Company and guide investors for the stable return expectation, the Company has formulated the Shareholder Dividend Plan for the three-year after the Issue of A shares (the “Dividend Plan”) in accordance with the requirements of relevant documents such as the *Notice on Further Implementation of Cash Dividends Distribution 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) (Zheng Jian Fa [2012] No. 37), the *Listed Companies Regulatory Guideline No. 3 – the Guidelines on Cash Dividends Distribution of Listed Companies* (上市公司監管指引第3號–上市公司現金分紅指引) (Zheng Jian Hui Gong Gao [2013] No. 43) issued by China Securities Regulatory Commission and the Articles of Association and in line with the actual situation of the Company.

I. Considerations of Shareholder Dividend Plan

The Company, while focusing on long-term and sustainable development, will set up a sustainable, stable and scientific return plan and mechanism for investors, so as to make systematic arrangements for dividend distribution and ensure the continuity and stability of profit distribution policy, after it comprehensively assesses factors including the actual business conditions, the requests and desire of Shareholders, cost of public funds and external financing environment, and fully considers the Company’s current and future profitability scale, cash flows, development stages, funding requirements and financing plan.

II. The Principles of Shareholder Dividend Plan

The Company implements sustainable and stable profit distribution policy and attaches importance to reasonable investment return for investors while catering to the Company’s actual business conditions and sustainable development. Under the premise of assuring the Company’s normal business operations and sustainable development, the Company shall fully consider and listen to the opinions of Shareholders (especially those of minority Shareholders) and the independent Directors in the formulation and decision making process of the Company’s profit distribution policies.

III. Shareholder Dividend Plan within Three Years After the Issue of A Shares

(I) *Method and interval for dividends distribution*

The Company may distribute dividends in cash, in shares or in a combination of both cash and shares, while cash dividend distribution is the Company’s first choice in profit distribution.

Subject to the conditions of profit distribution, the Company shall distribute profits at least once a year, while interim profit distribution may also be made provided that the Company’s normal operation and sustainable development can be assured.

**APPENDIX III SHAREHOLDER DIVIDEND PLAN FOR THE THREE-YEAR
AFTER THE ISSUE OF A SHARES**

(II) Conditions and proportion of cash dividends

Except for special circumstances, the Company shall make cash profit distributions out of its after-tax profits after the accumulated loss (if any) are made up and legal and discretionary reserves are allocated. The profits distributed in cash every year shall be no less than 10% of distributable profits derived in the current year. Actual and reasonable factors such as corporate growth and dilution of net asset value per share should be taken into account when dividend is distributed in shares.

The Board shall distinguish the following circumstances and put forward differentiated cash dividend distribution policies after taking into account various factors, including the industry features, development stage, business model and profitability as well as whether there is any substantial capital expenditure arrangement(s):

1. where the Company is at the developed stage with no substantial capital expenditure arrangement, cash dividend shall not be less than 80% of the total profits for distribution at the time of profit distribution;
2. where the Company is at the developed stage with substantial capital expenditure arrangement, cash dividend shall not be less than 40% of the total profits for distribution at the time of profit distribution;
3. where the Company is at the growth stage with substantial capital expenditure arrangement, cash dividend shall not be less than 20% of the total profits for distribution at the time of profit distribution.

If the Company has difficulty to identify the development stage of the Company but there is substantial capital expenditure arrangement, dividend distribution may be made in accordance with the preceding provisions.

“Substantial capital expenditure arrangement” means the external investment, asset acquisition or purchase of assets by the Company in the next twelve months in an aggregate amount amounting to or exceeding 10% of the latest audited net assets of the Company.

Under any of the following special circumstance, the Company shall not make cash dividend distribution:

1. where the auditing firm issues an audit report with non-standard unqualified opinion on the financial report of the Company for that financial year is not standard unqualified opinion.
2. where the net operating cash flow of the Company in that year is a negative figure.
3. where the Company has major investment plan or any significant cash expenditure other than fund raising projects.

IV. The Decision-Making Mechanism for Shareholder Dividend

During the process of verifying the merit of a profit distribution plan, the Board shall fully discuss it with the independent Directors, and study and verify the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures on the basis of sustained, stable and reasonable returns for all Shareholders of the Company to put forward the profit distribution plan, upon which the independent Directors of the Company may explicitly express their opinions.

In considering the details of the cash dividend plan in a general meeting, active communication should be made through various channels with Shareholders of the Company, in particular the minority Shareholders. The opinions and requests of the minority Shareholders of the Company should be taken into full account and their concerns should be addressed in a timely manner.

Where the Company needs to adjust or change its cash dividend distribution policy as set out in its Articles of Association due to matters such as significant cash expenditure arrangements (other than fund raising projects) as a result of the Company's operating needs, the Company shall disclose in its annual report the specific reasons thereof and the explicit views of the independent Directors of the Company. When the revised profit distribution plan is put forward to the general meeting for consideration, such plan shall be passed by the Shareholders present in the meeting representing not less than two-thirds of the voting rights. If the Board does not make a cash dividend distribution plan, disclosure shall be made in the Company's periodic reports as to the reasons thereof and the usages of the retained monies that are not for dividend distribution, upon which the independent Directors of the Company shall express their independent opinions.

V. Formulating the Shareholder Dividend plan and adjustment of cycles

The Company shall review the shareholder dividend plan at least once every three years, making proper and necessary amendments to the specific dividend distribution policies so as to determine the shareholder dividend plan for the next three years. The Board shall formulate specific annual or interim dividend distribution plans by considering the particular operational data.

VI. Miscellaneous

- (I) Matters not covered in the Dividend Plan shall be dealt with in accordance with the relevant laws, regulations, regulatory requirements and the provisions of the Articles of Association of the Company.
- (II) The Dividend Plan shall be subject to and conditioned upon approval by way of a special resolution at the general meeting(s) and the completion of the Issue.
- (III) The Dividend Plan shall be interpreted by the Board.

Baic Motor Corporation Limited

As of 30 June 2017

Report on the Use of Proceeds from Previous Fund-Raising Exercise

1. PROCEEDS FROM PREVIOUS FUND-RAISING EXERCISE

Pursuant to the document known as Zheng Jian Xu Ke [2014] No. 1241 “Reply on Approval of the Offering of Overseas-listed Foreign Shares by BAIC Motor Corporation Limited” signed and issued by China Securities Regulatory Commission on 21 November 2014, BAIC Motor Corporation Limited (hereinafter the “Company”) initially issued 1,126,200,000 overseas-listed foreign shares (H shares) to the domestic and foreign investors at an issue price of HK\$8.9 (equivalent to RMB7.02) per share on 19 December 2014, and over-allotted 87,320,000 H shares to the domestic and foreign investors at an allotment price of HK\$8.9 (equivalent to RMB7.03) per share on 14 January 2015, fully paid up in Hong Kong dollars, totaling HK\$10,800,328,000 (equivalent to RMB8,523,787,958). After deducting listing expenses of RMB833,902, the proceeds amounted to RMB8,522,954,056 (hereinafter “Proceeds from Previous Fund-Raising Exercise”). The above proceeds were in place on 14 January 2015, and PricewaterhouseCoopers Zhong Tian LLP (Beijing Branch) made verification and issued a capital verification report (Pu Hua Yong Dao Zhong Tian Beijing Yan Zi (2015) No. 049). And after deducting other relevant listing expenses of RMB123,870,071, the net proceeds amounted to RMB8,399,083,985.

On 30 June 2017, the balance of proceeds amounted to RMB0.

2. ACTUAL USE OF PROCEEDS FROM PREVIOUS FUND-RAISING EXERCISE

Pursuant to the prospectus for the overseas-listed foreign shares (H shares) issued by the Company in 2014 (hereinafter the “Prospectus”), it was planned that an aggregate proceeds of RMB8,399,083,985 would be utilized in eight projects. As of 30 June 2017, projects involving the use of proceeds from the Company have utilized an aggregate amount of RMB8,399,083,985.

**APPENDIX IV REPORT ON THE USE OF PROCEEDS FROM THE PREVIOUS
FUND-RAISING ACTIVITY OF THE COMPANY**

Use of proceeds from previous fund-raising exercise by the Company as of 30 June 2017 is as follows:

Unit: RMB'000

Total proceeds: 8,399,083.99

Aggregate utilized total proceeds: 8,399,083.99

Total proceeds with change of use: 0

Total proceeds utilized in respective years:

Proportion of total proceeds with change of use: 0%

2015: 7,793,220.85

2016: 605,863.14

2017: 0

No.	Investment project		Total investment of proceeds			Aggregate investment of proceeds as of 30 June 2017			Differences between actual investment amount and Project committed investment amount as of the closing date
	Committed investment project	Actual investment project	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual investment amount	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual investment amount	
1	Beijing Motor Powertrain Manufacturing Base Construction Project (Phase I)	Beijing Motor Powertrain Manufacturing Base Construction Project (Phase I)	2,264,397.06	2,264,397.06	2,264,397.06	2,264,397.06	2,264,397.06	2,264,397.06	- 98%
2	Beijing Motor Powertrain Research and Development Center Construction Project (Phase I)	Beijing Motor Powertrain Research and Development Center Construction Project (Phase I)	606,521.18	606,521.18	606,521.18	606,521.18	606,521.18	606,521.18	- 96%
3	Beijing Benz Passenger vehicle production expansion plan	Beijing Benz Passenger vehicle production expansion plan	1,483,217.99	1,483,217.99	1,483,217.99	1,483,217.99	1,483,217.99	1,483,217.99	- 85%
4	Beijing Benz Engine Factory	Beijing Benz Engine Factory	685,331.57	685,331.57	685,331.57	685,331.57	685,331.57	685,331.57	- 98%
5	Developing Beijing Motor passenger vehicles	Developing Beijing Motor passenger vehicles	839,925.79	839,925.79	839,925.79	839,925.79	839,925.79	839,925.79	- 100%
6	Development of the sales network and the promotion of Beijing Motor passenger vehicles	Development of the sales network and the promotion of Beijing Motor passenger vehicles	419,919.41	419,919.41	419,919.41	419,919.41	419,919.41	419,919.41	- N.A.
7	Repayment of bank borrowings	Repayment of bank borrowings	1,259,845.20	1,259,845.20	1,259,845.20	1,259,845.20	1,259,845.20	1,259,845.20	- N.A.
8	Replenishment of working capital and general corporate use	Replenishment of working capital and general corporate use	839,925.79	839,925.79	839,925.79	839,925.79	839,925.79	839,925.79	- N.A.
	Total		8,399,083.99	8,399,083.99	8,399,083.99	8,399,083.99	8,399,083.99	8,399,083.99	

**APPENDIX IV REPORT ON THE USE OF PROCEEDS FROM THE PREVIOUS
FUND-RAISING ACTIVITY OF THE COMPANY**

As of 30 June 2017, the actual expenditure of the investment projects committed in the Prospectus is higher than the committed investment amount. The Board of directors of the Company confirms that some of the exceeds comes from the Company's own funds and bank borrowings.

**3. ACTUAL EFFECTIVENESS OF THE INVESTMENT PROJECTS UTILIZING
THE PROCEEDS FROM PREVIOUS FUND RAISING EXERCISE**

As the Company did not make any commitment to the effectiveness of the proceeds utilization in the Prospectus, therefore, the comparison table of actual effectiveness of the investment projects utilizing the proceeds from previous fund raising exercise is not applicable.

The Company has made item-by-item comparison between the above actual utilization of the proceeds and the relevant contents as disclosed in the documents of the Company from 2014 to 30 June 2017, including the annual reports, interim reports and other disclosed information, and the actual utilization is consistent with the relevant contents disclosed.

BAIC MOTOR CORPORATION LIMITED

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 1 These Articles of Association (“Articles”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Provisions of the State Council on the Offshore Offering of Shares and Listing of Companies Limited By Shares (the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter Regarding Opinion on Supplementary Amendments to the Articles of Association of Companies to be Listed in Hong Kong, Guidelines on Articles of Association of Listed Companies (as amended in 2014), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant regulations, for the purpose of protecting the legitimate rights and interests of BAIC Motor Corporation Limited (the “Company”), its Shareholders and creditors, and regulating the organization and activities of the Company.</p>	<p>Article 1 These Articles of Association (“Articles”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Provisions of the State Council on the Offshore Offering of Shares and Listing of Companies Limited By Shares (the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter <u>of Opinion on the Supplemental Amendments Regarding Opinion on Supplementary Amendments and Opinion</u> to the Articles of Association of Companies to be Listed in Hong Kong, <u>Guidelines on Articles of Association of Listed Companies</u>, the Guidelines for the Articles of Association of Listed Companies (as amended in 20142016), <u>the</u> Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks <u>on the Shanghai Stock Exchange</u> and other relevant regulations, for the purposes of protecting the legitimate rights and interests of BAIC Motor Corporation Limited (the “Company”), its Shareholders and creditors, and regulating the organization and activities of the Company.</p>
<p>Article 4 Domicile of the Company: The fifth building, Block 25 Shuntong Road, Shunyi District, Beijing 101300, China Telephone: (010) 56761958 Fax: (010) 56761958</p>	<p>Article 4 Domicile of the Company: <u>No.99 Shuanghe Road, Shunyi District, Beijing 101300, China</u> (the exact address is subject to the approval of the industry and commerce department)The fifth building, Block 25 Shuntong Road, Shunyi District, Beijing 101300, China Telephone: (010) 56761958 Fax: (010) 56761958</p>
<p>Article 7 These Articles shall be passed at the general meeting of the Company by special resolution before becoming effective from the date on which the overseas listed foreign shares of the Company are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) subject to approval of relevant authorities of the PRC and shall supersede the existing articles of association of the Company filed with the administration authorities for industry and commerce.</p> <p>Once effective, these Articles shall constitute a legally binding document to regulate the organization and activities of the Company, the rights and obligations between the Company and Shareholders and among the Shareholders.</p>	<p>Article 7 These Articles shall be passed at the general meeting of the Company by special resolution before becoming effective from the date on which the <u>A shares of the Company are listed on the Shanghai Stock Exchange</u>overseas listed foreign shares of the Company are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) subject to approval of relevant authorities of the PRC and shall supersede the existing articles of association of the Company filed with the administration authorities for industry and commerce.</p> <p>Once effective, these Articles shall constitute a legally binding document to regulate the organization and activities of the Company, the rights and obligations between the Company and Shareholders and among the Shareholders.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 16 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.</p> <p>The foreign currency referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of China and can be used for payment of the Company's shares.</p> <p>Overseas listed 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 to be listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the par value of which are denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars.</p> <p>Upon approval of the securities regulatory authorities of the State Council, holders of domestic shares of the Company may transfer their shares to overseas investors for listing and dealing on overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to approval of class Shareholders' meetings.</p>	<p>Article 16 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. <u>Domestic shares which are listed in the PRC shall be referred to as domestically-listed domestic shares (A shares).</u> Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.</p> <p>The foreign currency referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of China <u>the PRC</u> and can be used for payment of the Company's shares.</p> <p>Overseas listed 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 to be listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the par value of which are denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars.</p> <p>Upon approval of the securities regulatory authorities of the State Council, holders of domestic shares of the Company may transfer their shares to overseas investors for listing and dealing on overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to approval of class Shareholders' meetings.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 18 Upon approval of the securities regulatory authority of the State Council, the Company will issue 1,213,520,000 overseas listed foreign shares (H shares). The state-owned Shareholders will transfer to the National Council for Social Security Fund 121,352,500 stated-owned shares upon the issue of overseas listed foreign shares of the Company in accordance with relevant requirements for reduction in holding of state-owned shares. In addition, such shares will sold along with the issuance by the Company of the overseas listed foreign shares.</p> <p>Upon completion of the issue of overseas listed foreign shares, the share capital structure of the Company shall comprise 7,595,338,182 ordinary shares, of which 5,494,647,500 shares shall be held by holders of domestic shares, and 2,100,690,682 shares shall be held by holders of H shares.</p>	<p>Article 18 Upon approval of the securities regulatory authority of the State Council, the Company will issue 1,213,520,000 overseas listed foreign shares (H shares). The state-owned Shareholders will transfer to the National Council for Social Security Fund 121,352,500 stated-owned shares upon the <u>issuance</u> of overseas listed foreign shares of the Company in accordance with relevant requirements for reduction in holding of state-owned shares. In addition, such shares will <u>be sold</u> along with the issuance by the Company of the overseas listed foreign shares <u>to be issued by the Company.</u></p> <p><u>Upon approval of the securities regulatory authority of the State Council, the Company will issue [number of shares] RMB Ordinary Shares (A Shares) to the general public within the territory of the PRC (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) for the first time on [date of approval], which are to be listed on the Shanghai Stock Exchange on [listing date]. The state-owned Shareholders of the Company transferred [●] state-owned shares to the National Council for Social Security Fund upon the issuance of A Shares according to the relevant requirements for reduction in holding of state-owned shares.</u></p> <p><u>Upon completion of the issuance of overseas listed foreign shares A shares, the share capital shareholding structure of the Company shall comprise 7,595,338,182 [●] ordinary shares, including 5,494,647,500 [●] domestic A shares and 2,100,690,682 [●] H shares be as follows: [●] ordinary shares of which [●] shares shall be held by holders of A shares, and [●] shares shall be held by holders of H shares.</u></p>
<p>Article 21 The registered share capital of the Company is RMB6,381,818,182 before the issue of H shares. Upon completion of the issue of H shares, the registered share capital of the Company shall be RMB7,595,338,182.</p>	<p>Article 21 The registered share capital of the Company is <u>RMB7,595,338,182</u> 6,381,818,182 before the <u>issuance of H A</u> shares. Upon completion of the <u>issuance of H A</u> shares, the registered share capital of the Company shall be <u>RMB7,595,338,182[●]</u>.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 23 Unless otherwise provided by laws and regulations, or required by the Stock Exchange, shares of the Company are freely transferable and are not subject to any lien.</p>	<p>Article 23 Unless otherwise provided by laws and regulations <u>and the listing rules of the stock exchanges where the shares of the Company are listed,</u> or required by the Hong Kong Stock Exchange, shares of the Company are freely transferable and are not subject to <u>free from</u> any liens.</p>
<p>Article 45 Transfers may not be entered in the register of Shareholders within thirty days prior to the date of a general meeting or within five days prior to the record date set by the Company for the purpose of distribution of dividends.</p>	<p>Article 45 Transfers <u>No share</u> may not be entered in the register of <u>holders of H shares</u> Shareholders within thirty days prior to the date of a general meeting or within five days prior to the record date set by the Company for the purpose of distribution of dividends.</p>
<p>Article 51 A shareholder of the Company shall be a person who holds shares of the Company and whose name is registered in the register of Shareholders of the Company.</p> <p>A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations. The holders of domestic shares and H shares are Shareholders of different classes. Shareholders of each class are entitled to the same rights in respect of dividend or any other distributions.</p> <p>Where a shareholder of the Company is a legal person, its right shall be exercised by its legal representative or proxies on his behalf.</p> <p>The Company shall not exercise any power against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.</p>	<p>Article 51 A shareholder of the Company shall be a person who holds shares of the Company <u>in accordance with law</u> and whose name is registered in the register of Shareholders of the Company.</p> <p>A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations. The holders of domestic <u>A shares</u> and H shares are Shareholders of different classes. Shareholders of each class are entitled to the same rights in respect of dividends <u>or any other forms of</u> distributions.</p> <p>Where a <u>legal person is a</u> shareholder of the Company is a legal person, its rights shall be exercised by its legal representative or proxies <u>of its legal representative on its</u> his behalf.</p> <p>The Company shall not exercise any power against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares. <u>The Company shall not exercise any power to freeze or otherwise prejudice any of the rights attaching to any shares of the Company only by reason that persons who are interested directly or indirectly therein have failed to disclose their interests in the Company.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 52 The ordinary Shareholders of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> (1) to obtain dividends and other distributions in proportion to the shareholdings; (2) to attend or appoint a proxy to attend general meetings and to vote thereat; (3) to carry out supervisory management over business operations of the Company, and to present proposals or to raise enquiries; (4) to transfer, grant or pledge shares held by him/her in accordance with laws, regulations and provisions of these Articles; (5) to obtain relevant information in accordance with the provisions of these Articles, including: <ol style="list-style-type: none"> 1. to obtain a copy of these Articles, subject to payment of the cost of such copy; 	<p>Article 52 The ordinary Shareholders of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> (1) to obtain dividends and other <u>forms of benefits</u> distributions in proportion to the<u>their</u> shareholdings; (2) <u>to request, convene, preside over, attend and vote in person or appoint a proxy to attend and vote at the general meeting in accordance with the laws;</u> to attend or appoint a proxy to attend general meetings and to vote thereat; (3) to carry out supervisory management over business operations of the Company, and to present proposals or to raise <u>enquiries</u>inquiries; (4) to transfer, grant or pledge shares held by him/her in accordance with laws, <u>administrative</u> regulations and provisions of these Articles; (5) to obtain relevant information in accordance with the provisions of these Articles, including: <ol style="list-style-type: none"> 1. to obtain a copy of these Articles, subject to payment of the cost of such copy;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>2. to inspect for free and copy, subject to payment of a reasonable charge:</p> <p>(i) all parts of the register of Shareholders;</p> <p>(ii) personal particulars of each of our Directors, supervisors, president and other senior management members, including:</p> <p>(a) present name and alias and any former name and alias;</p> <p>(b) principal residential address;</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations and positions;</p> <p>(e) identification document and its number.</p> <p>(iii) reports on the state of the issued share capital of the Company;</p> <p>(iv) latest audited financial statements of the Company and reports of the board of Directors, auditors and board of supervisors;</p>	<p>2. to inspect for free and copy, subject to payment of a reasonable charge:</p> <p>(i) all parts of the register of Shareholders;</p> <p>(ii) personal particulars of each of our Directors, supervisors, president and other senior management members, including:</p> <p>(a) present <u>and former</u> name and alias and any former name and alias;</p> <p>(b) principal residential address;</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations and positions;</p> <p>(e) <u>personal</u> identification document and its number.</p> <p>(iii) reports on the <u>stateposition</u> of the issued share capital of the Company;</p> <p>(iv) latest audited financial statements of the Company and reports of the board of Directors, auditors and board of supervisors;</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(v) special resolutions of general meetings of the Company;</p> <p>(vi) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate costs incurred by the Company for this purpose;</p> <p>(vii) copy of the latest annual return filed with the State Administration for Industry & Commerce of the People's Republic of China or other authorities; and</p> <p>(viii) minutes of general meetings.</p> <p>The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the Listing Rules, for the purpose of inspection by the public and holders of overseas-listed foreign Shares free of charge. Item (viii) shall be available to Shareholders only.</p>	<p>(v) special resolutions of general meetings of the Company;</p> <p>(vi) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate costs incurred by the Company for this purpose;</p> <p>(vii) copy of the latest annual return filed with the State Administration for Industry & Commerce of the People's Republic of China or other <u>competent</u> authorities; and</p> <p>(viii) minutes of general meetings, <u>resolutions of meetings of the board of Directors and resolutions of meetings of the board of supervisors.</u></p> <p>The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the Listing Rules, for the purpose of inspection by the public and <u>Shareholders</u> holders of overseas-listed foreign Shares free of charge. Item (viii) shall be <u>made</u> available to Shareholders only.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Shareholders demanding inspection of the relevant information or copies of the materials mentioned above shall provide the Company with written documents indicating the class and number of shares they hold in the Company. After confirmation of the shareholder's identity, the Company shall provide such information based on the request of the shareholder.</p> <p>(6) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;</p> <p>(7) to request the Company to repurchase its shares held by the dissident Shareholders when they cast votes against the proposal for merger or division at the general meeting of the Company; and</p> <p>(8) other rights conferred by laws, regulations and these Articles.</p>	<p>Shareholders demanding inspection of the relevant information <u>above or the obtaining of information</u> copies of the materials mentioned above shall provide the Company with written documents indicating the class and number of shares they hold in the Company. After confirmation of the shareholder's identity, the Company shall provide such information based on the request of the shareholder.</p> <p>(6) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;</p> <p>(7) to request the Company to repurchase its<u>the</u> shares held by the dissident Shareholders when they cast<u>who</u> votes against the proposal <u>resolutions</u> for merger or division at the general meeting of the Company; and</p> <p>(8) other rights conferred by laws, <u>administrative</u> regulations and these Articles.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 62 The general meeting exercises the following functions and powers:</p> <ol style="list-style-type: none"> (1) to decide on operational policies and investment plans of the Company; (2) to elect or remove the Directors and supervisors who are not representatives of the employees, and to decide on matters relevant to remuneration of Directors and supervisors; (3) to consider and approve reports of the board of Directors; (4) to consider and approve reports of the board of supervisors; (5) to consider and approve annual financial budgets and financial accounts of the Company; (6) to consider and approve proposals for profit distribution and for recovery of losses of the Company; (7) to decide on increase and reduction of the registered capital of the Company; (8) to decide on bond issuances of the Company; (9) to decide on merger, division, dissolution and liquidation of the Company and changes in the form of the Company; (10) to amend these Articles; (11) to decide on the appointment and dismissal of accounting firms which provide audit services for annual financial statements of the Company; (12) to consider and approve the guarantees as provided in Article 64; 	<p>Article 62 The general meeting exercises the following functions and powers:</p> <ol style="list-style-type: none"> (1) to decide on operational policies and investment plans of the Company; (2) to elect or remove the Directors and supervisors who are not representatives of the employees, and to decide on matters relevant to remuneration of Directors and supervisors; (3) to consider and approve reports of the board of Directors; (4) to consider and approve reports of the board of supervisors; (5) to consider and approve annual financial budgets and financial accounts of the Company; (6) to consider and approve proposals for profit distribution and for recovery of losses of the Company; (7) to decide on increase and reduction of the registered capital of the Company; (8) to decide on bond issuances of the Company; (9) to decide on merger, division, dissolution and liquidation of the Company and changes in the form of the Company; (10) to amend these Articles; (11) to decide on the appointment and dismissal of accounting firms which provide audit services for annual financial statements of the Company; (12) to consider and approve the guarantees as provided in Article 64;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
(13) to consider and approve the acquisition or disposals of material assets of the Company within a year exceeding 30% of the latest audited total assets for the year;	(13) to consider and approve the acquisition or disposals of material assets of the Company within a year exceeding 30% of the latest audited total assets for the year ;
(14) to consider and approve share option schemes;	(14) <u>to consider and approve the change of uses of funds raised;</u>
(15) to consider and approve pledge of assets, investments and entrusted wealth management of assets exceeding 50% of the latest audited net assets of the Company and connected transaction with an amount exceeding 20% of latest audited net assets of the Company;	(15) to consider and approve share option <u>incentive</u> schemes;
(16) to consider and approve the proposals submitted by Shareholders holding 3% or more of the voting shares of the Company;	(16) to consider and approve pledge of assets, investments and entrusted wealth management of assets exceeding 50% of the latest audited net assets of the Company and connected transaction with an amount exceeding 20% of latest audited net assets of the Company; <u>to consider and approve the transaction matters stipulated in Article 65;</u>
(17) to consider and approve other matters required to be resolved by the general meeting by the laws, regulations, departmental rules or these Articles.	(17) <u>to consider and approve the connected transactions (other than those in relation to provision of guarantees by the Company or receipt of cash assets as gift, or for the purpose of reducing or exempting the indebtedness of the Company only) proposed to be conducted between the Company and connected parties with transaction amount of more than RMB30 million and representing more than 5% of the latest audited absolute net assets value of the Company;</u>
	(18) to consider and approve the proposals submitted by Shareholders holding 3% or more of the voting shares of the Company;
	(19) to consider and approve other matters required by laws, administrative regulations, departmental rules or these Articles to be resolved by the general meeting by the laws, regulations, departmental rules or these Articles.

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 64 The provision of guarantees for a third party by the Company in the following circumstances shall be subject to the approval of the general meeting.</p> <p>(1) any provision of guarantees where the total amount of external guarantees provided by the Company and its subsidiaries exceeds 50% of the latest audited net assets of the Company;</p> <p>(2) any provision of guarantees where the total amount of external guarantees provided the Company exceeds 30% of the latest audited total assets of the Company;</p> <p>(3) provision of guarantees to anyone whose debt-to-asset ratio exceeds 70%;</p> <p>(4) provision of a single guarantee with an amount exceeding 10% of the latest audited net assets;</p> <p>(5) provision of guarantees to any shareholder, de facto controller and their affiliated parties.</p>	<p>Article 64 The provision of guarantees for a third party by the Company in the following circumstances shall be subject to the approval of the general meeting.</p> <p>(1) any provision of guarantees where the total amount of external guarantees provided by the Company and its subsidiaries <u>reaches or exceeds</u> 50% of the latest audited net assets of the Company;</p> <p>(2) any provision of guarantees where the total amount of external guarantees provided the Company exceeds 30% of the latest audited total assets of the Company; <u>when calculated on an aggregate basis, the total amount of guarantees provided by the Company for a period of 12 consecutive months exceeds 30% of the latest audited total asset value of the Company;</u></p> <p>(3) <u>when calculated on an aggregate basis, the total amount of guarantees provided by the Company for a period of 12 consecutive months exceeds 50% of the latest audited net asset value of the Company, and involves an absolute value of more than RMB50 million;</u></p> <p>(34) provision of guarantees to anyone whose debt-to-asset ratio exceeds 70%;</p> <p>(45) provision of a single guarantee with an amount exceeding 10% of the latest audited net assets;</p>
	<p>(56) provision of guarantees to any shareholder, de facto controller and their affiliated parties<u>persons</u>.</p> <p><u>The guarantee matters referred to in the preceding paragraph (2) are subject to approval of more than two-thirds of the participating Shareholders with voting rights.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>Article 65 For any transaction effected by of the Company (other than relating to provision of guarantees or, receipt of cash assets as gift, or for the purpose of transaction purely to reduce or exempting the indebtedness of the Company only) that <u>which</u> meets any of the following <u>thresholds described in the circumstances set forth below shall be considered and approved</u> at <u>er</u> riteria, the Company shall submit the matter to the general meeting for consideration and approval:</p> <ol style="list-style-type: none"> <li data-bbox="801 676 1364 868">(1) the total value of assets involved in the transaction (<u>when</u> book value or appraised value both exist, the <u>whichever is higher shall apply</u> higher) accounts for <u>more than 50%</u> of 50% or more the most recent <u>latest</u> audited total asset <u>values</u> of the Company; <li data-bbox="801 900 1364 1123">(2) the transaction amount (including liabilities assumed and costs <u>incurred</u>) accounts for <u>more than 50%</u> 50% or more of the latest <u>most recent</u> audited net asset <u>values</u> of the Company, and involves an <u>with</u> the absolute <u>value of</u> amount being more than RMB50,000,000; <li data-bbox="801 1155 1364 1347">(3) the profit derived from the transaction accounts for <u>more than 50%</u> or more of the audited net profit of the most recent fiscal year of the Company, and involves with an <u>absolute value</u> the absolute amount of <u>being</u> more than RMB5,000,000; <li data-bbox="801 1378 1364 1634">(4) the revenue derived <u>in respect of</u> from the subject matter of the transaction (such as equity interest) in the most fiscal year accounts for <u>more than 50%</u> 50% or more of the audited revenue of the Company in the most recent fiscal year, and involves an <u>with</u> the absolute <u>value of</u> amount being more than RMB50,000,000;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>(5) the net profit derived in respect of the subject matter of the transaction (such as equity interest) in the most recent fiscal year accounts for <u>more than 50%</u> or more of the audited net profit of the Company in the most recent fiscal year, <u>and involves an</u> with the absolute <u>value of amount</u> being more than RMB5,000,000.</p> <p>If any <u>figure involved for the purpose of thresholds described above</u> date involved in the calculation above is negative, <u>its</u> the absolute value shall apply.</p> <p><u>In conducting</u> For other transactions conducted by the Company (other than <u>relating to</u> “provision of guarantees”, “provision of financial assistance” and “entrusted financial management”), <u>if any threshold described in the paragraph (1) to (5) above is expected to be involved, the Company shall take into account all such transactions with the subject matter of the same kind in order to make calculation on the aggregate basis for a period of 12 consecutive months which involve the indicators in the aforesaid (1) to (5), the Company shall calculate each transaction relating to transaction subject under similar transaction in accordance with the principle of cumulative calculation within a period of 12 consecutive months, for determining to determine whether such transactions need to be submitted to the general meeting for consideration, it shall be considered in the general meeting.</u></p> <p><u>In conducting transactions relating to “provision of guarantees”,</u> tThe <u>Company shall comply with the requirements of Article 64 of these Articles when conducting a transaction of “provision of guarantees”.</u> <u>In conducting transactions relating to “provision of financial assistance” and “entrusted financial management”,</u> tThe Company shall <u>make calculation</u> calculate based on the actual amount, and all the transactions that are completed within <u>a</u> 2 period of 12 <u>consecutive</u> months shall be aggregated by category. <u>when conducting transactions such as “provision of financial assistance” and “entrusted financial management”.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>The transactions referred to in this Article include the followings:</u></p> <ol style="list-style-type: none"> <u>(1) purchase or disposal of assets;</u> <u>(2) external investments (including entrusted wealth management, entrusted loans, etc.);</u> <u>(3) provision of financial assistance;</u> <u>(4) provision of guarantees;</u> <u>(5) lease of assets as lessor or lessee;</u> <u>(6) entrusting or being entrusted with asset and business management;</u> <u>(7) donating or taking of assets;</u> <u>(8) restructuring of creditor’s rights or debts;</u> <u>(9) entering into licensing agreements;</u> <u>(10) transfer of research and development projects as transferor or transferee;</u> <u>(11) other transactions recognized by the stock exchange.</u> <p><u>The aforesaid purchase or disposal of assets exclude asset purchase or disposal relating to daily business operations such as purchase of raw materials, fuel and power and sale of products and goods, but still include asset purchase or disposal involved in asset swap.</u></p>
<p>Article 66 The location for holding a general meeting of the Company shall be the domicile of the Company in general. A venue shall be set aside for the convening of a physical general meeting. The Company will also enable Shareholders to have access to the general meeting by other means as permitted by the listing rules of the place where the shares of the Company are listed. The Shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.</p>	<p>Article 66Article 67 The location for holding a general meeting of the Company shall <u>in principle</u> be the domicile of the Company in general. A venue shall be set aside for the convening of a physical general meeting. The Company will also enable <u>facilitate</u> Shareholders to have access to <u>attend</u> the general meeting by <u>Internet or</u> other means as permitted by the listing rules of the place where the shares of the Company are listed. The s<u>Shareholders that who</u> have participated in the meeting through access of <u>by any of the</u> aforesaid means shall be deemed as having attended the meeting.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>Article 68 The Company shall appoint a lawyer to provide legal advice in the general meeting to the following issues and make announcement accordingly:</p> <p>(1) Whether the convening and procedure of holding the general meeting are in compliance with laws, administrative regulations and these Articles;</p> <p>(2) Whether the qualifications of members attending the general meeting and the convener of the general meeting are lawful and valid;</p> <p>(3) Whether the voting procedure and voting results of the general meeting are lawful and effective;</p> <p>(4) Provision of legal advice to other relevant issues as requested by the Company.</p>
<p>Article 67 When the Company convenes a general meeting, it shall issue a written notice within 45 days prior to the meeting informing all the registered Shareholders of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the general meeting shall, within 20 days prior to the meeting, deliver a written reply to the Company confirming attendance at the meeting.</p> <p>Regarding the calculation of the notice period, the date of the meeting shall not be included.</p> <p>For notices given under this article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar appointed by the Company.</p>	<p>Article 67Article 69 When the Company convenes a general meeting, it shall issue a written notice within 45 days prior to the meeting informing all the registered Shareholders of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the general meeting shall, within 20 days prior to the meeting, deliver a written reply to the Company confirming attendance at the meeting.</p> <p>Regarding the calculation of<u>For the purpose of calculating</u> the notice period, the date of the meeting shall not be included.</p> <p>For notices given <u>to holders of H shares</u> under this article, the date posted shall be the date of delivering the relevant notice to <u>the</u> post office by the Company or the share registrar appointed by the Company.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 70 The notice of a general meeting shall meet the following criteria:</p> <ol style="list-style-type: none"> (1) it shall be made in writing; (2) it shall specify the venue, date and time of the meeting; (3) it shall set out the matters to be considered at the meeting; (4) it shall provide Shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction shall be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of the such proposal shall be properly explained; (5) it shall disclose the nature and degree of the material interest of any Director, supervisor, the president and other senior management in the matters to be considered. In case that the impact of the matters to be considered on such Director, supervisor, president and other senior management as a shareholder is different from that on other holders of the same class of shares, the difference shall be explained; 	<p>Article 70Article 72 The notice of a general meeting shall meet the following criteria:</p> <ol style="list-style-type: none"> (1) it shall be made in writing; (2) it shall specify the venue, date and time of the meeting; (3) it shall set out the matters <u>and proposals</u> to be considered at the meeting; (4) it shall provide Shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but <u>shall not be</u> limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the <u>specific terms and contract (if any)</u> of the proposed transaction shall be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of the such proposal shall be properly explained; (5) it shall disclose the nature and degree of the material interest of any Director, supervisor, the president and other senior management <u>personnel</u> in the matters to be considered. In case that the impact of the matters to be considered on such Director, supervisor, president and other senior management <u>personnel</u> as a shareholder is different from that on other holders of the same class of shares, the difference shall be explained;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(6) it shall set out the full text of any special resolution to be proposed at the meeting;</p> <p>(7) it shall contain a prominent written statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder; and</p> <p>(8) it shall specify the delivery time and place of the authorization letter for proxy voting of the meeting.</p>	<p>(6) it shall set out the full text of any special resolution<u>resolutions</u> to be proposed at the meeting;</p> <p>(7) it shall contain a prominent written statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder; and</p> <p>(8) it shall specify the delivery time and place of the authorization letter for proxy voting of the meeting-;</p> <p>(9) <u>it shall specify the registration date for Shareholders who are entitled to attend the general meeting;</u></p> <p>(10) <u>it shall contain the name and telephone number of the contact person.</u></p>
<p>Article 71 Where the elections of Director and supervisor will be discussed at the general meeting, the notices of the general meeting shall contain the details of the candidates of Directors and supervisors including the following particulars:</p> <p>(1) personal particulars such as education background, working experience and any part-time positions;</p> <p>(2) whether there is any connected relationship with the Company or the controlling Shareholders and de facto controller of the Company;</p> <p>(3) their shareholding in the Company;</p> <p>(4) whether there are any penalties or punishments imposed by the CSRC and other related authorities or stock exchanges.</p>	<p>Article 71Article 73 Where the elections of Director and supervisor will be discussed at the general meeting, the notices of the general meeting shall contain the details of the candidates of Directors and supervisors including <u>at least</u> the following particulars:</p> <p>(1) personal particulars such as education background, working experience and any part-time positions;</p> <p>(2) whether there is any connected relationship with the Company or the controlling Shareholders and de facto controller of the Company;</p> <p>(3) their shareholding in the Company;</p> <p>(4) <u>whether there they have been subject to the are any penalties or punishments imposed by of the CSRC and other related authorities or and the punishment of the stock exchanges.</u></p> <p><u>A single proposal shall be made for each candidate for Director or supervisor, except for Directors or supervisors elected by way of cumulative voting system.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 73 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 the meeting or any resolution adopted at that meeting.</p>	<p>Article 73The 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 the meeting or any resolution adopted at that meeting.</p>
	<p><u>Article 75 After the notice of general meeting is issued, the general meeting shall not be postponed or cancelled without a proper reason and the proposals stated in the notice of general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue an announcement and state the reasons therein at least two working days before the original date of the general meeting.</u></p>
<p>Article 75 Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its Director or agent so officially authorized. Such instrument shall state clearly the number of shares represented by the proxy or, in case that more than one proxy is appointed, the instruments shall state clearly the number of shares represented by each of the proxies.</p>	<p>Article 75 Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its Director or agent so officially authorized. Such instrument shall state clearly the number of shares represented by the proxy or, in case that more than one proxy is appointed, the instruments shall state clearly the number of shares represented by each of the proxies.</p>
	<p><u>Article 77 Individual Shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual Shareholders shall produce their effective proof of identity and proxy form.</u></p> <p><u>A corporate shareholder shall be represented by its legal representative or a proxy appointed by the legal representative at the meeting. Legal representatives shall present their identity cards and valid proofs of their legal representative identity when they attend the meeting. In the case that a proxy is appointed, the proxy shall present his own identity card and the power of attorney in writing issued by the legal representative of the corporate shareholder as stipulated by laws.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>Article 78</u> The letter of attorney issued by a shareholder to entrust a proxy to attend the general meeting shall be in writing and include the following contents:</p> <ol style="list-style-type: none"> (1) <u>the name of the proxy;</u> (2) <u>the number of shares represented;</u> (3) <u>whether the proxy has the voting right or not;</u> (4) <u>the instructions to vote for, against or abstain from voting on each item to be considered by the general meeting respectively;</u> (5) <u>the issuance date and expiry date of the letter of attorney;</u> (6) <u>whether the proxy has the voting right over temporary proposal which may be included in the agenda of the general meeting or not, and specific instructions shall be given over what voting right shall be exercised if the proxy does have the voting right;</u> (7) <u>the signature (or seal) of the entrusting party. Where the entrusting party is a corporate shareholder, the letter of attorney shall be sealed by the seal of the legal entity or signed by its Director or proxy duly authorised;</u> <p><u>The letter of attorney shall indicate that the shareholder proxy can vote according to his/her own intention if the shareholder does not make specific instructions.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 76 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorised to vote or within 24 hours prior to the specified time for the voting. Where the instrument is signed by another person authorised by the appointer, the power of attorney or other authorization document shall be notarised. The notarised power of attorney or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.</p> <p>Where the appointer is a legal person, its legal representative or the person authorised by resolution of its board of Directors or other decision-making body shall be entitled to attend the Company's general meeting as the representative of such legal person.</p> <p>The Company has the right to request a proxy who attends the extraordinary general meeting on behalf of a shareholder to provide evidence of his/her identity.</p> <p>If a shareholder which is a legal person appoints a proxy to attend a meeting on its behalf, the Company has the right to request such proxy to produce evidence of such shareholder's and his identity and the resolutions of such shareholder's board of Directors or the power of attorney executed by other authority in respect of the appointment of the proxy.</p>	<p>Article 76 Article 79 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorised to vote or within 24 hours prior to the specified time for the voting. Where the instrument is signed by another person authorised by the appointer, the power of attorney or other authorization document shall be notarised. The notarised power of attorney or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.</p> <p>Where the appointer is a legal person, its legal representative or the person authorised by resolution of its board of Directors or other decision-making body shall be entitled to attend the Company's general meeting as <u>the</u> representative of such legal person.</p> <p>The Company has the right to request a proxy who attends the extraordinary general meeting on behalf of a shareholder to provide evidence of his/her identity.</p> <p>If a shareholder which is a legal person appoints a proxy to attend a meeting on its behalf, the Company has the right to request such proxy to produce evidence of such shareholder's and his identity and the resolutions of such shareholder's board of Directors or the power of attorney executed by other authority in respect of the appointment of the proxy.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>Article 82 <u>The register of attendance of the general meeting shall be prepared by the Company. Such register shall record information such as each attendee's name (or name of organization), identity card number, residential address, the number of voting shares held or authorized, name of the proxy (or name of organization), etc.</u></p>
	<p>Article 83 <u>The convener of the general meeting and legal adviser engaged by the Company shall, on the basis of the register of Shareholders provided by the securities registration and clearing institutions, verify the legality of the Shareholders' qualification, and register the name (or title) of each shareholder and the number of voting shares held by such shareholder. Such shareholder registration shall cease before the announcement made by the presiding person of the meeting of the total number of the Shareholders and proxies who are attending the Shareholders' general meeting and the total number of voting shares held by such Shareholders and represented by such proxies.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 81 A shareholder (including proxy), when voting at a general meeting, may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one vote. The shares of the Company held by itself shall have no voting rights, and shall be excluded from the total number of voting votes at general meeting.</p> <p>When a connected transaction is being considered at a general meeting, the connected Shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total number of effective votes according to the listing rules of the stock exchange(s) on which the shares of the Company are listed.</p> <p>Where any shareholder is required to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution according the applicable laws and regulations and the listing rules of the stock exchange(s) on which the shares of the Company are listed, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>	<p>Article 81 Article 86 A shareholder (including proxy), when voting at a general meeting, may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one vote. The shares of the Company held by itself shall have no voting rights, and shall be excluded from the total number of voting votes at general meeting.</p> <p><u>When the general meeting considers significant matters that could affect the interests of medium and small investors, the votes by medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.</u></p> <p><u>The board of Directors, independent Directors, and Shareholders who meet the relevant requirements may collect voting rights from other Shareholders. Information including the specific voting intention shall be fully disclosed to the Shareholders from whom voting rights are being collected. Consideration or de-facto consideration for collecting Shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for collecting voting rights.</u></p> <p>When a connected transaction is being considered at a general meeting, <u>shall it be required under the listing rules of the stock exchange(s) on which the shares of the Company are listed, the connected Shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total number of effective votes according to the listing rules of the stock exchange(s) on which the shares of the Company are listed;</u> the announcements of resolutions passed at the general meeting shall fully disclose the votes cast by non-connected Shareholders.</p>
	<p>Where any shareholder is required to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution according the applicable laws and regulations and the listing rules of the stock exchange(s) on which the shares of the Company are listed, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 85 In the case there is an equality of votes, whether the vote is taken by a show of hands or by poll, the chairman of the meeting is entitled to a casting vote.</p>	<p>Article 85 In the case there is an equality of votes, whether the vote is taken by a show of hands or by poll, the chairman of the meeting is entitled to a casting vote.</p>
<p>Article 86 The following resolutions shall be adopted as ordinary resolutions at a general meeting:</p> <ol style="list-style-type: none"> (1) working reports of the board of Directors and board of supervisors; (2) profit distribution proposals and plans for making up losses formulated by the board of Directors; (3) election and dismissal of Directors and non-employee representative supervisors, and their remuneration and payment method; (4) corporate policy and investment plans of the Company; (5) annual financial budgets, final accounts, balance sheets, profit and loss accounts and other financial statements of the Company; (6) other matters unless otherwise required to be adopted as special resolutions in accordance with the applicable laws and regulations or these Articles. 	<p>Article 86 Article 90 The following resolution matters shall be adopted as ordinary resolutions at a general meeting:</p> <ol style="list-style-type: none"> (1) working reports of the board of Directors and board of supervisors; (2) profit distribution proposals and plans for making up losses formulated by the board of Directors; (3) election and dismissal of Directors and non-employee representative supervisors, and their remuneration and payment method; (4) corporate <u>operating policies</u> and investment plans of the Company; (5) annual financial budgets, final accounts, balance sheets, profit and loss accounts and other financial statements of the Company; (6) <u>annual reports of the Company;</u> (7) <u>other matters unless otherwise other than those which are required to be adopted as special resolutions in accordance with the applicable laws and administrative regulations, provisions of listing rules of the stock exchange where the Company's shares are listed or these Articles.</u>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 88 An extraordinary general meeting may be convened upon the proposal of more than half of the independent Directors submitted to the board of Directors. The board of Directors shall, in accordance with the laws, regulations and these Articles, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 business days upon receipt of such proposal.</p> <p>If the board of Directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within 5 days after adopting the relevant resolution by the board of Directors. If the board of Directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given.</p>	<p>Article 88Article 92 More than half of the independent Directors shall be entitled to propose in writing to the board of Directors to convene an extraordinary general meeting may be convened upon the proposal of more than half of the independent Directors submitted to the board of Directors. The board of Directors shall, in accordance with the laws, <u>administrative</u> regulations and these Articles, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 business days upon receipt of such proposal.</p> <p>If the board of Directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within 5 days after adopting the relevant resolution by the board of Directors. If the board of Directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given <u>by way of announcement.</u></p>
	<p>Article 93 <u>The board of supervisors is entitled to propose in writing to the board of Directors to convene an extraordinary general meeting. The board of Directors shall, in accordance with the laws, administrative regulations and these Articles, furnish a written reply to the board of supervisors stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after having received such proposal.</u></p> <p><u>In the event that the board of Directors agrees to convene an extraordinary general meeting, it shall serve the notice of such meeting within five days after the relevant Board resolution is passed. Consent of the board of supervisors shall be obtained in the event of any changes made to the original proposal in the notice.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>In the event that the board of Directors does not agree to convene an extraordinary general meeting or does not furnish any written reply to the board of supervisors within ten days after having received such proposal, the board of Directors is deemed to be unable or unwilling to perform the duty of convening a general meeting, in which case the board of supervisors may convene and preside over such meeting by itself.</u></p> <p><u>Any reasonable expenses incurred by the board of supervisors in convening and holding a meeting by reason of the failure of the board of Directors to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the Directors in default.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 89 When Shareholders or the board of supervisors request for the convening of an extraordinary general meeting or any class meeting, the following procedures shall be followed:</p> <p>(1) Shareholder(s) who individually or jointly hold 10% or more of the shares carrying the right to vote at the meeting or the board of supervisors can request the board of Directors to convene an extraordinary general meeting or class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions proposed. The board of Directors shall convene the extraordinary general meeting or class meeting as specified in the request. The amount of shares referred to above shall be calculated as at the date of making the request.</p> <p>(2) If no notice of convening a general meeting was issued within 30 days after the board of Directors receiving the abovementioned written request(s), the Shareholders making the request(s) have the right to request the board of supervisors to convene an extraordinary general meeting or class meeting and shall make the request by way of a written request to the board of supervisors. The board of supervisors can convene a meeting by itself within 4 months after the board of Directors receiving the abovementioned written request(s). If the board of supervisors will not convene or preside over a meeting, the Shareholders who individually or jointly hold 10% or more of the shares of the Company for more than 90 days consecutively may convene a meeting themselves and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the board of Directors.</p>	<p>Article 89Article 94 When Shareholders or the board of supervisors request for the convening of an extraordinary general meeting or any class meeting, the following procedures shall be followed:</p> <p>(1) Shareholder(s) who individually or jointly hold 10% or more of the shares carrying the right to vote at the <u>proposed meeting</u> or the board of supervisors can request the board of Directors to convene an extraordinary general meeting or class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions proposed. <u>The board of Directors shall, in accordance with laws, administrative regulations and these Articles, reply in writing on whether or not the board of Directors agrees to convene an extraordinary general meeting or a class meeting within ten days upon the receipt of such written requests.</u> The board of Directors shall convene the extraordinary general meeting or class meeting as specified in the request. The amount of shares referred to above shall be calculated as at the date of making the <u>written request.</u></p> <p>(2) <u>If the board of Directors agrees to convene an extraordinary general meeting or a class meeting, it shall issue a notice of meeting within five days after the resolution is made by the board of Directors. Any change to the original request in the notice shall be subject to the consent from relevant Shareholders;</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>All reasonable expenses incurred for such meeting convened by the Shareholders or the board of supervisors as a result of the failure of the board of Directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting Directors.</p>	<p>(3) <u>In the event that the Board does not agree to convene an extraordinary general meeting or a class meeting or does not furnish any reply within 10 days after receiving such proposal, If no notice of convening a general meeting was issued within 30 days after the board of Directors receiving the abovementioned written request(s), the Shareholders making the request(s) have the right to request the board of supervisors to convene an extraordinary general meeting or class meeting and shall make the request by way of a written request to the board of supervisors.</u></p> <p>(4) <u>If the board of supervisors agrees to convene an extraordinary meeting or a class meeting, it shall issue a notice of meeting within five days upon the receipt of the request. Any change to the original proposal in the notice shall be subject to the consent from relevant Shareholders;</u></p> <p>(5) <u>Failure of the board of supervisors to issue the notice of a general meeting or a class meeting within the prescribed period shall be deemed as failure of the board of supervisors to convene and preside over a general meeting or a class meeting, The board of supervisors can convene a meeting by itself within 4 months after the board of Directors receiving the abovementioned written request(s). If the board of supervisors will not convene or preside over a meeting, the Shareholders who individually or jointly hold 10% or more of the shares of the Company for more than 90 days consecutively may convene and preside over a meeting themselves and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the board of Directors.</u></p>
	<p>All reasonable expenses incurred for such meeting convened by the Shareholders or the board of supervisors as a result of the failure of the board of Directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting Directors.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>Article 95 <u>In the event that the board of supervisors or the shareholder(s) decide(s) to convene the general meeting on its or their own, the board of supervisors or the shareholder(s) shall notify the board of Directors in writing and file with the local representative office of the competent securities authorities under the State Council at the place where the Company resides and the stock exchange where the Company’s shares are listed.</u></p> <p><u>The shareholding in the Company of the shareholder(s) who convene(s) a general meeting shall be not less than 10% prior to the announcement of resolutions of the general meeting.</u></p> <p><u>The board of supervisors and convening shareholder(s) shall submit relevant evidencing documents to the competent securities authorities under the State Council at the place where the Company resides and the stock exchange where the Company’s shares are listed upon the issuance of notice for the general meeting and announcement of resolutions of the general meeting.</u></p>
	<p>Article 96 <u>The board of Directors and the secretary to the board of Directors shall cooperate when the board of supervisors or the shareholder(s) convene(s) a general meeting on its or their own. The board of Directors shall provide the register of Shareholders as at the record date.</u></p>

<p>Current provisions in the Articles of Association</p>	<p>Amended provisions in the Articles of Association</p>
<p>Article 91 The chairman of the board of Directors shall preside over the general meetings convened by the board of Directors and in the failure of which, one Director shall be designated by the chairman of the board of Directors to preside over the meeting on his behalf. In the event that no such designation is made, one Shareholder as elected from the attending Shareholders may preside over the meeting. If, for any reason, the attending Shareholders fail to elect one to be the chairman, the attending shareholder (or his proxy) who holds the most voting shares shall be the chairman.</p> <p>The chairman of the board of supervisors shall preside over the general meetings convened by the board of supervisors at its sole discretion. In the event that the chairman of the board of supervisors is unable to or fails to fulfill the required obligations, the meeting may be presided over by a supervisor designated by the chairman of the board of supervisors on his behalf.</p> <p>For the general meetings convened by Shareholders, the conveners shall nominate a representative to preside over the meeting.</p> <p>In the event that the chairman of the meeting violates the rules of procedures that results in the general meeting being unable to continue, upon approval by the Shareholders representing more than half of the voting rights present at the meeting, a person may be elected to chair the general meeting and the meeting shall continue. If, for any reason, the Shareholders fail to elect one to be the chairman, the attending shareholder (or his proxy) who holds the most voting shares shall be the chairman.</p>	<p>Article 91Article 98 The chairman of the board of Directors shall preside over the general meetings convened by the board of Directors and in the failure of which, <u>the meeting shall be presided over by a Director elected by more than half members of the board of Directors.</u> one Director shall be designated by the chairman of the board of Directors to preside over the meeting on his behalf. In the event that no such designation is made, one shareholder as elected from the attending Shareholders may preside over the meeting. If, for any reason, the attending Shareholders fail to elect one to be the chairman, the attending shareholder (or his proxy) who holds the most voting shares shall be the chairman.</p> <p>The chairman of the board of supervisors shall preside over the general meetings convened by the board of supervisors at its sole discretion. In the event that the chairman of the board of supervisors is unable to or fails to fulfill the required obligations, <u>the meeting shall be presided over by a supervisor elected by more than half supervisors.</u> the meeting may be presided over by a supervisor designated by the chairman of the board of supervisors on his behalf.</p> <p>For the general meetings convened by Shareholders, the conveners shall nominate a representative to preside over the meeting.</p>
	<p>In the event that the chairman of the meeting violates the rules of procedures that results in the general meeting being unable to continue, upon approval by the Shareholders representing more than half of the voting rights present at the meeting, a person may be elected to chair the general meeting and the meeting shall continue. If, for any reason, the Shareholders fail to elect one to be the chairman <u>of the meeting</u>, the attending shareholder (or his proxy) who holds the most voting shares shall be the chairman <u>of the meeting</u>.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<u>Article 100</u> At the annual general meeting, the board of Directors and the board of supervisors shall report their work of previous year to the general meeting. Each independent Director shall also report his/her work.
	<u>Article 101</u> The Directors, supervisors and senior management shall make explanation and clarification to the Shareholders' queries and suggestions at the general meeting.
Article 94 The Company shall, on the premise of ensuring the lawfulness and validity of the general meeting, enable the Shareholders to attend general meetings by various means.	Article 94 Article 103 The Company shall, on the premise of ensuring the lawfulness and validity of the general meeting, enable the Shareholders to attend general meetings by various means, <u>including the provision of modern information technology measures such as online voting platforms for holders of A shares.</u>
Article 95 The list of candidates for Directors and non-employee representative supervisors shall be submitted to the general meeting for voting in form of a resolution.	Article 95 Article 104 The list of candidates for Directors and non-employee representative supervisors shall be submitted to the general meeting for voting in form of a resolution. <u>When taking a poll in respect of the election of Directors or supervisors at the general meeting, the cumulative voting system shall be adopted according to the provisions of these Articles or resolutions of the general meeting.</u> <u>The cumulative voting system referred to in the preceding paragraph means at the general meeting where Directors or supervisors are elected, each share shall have the same number of voting rights as the number of Directors or supervisors to be elected. Shareholders' voting rights may be used collectively. The board of Directors shall announce to the Shareholders the biographies and basic particulars of the candidates for Directors or supervisors.</u>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 96 The approach and procedures for nomination of candidates for Directors and supervisors are as follows:</p> <p>(1) Shareholder(s) individually or jointly holding more than 3% of the total issued and outstanding voting shares of the Company may propose in writing to the general meeting for the nomination of candidates for non-employee representative Directors and supervisors. However, the number of candidates proposed shall comply with these Articles, and shall not be more than the number to be elected. The aforesaid proposal of the Shareholders should be served to the Company at least 14 business days before the date of the general meeting.</p> <p>(2) The list of candidates for Directors and supervisors shall be proposed by the board of Directors and the board of supervisors for the consideration of the board of Directors and board of supervisors respectively, and the number of candidates to be proposed shall be within the number stipulated in these Articles. The list of candidates for Directors and supervisors shall be submitted to the general meeting by way of a written proposal after being considered and adopted by the board of Directors and board of supervisors.</p> <p>(3) The written notices for the intention to nominate a candidate for Director or supervisor and the acceptance of nomination by such candidate and the written information of the nominated candidate shall be given to the Company no less than 14 business days prior to the date of the general meeting. The board of Directors or board of supervisors shall provide Shareholders with the biographical details and basic information of the candidates for Directors and supervisors.</p>	<p>Article 96Article 105 The approach and procedures for nomination of candidates for Directors and supervisors are as follows:</p> <p>(1) Shareholder(s) individually or jointly holding more than 3% of the total issued and outstanding voting shares of the Company may propose in writing to the general meeting for the nomination of candidates for non-employee representative Directors and supervisors. However, the number of candidates proposed shall comply with these Articles, and shall not be more than the number to be elected.The aforesaid proposal of the Shareholders should be served to the Company at least 14 business days before the date of the general meeting.</p> <p>(2) The list of candidates for Directors and supervisors shall<u>may</u> be proposed by the board of Directors and the board of supervisors for the consideration of the board of Directors and board of supervisors respectively, and the number of candidates to be proposed shall be within the number stipulated in these Articles. The list of candidates for Directors and supervisors shall be submitted to the general meeting by way of a written proposal after being considered and adopted by the board of Directors and board of supervisors.</p> <p>(3) The written notices for the intention to nominate a candidate for Director or supervisor and the acceptance of nomination by such candidate and the written information of the nominated candidate shall be given to the Company no less than 14 business days prior to the date of the general meeting. The board of Directors or board of supervisors shall provide Shareholders with the biographical details and basic information of the candidates for Directors and supervisors.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(4) The Company shall allow a notice period of no less than 7 days commencing from the day following the date of the notice of general meeting for the submission of the aforesaid notices and documents.</p> <p>(5) Voting for the election of each candidate for a Director and supervisor shall be carried out separately in the general meeting.</p> <p>(6) Where there is a need to fill the casual vacancy of Director or supervisor, the board of Directors or board of supervisors shall submit a proposal to the general meeting for the election or change of a Director or supervisor.</p>	<p>(4) The Company shall allow a notice period of no less than 7 days commencing from the day following the date of the notice of general meeting for the submission of the aforesaid notices and documents <u>by the nominators and the nominees.</u></p> <p>(5) <u>Except for the accumulative voting system, voting</u> Voting—for the election of each candidate for a Director and supervisor shall be carried out separately in the general meeting.</p> <p>(6) Where there is a need to fill the casual vacancy of Director or supervisor, the board of Directors or board of supervisors shall submit a proposal to the general meeting for the election or change<u>replacement</u> of a Director or supervisor.</p>
<p>Article 97 The general meeting shall vote on all resolutions individually. If there are various resolutions for a single matter, they shall be voted in the chronological order of the proposals being proposed. Except under special circumstance such as force majeure leading to the suspension of or inability to adopt resolutions at a general meeting, no resolution shall be set aside or left undecided at the general meeting.</p>	<p>Article 97Article 106 <u>Except for the accumulative voting system, the</u> The general meeting shall vote on all resolutions individually. If there are various resolutions for a single matter, they shall be voted in the chronological order of the proposals being proposed. Except under special circumstance such as force majeure leading to the suspension of or inability to adopt resolutions at a general meeting, no resolution shall be set aside or left undecided at the general meeting.</p>
<p>Article 99 The voting right of the same shares shall be exercised only either by on-site voting or other means of voting. In case of multiple voting by the same shares, only the first vote will be deemed as valid.</p>	<p>Article 99Article 108 The voting right of the same shares shall be exercised only either by on-site voting, <u>internet</u> or other means of voting. In case of multiple voting by the same shares, only the first vote will be deemed as valid.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 100 Before a resolution is voted on at a general meeting, two representatives of the Shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter to be considered shall not participate in vote counting or scrutinising.</p> <p>When the Shareholders are voting on the resolutions, auditors, H-Share registrar or external accountants qualified to service as auditors, and supervisors of the Company shall be the scrutinisers. Voting result shall be announced forthwith by the chairman of the meeting, and shall be recorded in the minutes of meeting.</p>	<p>Article 100Article 109 Before a resolution is voted on at a general meeting, two representatives of the Shareholders shall be elected as vote counters and scrutinisers<u>scrutinisers</u>. Any shareholder <u>or his proxy</u> who is interested in the matter to be considered shall not participate in vote counting or scrutinising.</p> <p>When the shareholder<u>votes</u> are voting<u>cast</u> on the resolutions <u>at a general meeting</u>, <u>lawyers, shareholder representatives and supervisory representatives</u> shall count and scrutinize the votes <u>jointly</u>. auditors, H-Share registrar or external accountants qualified to service as auditors, and supervisors of the Company shall be the scrutinisers. Voting result shall be announced forthwith by the chairman of the meeting, and shall be recorded in the minutes of meeting.</p> <p><u>Shareholders or their proxies voting through the internet or other means shall have the right to check their own voting results through the relevant voting system.</u></p>
	<p>Article 110 <u>An on-site general meeting shall not end earlier than the one held through internet or by other methods. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.</u></p> <p><u>Before announcing the voting results officially, the Company, the vote-counter, the voting scrutineer, substantial Shareholders and the internet service providers involved in the voting at the general meeting, through the internet or other method shall assume confidentiality obligations.</u></p>
<p>Article 103 In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.</p> <p>The minutes of the meeting together with the attendance book for Shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company. The aforesaid minutes of meeting, attendance book for signature and proxy forms shall not be destroyed in 10 years.</p>	<p>Article 103Article 113 In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.</p> <p>The minutes of the meeting together with the attendance book for Shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company. The aforesaid minutes of meeting, attendance book for signature and proxy forms shall not be destroyed in 10 years.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>Article 114 Minutes of general meetings shall be made for each general meeting and kept by the secretary to the board of Directors. The minutes of meetings shall set forth:</p> <ol style="list-style-type: none"> (1) time and date, venue and agenda of the meeting, and the name of the convener; (2) names of the chairman of the meeting and the Directors, supervisors, president and other senior management present at or attending the meeting as observers; (3) number of Shareholders and their proxies present at the meeting, total number of voting shares held by them and as a percentage of the total number of the Company's shares; (4) the course of consideration of each proposal, key points of statements made at the meeting and the voting results; (5) details of inquiries or suggestions of the Shareholders, and the corresponding responses or explanations; (6) names of the lawyer, vote counting officer and scrutineer; (7) other information that shall be recorded in the minutes in accordance with these Articles.
	<p>Article 115 The convener shall warrant that the contents of the minutes are true, accurate and complete. The Directors, supervisors, secretary of the board of Directors, convener or their representatives and the chairperson of the meeting shall sign the minutes. The minutes shall be kept together with the signature register of Shareholders attending the meeting in person and proxy forms and valid materials relating to voting through internet or otherwise for a period of not less than ten years.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<u>Article 116 The convener shall warrant that the general meeting will proceed continuously until the conclusion of the final resolution. If a general meeting is suspended or no resolution is made due to special reasons including force majeure, necessary measures shall be adopted in order to resume the general meeting as soon as practicable or the meeting shall be adjourned directly and an announcement shall be made in a timely manner. At the same time, the convener shall submit a report to the local representative office of the competent securities authorities under the State Council at the place where the Company resides and the stock exchange where the Company's shares are listed.</u>
	<u>Article 118 The resolutions of the general meeting shall be announced in a timely manner. The announcement shall set out the number of Shareholders and their proxies attending the meeting, the total number of voting shares held and the proportion to the total number of voting shares of the Company, the voting method, voting results of each proposal and details of the resolutions which have been passed.</u>
	<u>Article 119 If a proposal is not passed or a resolution passed at the previous general meeting is amended at such general meeting, it shall be set out as a special reminder in the announcement on resolutions of the general meeting.</u>
Article 106 Where a resolution regarding distribution of cash dividends, bonus issue or conversion of capital common reserve into capital is adopted at the general meeting, such proposals shall be implemented by the Company within 3 months after the close of the general meeting.	Article 106 <u>Article 121 Where a resolution regarding distribution of cash dividends, bonus issue or conversion of capital common reserve into capital is adopted at the general meeting, such proposals shall be implemented by the Company within 32 months after the close of the general meeting.</u>
Article 108 Any variation or abrogation of the rights of any class Shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected class Shareholders at a separate meeting convened in accordance with Articles 110 to 114.	Article 108 <u>Article 123 Any variation or abrogation of the rights of any class Shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected class Shareholders at a separate meeting convened in accordance with Articles 125110 to 129114.</u>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 110 Shareholders of the affected class, whether or not having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 109, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>The interested Shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(1) In the case of a repurchase of its own shares by the Company by making offers to all Shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 30 of these Articles, “interested shareholder” shall refer to the controlling shareholder as defined in Article 60 of these Articles;</p> <p>(2) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 30 of these Articles, “interested shareholder” shall refer to the shareholder to which the proposed agreement relates;</p> <p>(3) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.</p>	<p>Article 110Article 125 Shareholders of the affected class, whether or not having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 124<u>109</u>, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>The interested Shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(1) In the case of a repurchase of its own shares by the Company by making offers to all Shareholders on a <u>at the</u> same pro-rata <u>proportion</u> or through public dealing on a stock exchange in accordance with Article 30 of these Articles, “interested shareholder” shall refer to the controlling shareholder as defined in Article 60 of these Articles;</p> <p>(2) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 30 of these Articles, “interested shareholder” shall refer to the shareholder to which the proposed agreement relates;</p> <p>(3) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the <u>proportionate</u> burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.</p>
<p>Article 111 The resolutions of classified Shareholders’ meeting shall be passed by more than 2/3 of voting shares of Shareholders who attend classified Shareholders’ meeting and have the voting rights according to Article 110 of the Articles of Association.</p>	<p>Article 111Article 126 The resolutions of classified Shareholders’ meeting shall be passed by more than 2/3 of voting shares of Shareholders who attend classified Shareholders’ meeting and have the voting rights according to Article <u>125</u> of the Articles of Association.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 114 In addition to holders of other class shares, holders of domestic shares and overseas listed foreign shares are deemed to be Shareholders of different classes.</p> <p>The special procedures for voting by class Shareholders shall not apply in the following circumstances:</p> <ol style="list-style-type: none"> (1) where the Company issues, upon approval by special resolution of its Shareholders in general meeting, domestic shares and overseas listed foreign shares once every twelve months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas listed foreign shares; (2) where the Company completes, within 15 months from the date on which approval is given by the securities regulatory authorities of the State Council, its plan (made at the time of its establishment) to issue domestic shares and foreign shares; or (3) where shares of the Company registered on our domestic share register may be transferred to overseas investors, and such transferred Shares may be listed or traded on an overseas stock exchange, subject to the approval of the securities authority of the State Council. 	<p>Article 114Article 129 In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be Shareholders of different classes.</p> <p>The special procedures for voting by class Shareholders shall not apply in the following circumstances:</p> <ol style="list-style-type: none"> (1) where the Company issues, upon approval by special resolution of its Shareholders in general meeting, domestic shares and overseas listed foreign shares once every twelve months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas listed foreign shares; (2) where the Company completes, within 15 months from the date on which approval is given by the securities regulatory authorities of the State Council, its plan (made at the time of its establishment) to issue domestic shares and foreign shares; or (3) where <u>holders of shares of the Company</u> registered on our domestic share register <u>may be transferred their shares</u> to overseas investors, and such transferred Shares may be listed or traded on an overseas stock exchange, subject to the approval of the securities authority of the State Council.

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 116 Directors shall be elected at general meeting with a term of office of 3 years each. Upon maturity of the term of office, a Director shall be eligible to offer himself for re-election.</p> <p>The chairman of the board of Directors shall be elected and removed by more than one-half of all Directors. The term of office of the chairman shall be 3 years, renewable upon re-election.</p> <p>Directors are not required to hold shares of the Company.</p>	<p>Article 116Article 131 Directors shall be elected at general meeting with a term of office of 3 years each. Upon maturity of the term of office, a Director shall be eligible to offer himself for re-election.</p> <p>The chairman of the board of Directors shall be elected and removed by more than one-half of all Directors. The term of office of the chairman shall be 3 years, renewable upon re-election.</p> <p>Directors are not required to hold shares of the Company.</p> <p><u>The term of a Director shall be calculated from the date upon which the relevant resolution is passed at the general meeting to the expiry of the current board of Directors. If the term of office of a Director expires but re-election is not made responsively, the said Director shall continue fulfilling the duties as a Director pursuant to laws, administrative regulations, departmental rules and these Articles until a new Director is elected and such Director takes office.</u></p> <p><u>A Director’s post may be assumed by the president or other senior management. But the total number of Directors who are also the president or other senior management personnel, plus the number of Directors who are staff representative, shall not exceed one half of the total number of Directors.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 123 The board of Directors shall be accountable to the general meetings, and exercise the following powers:</p> <ol style="list-style-type: none"> (1) to convene and report its work to the general meetings; (2) to implement resolutions of the general meeting; (3) to decide on the business plans and investment plans of the Company; (4) to formulate the plans for annual financial budgets and final accounts of the Company; (5) to formulate the plans for profit distribution and making up losses of the Company; (6) to formulate proposals for the increase or reduction of registered capital and the issue of shares, debentures or other securities and the listing project of the Company; (7) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change of the nature of incorporation of the Company; 	<p>Article 123Article 138 The board of Directors shall be accountable to the general meetings, and shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) to convene and report its work to the general meeting; (2) to implement resolutions of the general meeting; (3) to decide on the operational plans and investment plans of the Company; (4) to formulate the plans for annual financial budgets and final accounts of the Company; (5) to formulate the plans for profit distribution and the making up of losses of the Company; (6) to formulate proposals for the increase or reduction of registered capital and the issue of shares, debentures or other securities and the listing project of the Company; (7) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change of the nature of incorporation of the Company;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
(8) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantee, bank facilities, entrusted wealth management and connected transactions, except those which shall be approved by the general meeting of the Company as prescribed by laws, regulations, ministerial rules or these Articles;	(8) <u>to decide on matters relating to other external guarantees other than those required to be approved by the general meeting as provided in Article 64 of the Prospectus;</u> to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantee, bank facilities, entrusted wealth management and connected transactions, except those which shall be approved by the general meeting of the Company as prescribed by laws, regulations, ministerial rules or these Articles;
(9) to decide on the establishment of the internal management organization of the Company;	(9) <u>to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, entrusted wealth management, connected transactions, external donations and banking facilities of the Company within the scope of authorisation given by the general meeting;</u>
(10) to appoint or remove the president and secretary of the board of Directors of the Company; to appoint or remove the senior management, such as the vice president and financial officer, of the Company pursuant to the nominations of the president and decide on their remuneration as well as reward and punishment;	(910) to decide on the establishment of the internal management organs of the Company;
(11) to formulate the basic management system of the Company;	(1011) to appoint or remove the president and secretary of the board of Directors of the Company; to appoint or remove the senior management, such as the vice president and financial officer, of the Company pursuant to the nominations of the president and decide on their remuneration as well as reward and punishment;
(12) to prepare plans for amending these Articles;	(1112) to formulate the basic management system of the Company;
(13) to manage information disclosure matters of the Company;	(1213) to prepare plans for amending these Articles;
(14) to propose to the general meetings as to the appointment or change of the accounting firm for the auditing of annual financial statements of the Company and decide on its auditing fee;	

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(15) to receive the work reports of the president of the Company and to review the work of the president;</p> <p>(16) to decide the establishment of special committees and their compositions;</p> <p>(17) to exercise other functions and powers conferred by the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, at general meetings and these Articles.</p> <p>Resolutions relating to the above, with the exception of items (6), (7) and (12) above which shall be approved by more than two thirds of the Directors, shall be approved by more than half of the Directors.</p>	<p>(13)14) to manage information disclosure matters of the Company;</p> <p>(14)15) to propose to the general meetings as to the appointment or change of the accounting firm for the auditing of annual financial statements of the Company and decide on its auditing fee;</p> <p>(15)16) to receive the work reports of the president of the Company and to review the work of the president;</p> <p>(16)17) to decide on the establishment of special committees and their compositions;</p> <p>(17)18) other functions and powers conferred by laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, and the general meeting and these Articles.</p> <p>Resolutions relating to the above, with the exception of items (6), (7) and (12)13) above which shall be approved by more than two thirds of the Directors <u>and item (8) above which shall be approved by more than two thirds of the Directors attending the board of Directors. The Board may delegate certain powers to the chairman of the Board, the president of the Company or the operational management of the Company provided that it is in compliance with the laws, regulations, the listing rules of the stock exchange of which the shares of the Company are listed and the relevant rules of the Articles of Association.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 127 Subject to the provisions of Articles 62 and 123, the following issues shall be considered and approved by the board of Directors:</p> <p>(1) any pledge of assets, external investment and entrusted wealth management with a transaction amount being less than 50% of the latest audited net assets of the Company;</p> <p>(2) external guarantees other than those required to be approved by the general meeting as provided in Article 64;</p> <p>(3) any connected transaction with a transaction amount being less than 20% of the latest audited net assets of the Company;</p> <p>(4) acquisition and disposal of significant assets of the Company within a year accounting for less than 30% of the latest audited total assets of the Company.</p>	<p>Article 127 Subject to the provisions of Articles 62 and 123, the following issues shall be considered and approved by the board of Directors:</p> <p>(1) any pledge of assets, external investment and entrusted wealth management with a transaction amount being less than 50% of the latest audited net assets of the Company;</p> <p>(2) external guarantees other than those required to be approved by the general meeting as provided in Article 64;</p> <p>(3) any connected transaction with a transaction amount being less than 20% of the latest audited net assets of the Company;</p> <p>(4) acquisition and disposal of significant assets of the Company within a year accounting for less than 30% of the latest audited total assets of the Company.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 129 The chairman of the board of Directors shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) to preside over general meetings and convene and preside over meetings of the board of Directors; (2) to supervise and check on the implementation of the resolutions of the general meetings and the board of Directors; (3) to sign the significant documents of the board of Directors and other documents required to be signed by the legal representative of the Company; (4) to exercise certain powers of the board of Directors in accordance with authorization of the board of Directors during adjournment of the Board meeting; (5) to sign the share certificates issued by the Company; (6) to organise the formulation of relevant systems and to coordinate the operation of the board of Directors; (7) to exercise special powers of discretion and disposal regarding the Company's affairs in compliance with the laws and regulations and in the interests of the Company in the event of wars and emergency caused by force majeure such as natural disasters, and to report to the board of Directors and general meetings after exercising such powers; 	<p>Article 129Article 143 The chairman of the board of Directors shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) to preside over general meetings and convene and preside over meetings of the board of Directors; (2) to supervise and check on the implementation of the resolutions of the general meetings and the board of Directors; (3) to sign the significant documents of the board of Directors and other documents required to be signed by the legal representative of the Company; (4) to exercise certain powers of the board of Directors in accordance with authorization of the board of Directors during adjournment of the Board meeting; (5) to sign the share certificates issued by the Company; (6) to organise the formulation of relevant systems and to coordinate the operation of the board of Directors; (7) to exercise special powers of discretion and disposal regarding the Company's affairs in compliance with laws and regulations and in the interests of the Company in the event of emergency caused by force majeure such as wars and natural disasters, and to report to the board of Directors and general meetings after exercising such powers;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(8) to receive the work reports of the president, other senior management of the Company and the persons-in-charge of the invested enterprises of the Company;</p> <p>(9) the board of Directors authorises the chairman of the board of Directors to decide on the following issues:</p> <ol style="list-style-type: none"> 1. any pledge of assets and investments with a transaction amount being more than 1% but less than 3% of the latest audited net assets of the Company; 2. any entrusted wealth management with a transaction amount being less than 3% of the latest audited net assets of the Company; 3. any bank loan with an amount within the credit limit approved by the board of Directors and being more than 10% of the latest audited net assets; 4. any donation with a single amount being less than RMB3 million and the total amount within a year being less than RMB10 million, and the total amount to the same receiver in the same year being less than RMB3 million; 5. acquisition and disposal of significant assets within a year with an amount of more than RMB50 million but less than 3% of the latest audited net assets of the Company; 	<p>(8) to receive the work reports of the president, other senior management personnel of the Company and the persons-in-charge of the invested enterprises of the Company;</p> <p>(9) the board of Directors authorises the chairman of the board of Directors to decide on the following issues:</p> <ol style="list-style-type: none"> 1. any pledge of assets and investments with a transaction amount being more than 1% but less than 3% of the latest audited net assets of the Company; 2. any entrusted wealth management with a transaction amount being less than 3% of the latest audited net assets of the Company; 3. any bank loan with an amount within the credit limit approved by the board of Directors and being more than 10% of the latest audited net assets; 4. any donation with a single amount being less than RMB3 million and the total amount within a year being less than RMB10 million, and the total amount to the same receiver in the same year being less than RMB3 million; 5. acquisition and disposal of significant assets within a year with an amount of more than RMB50 million but less than 3% of the latest audited net assets of the Company;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(10) to approve resolutions or matters proposed by the president except those required to be approved by the board of Directors or general meeting;</p> <p>(11) to exercise other functions and powers conferred by the law, regulations, Articles of Association or the board of Directors.</p> <p>In respect of the functions and powers of the chairman authorized by the board of Directors set out in clause (9) of this Article (except (i) matters related to annual operation plan or annual investment plan approved by the board of Directors or (ii) matters related to the daily operation of the Company or matters set out in item 3 and 4 of clause (9)), the chairman of the board of Directors shall submit the resolutions for the consideration of the relevant special committee of the board of Directors in accordance with these Articles and relevant procedure of special committee of the board of Directors and shall make decision based on the audit opinion of such special committee of the board of Directors.</p> <p>Chairman of the board of Directors shall submit to the board of Directors a report on the matters within the scope of authorisation delegated by the board of Directors in a proper way.</p>	<p>(10) to approve other resolutions or matters proposed by the president except those required to be approved by the board of Directors or general meeting;</p> <p>(11) other functions and powers conferred by laws, regulations, the Articles of Association or the board of Directors.</p> <p>In respect of matters which the Board authorized the Chairman to exercise his/her powers and functions as referred to in clause (9) of this Article (except (i) matters covered in the annual operation plan or annual investment plan approved by the board of Directors or (ii) matters related to the daily operation of the Company or matters set out in item 3 and 4 of clause (9)), the chairman of the board of Directors shall submit the resolutions for the consideration of the relevant special committee of the board of Directors in accordance with these Articles and relevant procedure of special committee of the board of Directors and shall make decision based on the audit opinion of such special committee of the board of Directors.</p> <p>Chairman of the board of Directors shall thereafter report to the board of Directors in a proper manner on the exercise of matters delegated by the board of Directors.</p>
<p>Article 132 The notice of Board meeting shall be served to all Directors, supervisors and president by means of facsimile or email fourteen days before the date of the meeting (for regular meeting) or by means of written notice five days before the date of the meeting (for extraordinary meeting). In case of emergency, such notice may be waived from the time and content requirement for the notice of an extraordinary Board meeting set out in these Articles, provided that an explanation shall be made at the meeting by the convener. In avoidance of doubt, the notice of the extraordinary Board meeting under emergency conditions shall be in compliance with the matters set out in clauses (1), (2) and (4) of Article 133 and contain reasonable and necessary information such as reason and resolutions of the relevant meeting.</p>	<p>Article 132 Article 146 The notice of Board meeting shall be served to <u>each of all</u> Directors, supervisors and <u>the</u> president by means of facsimile or email fourteen days before the date of the meeting (for regular meeting) or by means of written notice five days before the date of the meeting (for extraordinary meeting). In case of emergency, such notice may be waived from the time and content requirement <u>may be exempted</u> for the notice of an extraordinary Board meeting set out in these Articles, provided that an explanation shall be made at the meeting by the convener. For the <u>in</u> avoidance of doubt, the notice of the extraordinary Board meeting under emergency conditions shall be in compliance with the matters set out in clauses (1), (2) and (4) of Article 133 Article 147 and contain reasonable and necessary information such as reason and resolutions of the relevant meeting.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 134 Meetings of the Board of Directors shall only be held with more than one half of the directors present at the meetings.</p> <p>Each director shall have one vote. Resolutions made by the Board of Directors shall be approved by the majority of members of the Board of Directors.</p> <p>Where there is an equal votes cast both for and against a resolution, the Chairman shall have an additional vote.</p>	<p>Article 134 Article 148 Meetings of the Board of Directors shall only be held with more than one half <u>the majority</u> of the directors present at the meetings.</p> <p>Each director shall have one vote. Resolutions made by the Board of Directors shall be approved by the majority of members of the Board of Directors.</p> <p>Where there is an equal votes cast both for and against a resolution, the Chairman shall have an additional vote.</p>
<p>Article 137 Directors shall attend a Board meeting in person. If they are not able to attend the meeting due to certain reasons, they may authorise other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the scope of authorization. Directors participating in the Board meeting by way of telecommunication such as teleconference and video conference shall be deemed as attending such meeting in person.</p> <p>The appointed Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a meeting of the board of Directors in person, and does not authorize any representatives to attend the meeting, he/she shall be deemed to have waived the voting right in the meeting.</p>	<p>Article 137 Article 151 Directors shall attend a Board meeting in person. If <u>any of them</u>they is unableare not able to attend the <u>Board meeting</u> due to certain reasons, <u>he/she</u>they may <u>appoint</u>authorise <u>any other</u> Directors in writing to attend the meeting on their behalf. A letter of <u>proxy authorization shall clearly indicate</u> the <u>name of the proxy, the relevant matters, scope of authority and validity period shall be executed by the appointor by signing his/her name or affixing the chop. The Director attending the meeting on other's behalf shall exercise the director's rights within the scope of authority</u>scope of authorization. Directors participating in the Board meeting by way of telecommunication such as teleconference and video conference shall be deemed as attending such meeting in person.</p> <p>The appointed Director attending the meeting shall exercise the rights of a Director within the scope of <u>authorization</u>authorization. If a Director does not attend a meeting of the board of Directors in person, and does not authorize any representatives to attend the meeting, he/she shall be deemed to have waived the voting right in the meeting.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 151 The president shall be accountable to the board of Directors and shall perform the following duties:</p> <ol style="list-style-type: none"> (1) to be in charge of the production, operation and management of the Company and report to the board of Directors; (2) to organize the implementation of resolutions of the board of Directors, and annual business plans and investment plans of the Company; (3) to draft the plan for establishment of the internal management structure of the Company; (4) to draft the general management system of the Company; (5) to formulate the detailed rules and regulations of the Company; (6) to propose to the board of Directors the appointment or dismissal of the vice presidents and chief financial officer of the Company; (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of Directors; 	<p>Article 151Article 165 The president shall be <u>held</u> accountable to the board of Directors and shall perform the following duties:</p> <ol style="list-style-type: none"> (1) to be in charge of the production, operation and management of the Company and report to the board of Directors; (2) to organize the implementation of resolutions of the board of Directors, and annual business plans and investment plans of the Company; (3) to draft the plan to <u>establish</u>for establishment of the internal management structure of the Company; (4) to draft the <u>basic</u>general management system of the Company; (5) to formulate the detailed rules and regulations of the Company; (6) to propose to the board of Directors the appointment or dismissal of the vice presidents and chief financial officer of the Company; (7) to <u>decide the appointment</u> or <u>dismissal of</u> management personnel other than those required to be appointed or dismissed by the board of Directors;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(8) to decide the following matters according to the authorization of the board of Directors:</p> <ul style="list-style-type: none"> i. pledge of assets with the amount of less than 1% of the latest audited net assets of the Company; ii. investments with the amount of less than 1% of the latest audited net assets as part of the annual investment plan of the Company; for investments with the amount of less than 1% of the latest audited net assets but not included in the annual investment plan of the Company, the president shall submit the resolutions for consideration of the strategic committee of the board of Directors in accordance with the Articles of Association and the rules of procedures of the strategic committee of the board of Directors, and make decision based on the audit opinion of the strategic committee of the board of Directors; iii. bank loans with the amount of less than 10% of the latest audited net assets within the credit limit approved by the board of Directors; iv. donations with the amount of less than RMB1 million each and RMB3 million in aggregate in a year and less than RMB1 million to a single recipient in a year; v. acquisition and sales of material assets of less than RMB50 million in a year. 	<p>(8) to decide the following matters according to the authorization of the board of Directors:</p> <ul style="list-style-type: none"> i. pledge of assets with the amount of less than 1% of the latest audited net assets of the Company; ii. investments with the amount of less than 1% of the latest audited net assets as part of the annual investment plan of the Company; for investments with the amount of less than 1% of the latest audited net assets but not included in the annual investment plan of the Company, the president shall submit the resolutions for consideration of the strategic committee of the board of Directors in accordance with the Articles of Association and the rules of procedures of the strategic committee of the board of Directors, and make decision based on the audit opinion of the strategic committee of the board of Directors; iii. bank loans with the amount of less than 10% of the latest audited net assets within the credit limit approved by the board of Directors; iv. donations with the amount of less than RMB1 million each and RMB3 million in aggregate in a year and less than RMB1 million to a single recipient in a year; v. acquisition and sales of material assets of less than RMB50 million in a year.
<p>(9) other duties conferred by these Articles or the board of Directors.</p> <p>When performing duties within the scope of authorization by the board of Directors as set out in item (8) above, any decisions by the President shall be approved by the president's office and reported to the board of Directors.</p>	<p>(8) other duties conferred by these Articles or the board of Directors.</p> <p>When performing duties within the scope of authorization by the board of Directors as set out in item (8) above, any decisions by the President shall be approved by the president's office and reported to the board of Directors.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 165 The board of supervisors shall exercise the following functions and powers in accordance with law:</p> <ul style="list-style-type: none"> (i) to review the regular reports of the Company formulated by the board of Directors and provide written review opinion; (ii) to supervise the finance of the Company; (iii) to supervise the Directors and senior management in their performance of duties and to propose the removal of Directors and senior management who have contravened any law, regulations, these Articles or resolutions of general meetings; (iv) to demand any Director and senior management of the Company who acts in a manner which is harmful to the interests of the Company to rectify such behavior; (v) to propose to convene an extraordinary general meeting of the board of Directors and to convene and preside over general meetings when the board of Directors fails to perform such duty; 	<p>Article 165 Article 179 The board of supervisors shall exercise the following functions and powers in accordance with law:</p> <ul style="list-style-type: none"> (i) to review the regular reports of the Company formulated by the board of Directors and provide written review opinion; (ii) to supervise the finance of the Company; (iii) to supervise the Directors and senior management <u>personnel</u> in their performance of duties and to propose the removal of Directors and senior management <u>personnel</u> who have <u>violated</u>contravened any <u>provision of</u> law, regulations, these Articles or resolutions of <u>Shareholders</u> general meetings; (iv) to demand any Director and senior management <u>personnel</u> of the Company whose <u>behaviors are</u> acts in a manner which is harmful to the interests of the Company to rectify such behavior; (v) to propose to convene an extraordinary general meeting of the board of Directors and to convene and preside over <u>Shareholders</u> general meetings when the board of Directors fails to perform such duty <u>in accordance with the Company Law</u>;

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>(vi) to make proposals at a general meeting;</p> <p>(vii) to institute a lawsuit against the Directors or senior management in accordance with the Company Law;</p> <p>(viii) to conduct investigations whenever unusual operation conditions of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations at the cost of the Company;</p> <p>(ix) other functions and powers conferred by the general meeting.</p> <p>Supervisors shall be present at meetings of the board of Directors.</p>	<p>(vi) to make proposals at a <u>Shareholders</u> general meeting;</p> <p>(vii) to institute a lawsuit against <u>any of the</u> Directors or senior management <u>personnel</u> in accordance with the Company Law;</p> <p>(viii) to conduct investigations whenever unusual <u>operational</u> conditions of the Company arise and if necessary, to engage professional institutions such as <u>accounting or law firms</u> firms of accountants and lawyers to assist in the investigations at the cost of the Company;</p> <p>(ix) <u>to review the Company's profit distribution proposal and comment on the compliance and reasonableness of the profit distribution proposal;</u></p> <p>(x) other functions and powers conferred by the <u>Shareholders</u> general meeting.</p> <p>Supervisors shall be present at meetings of the board of Directors, <u>and to make enquiries or suggestions on the resolutions proposed at the board of Directors.</u></p>
	<p>Article 181 <u>A notice to a board of supervisors meeting shall include the following contents:</u></p> <p>(1) <u>date, venue, and duration of the meeting;</u></p> <p>(2) <u>causes and business of meeting;</u></p> <p>(3) <u>date of notice.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>Article 189</u> The Directors shall perform the following duties of diligence to the Company in compliance with the laws, administrative regulations and these Articles:</p> <ol style="list-style-type: none"> (1) <u>exercising cautiously, seriously and diligently the rights granted by the Company to ensure that the Company's business activities are always conducted within the scope of business prescribed in the business license as required by laws, administrative regulations and various economic policies of the State;</u> (2) <u>treating all Shareholders fairly;</u> (3) <u>timely obtaining knowledge of the business operation and management of the Company;</u> (4) <u>signing written opinion to confirm the regular reports of the Company, and ensuring the truthfulness, accuracy and completeness of the information disclosed by the Company;</u> (5) <u>providing true information and materials of the Company to the board of supervisors, and refraining from impeding the exercise of duties by the board of supervisors or supervisors;</u> (6) <u>exercising other duties of diligence prescribed by laws, administrative regulations, departmental rules and these Articles.</u> <p><u>The duties of diligence set out in above (4) to (6) shall also apply to the senior management personnel of the Company.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 183 A loan guarantee provided by the Company in breach of clause 1 of Article 181 shall be unenforceable against the Company, except in the following circumstances:</p> <p>(1) a loan advanced to an associate of any of the Directors, supervisors, president, and other senior management of the Company or of the Company's parent company where the lender was not aware of the situation when the loan was made; or</p> <p>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>	<p>Article 183 Article 199 For loan guarantees provided by the Company in breach of clause 1 of Article 197¹⁸¹, <u>no measure may be made against the Company for enforcing such loan shall be unenforceable against the Company, guarantee unless</u> except in the following circumstances:</p> <p>(1) <u>at the time of a loan being extended</u>advanced to an associate of any of the Directors, supervisors, president, and other senior management of the Company or of the Company's parent company, the lender <u>had no knowledge of the same;</u> or</p> <p>(2) the collateral provided by the Company <u>had</u> been lawfully disposed of by the lender to a bona fide purchaser.</p>
<p>Article 186 The Company shall enter into a contract in writing with each director, supervisor and senior management of the Company, which shall at least contain the following provisions:</p> <p>(1) the directors, supervisors and senior management shall undertake to the Company that they will comply with the Company Law, the Special Regulations, these Articles of the Company and other rules formulated by Hong Kong Stock Exchange, and agree that the Company shall have the right to take the remedial actions provided in these Articles, and that neither such contracts nor the positions of the directors, supervisors and senior management shall be transferred;</p> <p>(2) the directors, supervisors and senior management shall undertake to the Company that they will observe and fulfill their obligations to the shareholders provided in these Articles; and</p> <p>(3) the arbitration clause provided under Article 228 of these Articles.</p>	<p>Article 202 The Company shall enter into a contract in writing with each director, supervisor and senior management of the Company, which shall at least contain the following provisions:</p> <p>(1) the directors, supervisors and senior management shall undertake to the Company that they will comply with the Company Law, the Special Regulations, these Articles of the Company and other rules formulated by Hong Kong Stock Exchange, and agree that the Company shall have the right to take the remedial actions provided in these Articles, and that neither such contracts nor the positions of the directors, supervisors and senior management shall be transferred;</p> <p>(2) the directors, supervisors and senior management shall undertake to the Company that they will observe and fulfill their obligations to the shareholders provided in these Articles; and</p> <p>(3) the arbitration clause provided under <u>Article 258</u> of these Articles.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>Article 206 <u>The Company shall submit its annual financial reports to the competent securities authorities under the State Council and the stock exchange within four months after the end of each fiscal year, and shall submit its interim financial reports to the local representative office of the competent securities authorities under the State Council and the stock exchange within two months after the end of the first six months of each fiscal year. The Company shall also submit its quarterly reports to the local representative office of the competent securities authorities under the State Council and the stock exchange within one month after the end of the first three and nine months respectively of each fiscal year.</u></p> <p><u>The above financial reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules and requirements of listing rules applicable to the Company.</u></p>
	<p>Article 214 <u>The reserve of the Company shall be used for making up its losses, expanding its production and operation or making capital increase. However, no capital reserve may be used for making up its losses.</u></p> <p><u>When transferring statutory reserve into capital, the remaining amount of the reserve shall not be less than 25% of the Company's registered capital prior to such transfer.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 199 The Company may distribute dividends in one or both of the following manners:</p> <p>(1) cash;</p> <p>(2) shares.</p> <p>The Company shall maintain consistent and stable profit distribution policies as practicable and shall consider cash dividend as the first priority. The specific ratio of dividend to be distributed shall be resolved by the Shareholders at the general meetings.</p> <p>The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within 3 months after the date of declaration. The Company shall calculate and declare dividends and other amount which are payable to holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in foreign currency within 3 months after the date of declaration. The exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China 5 working days prior to the declaration of the dividend and other amounts. Payment in foreign currency to holders of overseas listed foreign shares shall be made in accordance with the relevant foreign exchange control regulations of China. The dividend distribution of the Company shall be implemented by the board of Directors according to the authorization delegated by the general meeting through an ordinary resolution.</p>	<p>Article 217 <u>The Company will adopt a consistent and stable dividend distribution policy that focuses on both the reasonable investment returns to investors and the sustainable development of the Company.</u></p> <p>The Company may distribute dividends in one or both of the following manners:</p> <p><u>Profit distribution policy of the Company is as follows:</u></p> <p><u>(1) Profit distribution mode: the Company may use cash, stock or combination of them to distribute dividend. In determining the distribution, the Company shall give the priority to cash dividend distribution. When the Company is qualified to pay cash dividend, cash dividend distribution shall be adopted.</u></p> <p><u>(2) Interval for profit distribution: In general, the Company shall distribute profits annually for each accounting year. If qualified to pay cash dividend, the Company will make distribution of cash dividend once a year in principle, or distribute interim profit (cash) based on the Company's capital demand.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>(3) Ratio of cash dividend: If the Company is qualified to pay the cash dividend, the board of Directors of the Company shall, by taking into account the industrial characteristics, development stages, business modes, profitability and whether it has major capital expenditure arrangements and etc. in an overall manner, implement the cash dividend distribution policy in accordance with the following provisions:</u></p> <p><u>1. Determination of Development Stage and Ratio of Cash dividend of the Company:</u></p> <p><u>(i) When the Company is in well-developed stage without arrangement of major capital expenditure, the ratio of cash dividend in the profit distribution shall be at least 80%;</u></p> <p><u>(ii) When the Company is in well-developed stage and needs to make arrangement of major capital expenditure, the ratio of cash dividend in the profit distribution shall be at least 40%;</u></p> <p><u>(iii) When the Company is in developing stage and needs to make arrangement of major capital expenditure, the ratio of cash dividend in the profit distribution shall be at least 20%;</u></p> <p><u>(iv) When the Company is in a stage which is difficult to be identified and needs to make major capital expenditure, the ratio of cash dividend in the profit distribution may be handled as per the previous provisions.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>2. The accumulative profit distributed in cash in the latest 3 years in the Company shall not be less than 30% of annual average distributable profit in the latest 3 years.</u></p> <p><u>(4) Conditions to be satisfied for the Company to be qualified for the Company to pay stock dividend: if the Company is in good operational condition, and the board of Directors believes that the Company's share price is not compatible with its equity scale, that there are positive growth prospect, dilution of net asset value per share and other true and reasonable factors indeed, and that it is in the best interest of the Shareholders as a whole to make stock dividend, a proposal on stock dividend distribution may be put forward, only to the extent that the aforementioned provisions on cash dividend distribution are complied with.</u></p> <p>cash;</p> <p>shares.</p> <p>The Company shall maintain consistent and stable profit distribution policies as practicable and shall consider cash dividend as the first priority. The specific ratio of dividend to be distributed shall be resolved by the shareholders at the general meetings.</p> <p><u>The decision-making process and mechanism for profit distribution are as follows:</u></p> <p><u>(1) Formulation of Profit Distribution Proposal</u></p> <p><u>When formulating profit distribution proposal based on the operational condition of the Company, the board of Directors shall fully listen to and adopt the opinions of independent Directors and the board of supervisors. Independent Directors may solicit opinions from medium and small Shareholders, put forward dividend distribution proposal and submit it directly to the board of Directors for deliberation.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>Before deliberation on the specific distribution plan for cash dividend at the Shareholders' meeting, the Company shall take the initiative to communicate with Shareholders, especially the medium and small ones, via multiple channels, fully listen to the opinions and appeals of medium and small Shareholders, and answer the questions which medium and small Shareholders care about in a timely manner.</u></p> <p><u>(2) Decision-making Process</u></p> <p><u>1. When deliberating the profit distribution proposal, the board of Directors shall carefully study and demonstrate the suitability of timing, conditions and ratios, and conditions for adjustment, etc. for cash dividend distribution. The board of Directors shall fully listen to and adopt the opinions from the board of supervisors; independent Directors shall indicate their opinions clearly.</u></p> <p><u>2. Once considered and approved by the board of Directors, the profit distribution proposal shall be submitted to Shareholders' meeting for deliberation. When no profit distribution plan of that year can be determined based on the vested cash dividend distribution policy or the minimum cash dividend ratio under special circumstances, the Company shall disclose the specific reason and clear opinions of independent Directors in the annual report. The profit distribution plan of that year requires the affirmative votes of more than 2/3 voting rights represented by Shareholders attending Shareholders' meeting for approval.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>3. When the Company is profiting in the annual report period with positive undistributed profit accumulated, and the ratio between total cash dividend undistributed or intended for distribution (including interim distributed cash dividend) and the net profit attributable to the Shareholders of the Company in that year is below 30%, the Company shall disclose the following matters in detail in the announcement of the board of Directors in which the annual report is considered and approved:</p> <p>(i) Explanation of reasons for the undistributed cash dividend and low cash dividend level by taking into account the industrial characteristics, development stage and business mode, profitability, capital demand and other factors;</p> <p>(ii) The specific purpose of, and estimated return derived from, undistributed profit retained;</p> <p>(iii) Deliberations and voting at the Board meeting;</p> <p>(iv) Independent opinions from independent Directors on the rationality of undistributed cash dividend or low cash dividend level.</p> <p>(3) Supervision of Profit Distribution</p> <p>The board of supervisors supervises the execution of cash dividend distribution policy and Shareholders rewarding plan, as well as whether corresponding decision making process and information disclosure is implemented by the board of Directors, etc. The board of supervisors shall provide clear opinions and urge the board of Directors to make rectification in time if the board of Directors is found:</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>1. not to strictly execute the cash dividend distribution policy and Shareholders rewarding plan;</u></p> <p><u>2. not to strictly perform the decision making process in respect of cash dividend;</u></p> <p><u>3. not to truthfully, accurately and completely disclose cash dividend distribution policy and its execution.</u></p> <p><u>In case of major changes of external environment or the Company's operational conditions resulting in the adjustments to be made to the profit distribution policy, the Company shall extensively solicit opinions from independent Directors, supervisors and public investors. The adjusted profit distribution policy shall not violate laws, administrative regulations, department rules and relevant provisions of securities regulatory authority of the State Council and the stock exchange where the company shares were listed. Independent Directors and the board of supervisors shall give opinions on the proposal on the adjustment of profit distribution policy, which shall be deliberated by the board of Directors and submitted to the Shareholders' meeting for approval and which requires the affirmative votes of more than two-thirds Shareholders attending Shareholders' meeting for approval. The Company shall at the same time provide online voting and other means to facilitate the participation of the medium and small Shareholders' participation in the voting at the Shareholders' meeting.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p>The Company shall calculate, declare and pay dividends and other amounts which are payable to <u>the Shareholders holding</u>holders of domestic shares in Renminbi within 3 months after the date of declaration. The Company shall calculate and declare dividends and other amount which are payable to <u>Shareholders holding</u>holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in foreign currency within 3 months after the date of declaration. The exchange rate shall be the <u>average selling price of the relevant foreign exchange published by the People's Bank of China for one calendar week</u>average closing rate for the relevant foreign currency announced by the People's Bank of China 5 working days prior to the declaration of the dividend and other amounts. Payment in foreign currency to <u>Shareholders holding</u>holders of overseas listed foreign shares shall be made in accordance with the relevant foreign exchange control regulations of China. The dividend distribution of the Company shall be implemented by the board of Directors according to the <u>authorization</u>authorization delegated by the general meeting through an ordinary resolution.</p>
	<p>Article 218 <u>After the profit distribution plan has been resolved at the Shareholders general meeting of the Company, the board of Directors shall complete the dividend (or share) distribution within two months after the holding of the general meeting.</u></p>
	<p>Article 221 <u>The Company shall establish an internal audit system, and be staffed with full-time audit personnel to conduct internal audit and supervision upon the financial revenues and expenditures and economic activities of the Company.</u></p>
	<p>Article 222 <u>The Company's internal audit system and the roles of the audit personnel shall be implemented upon approval by the board of Directors. The officer in charge of the audit shall be held accountable to and shall report to the board of Directors.</u></p>
	<p>Article 226 <u>The Company shall undertake to provide the accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information. No refusal to provide or concealing information or provision of false information is allowed.</u></p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<p><u>Article 244</u> The members of the liquidation committee shall be faithful in discharging their duties and shall duly perform their obligations to conduct liquidation in accordance with the laws.</p> <p><u>No member of the liquidation committee is allowed to take advantage of his positions to obtain bribes or other illegal income or misappropriate the Company's property.</u></p> <p><u>The members of liquidation committee shall be liable for the loss suffered by the Company or its creditors as a result of any willful acts or gross negligence.</u></p>
	<p><u>Article 245</u> If the Company is declared insolvent pursuant to law, liquidation shall be carried out in accordance with the bankruptcy law.</p>
	<p><u>Article 251</u> Notices, communications or other written documents of the Company shall be sent by any of the following means:</p> <ol style="list-style-type: none"> (1) <u>by hand;</u> (2) <u>by post;</u> (3) <u>by email or in other electronic form or through information carriers;</u> (4) <u>by facsimile;</u> (5) <u>by public announcement;</u> (6) <u>by making announcement on the Company's website or the websites of stock exchanges in compliance with laws, administrative regulations and listing rules of the place where the shares of the Company are listed;</u> (7) <u>through other means as recognized by the relevant regulatory authorities of the place where the shares of the Company are listed or as stipulated in these Articles.</u>
	<p><u>Article 252</u> The Company's notices delivered by public announcement are deemed to be received by all relevant persons once such public announcement is made.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<u>Article 253</u> Save as otherwise provided in these Articles, the methods used for delivering the Notices under these Articles shall be applicable to all the notices served for the purposes of convening the Shareholders general meetings, meetings of the board of Directors and board of supervisors of the Company.
	<u>Article 254</u> Where a notice of the Company is delivered by hand, the addressee shall sign (or seal) on reply slip and the date of receipt shall be deemed as the date of service; where a notice of the Company is delivered by mail, the third working day from the date of delivery to the post office shall be deemed as the date of service; where a notice of the Company is delivered by announcement, the first day on which such announcement is published shall be deemed as the date of service; and where a notice of the Company is delivered by email or facsimile, the date of sending the email/facsimile shall be deemed as the date of service.
	<u>Article 255</u> If no notice has been served to or received by a person entitled to be notified for a meeting due to any accidental omission, such meeting itself or any resolutions passed at such meeting will in no way become void.
	<u>Article 256</u> Matters which shall be published by the Company in accordance with laws or requirements of securities regulatory authority at the place where the Company's shares are listed, or matter which the Company has decided to publish in accordance with provisions of these Articles, shall be published via the Company's website or social media designated by the relevant regulatory authority.

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
<p>Article 229 Definitions:</p> <p>(1) A de facto controller refers to the person who is not a shareholder of the Company but is able to exercise control over the acts of the Company through an investment relationship, agreement or other arrangement.</p> <p>(2) Connected relationship refers to the relationship between the controlling Shareholders, de facto controllers, Directors, supervisors or senior management and enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of any interests in the Company under the Listing Rules of the Stock Exchange. However, relationship between state-owned enterprises shall not be deemed as connected relationship solely because they are under common control of the government.</p> <p>(3) Connected transaction shall have the meaning ascribed to it under the Listing Rules of the Stock Exchange.</p> <p>(4) For the purpose of Articles 96 and 117 and other provisions in these Articles, a Business Day refers to a business day in both Hong Kong and China. A business day in Hong Kong refers to any day on which the Stock Exchange is open for the dealing in securities. A business day in China refers to any day on which banks in China are open for business to public and which is not a Saturday, Sunday or any other statutory public holiday set by the PRC government.</p>	<p>Article 229Article 259 Definitions:</p> <p>(1) A de facto controller refers to the person who is not a shareholder of the Company but is able to exercise <u>actual</u> control over the acts of the Company through an investment relationship, agreement or other arrangement.</p> <p>(2) Connected relationship refers to the relationship of between the controlling Shareholders, de facto controllers, Directors, supervisors or senior management <u>personnel</u> with and enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of any interests in the Company under the Listing Rules of the Stock Exchange. However, relationship between state-owned enterprises shall not be deemed <u>to have maintained</u> as connected relationship <u>among themselves</u> solely because they are under common control of the <u>State</u>government.</p> <p>(3) Connected transaction shall have the meaning ascribed to it under the <u>listing rules of the stock exchanges where the shares of the Company are listed</u>Listing Rules of the Stock Exchange.</p> <p>(4) For the purpose of <u>Articles 96, 105 and 117, 132</u> and 117, 132 and other provisions of these Articles, a Business Day refers to a business day in both Hong Kong and <u>the PRC</u>China. A <u>B</u>usiness <u>D</u>ay in Hong Kong refers to any day on which the Stock Exchange is open for the dealing in securities. A <u>B</u>usiness <u>D</u>ay in <u>the PRC</u>China refers to any day on which banks in China are open <u>to public</u> to public and <u>excluding</u> which is not a Saturday, Sunday or any other statutory public holiday <u>stipulated</u>set by the PRC government.</p>

Current provisions in the Articles of Association	Amended provisions in the Articles of Association
	<u>Article 262</u> The board of Directors may formulate the rules, norms, regulations, systems, and measures in accordance with the provisions of these Articles. No rules, norms, regulations, systems, and measures may conflict with the provisions of these Articles.
	<u>Article 266</u> Appendices to these Articles include the Rules of Procedures for the Shareholders General Meeting, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Board of Supervisors.

Original Clauses	Revised Clauses
Chapter 1 General Provisions	Chapter 1 General Provisions
<p>Article 1 These rules of procedures (these “Rules”) have been formulated in accordance with the laws and regulations including the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as well as the Articles of Association of BAIC Motor Corporation Limited (the “Articles of Association”) with reference to the actual condition of BAIC Motor Corporation Limited (the “Company”) to protect the lawful interests of the Company and its Shareholders, clearly define the responsibilities and authorities of the Shareholders general meeting, ensure the Shareholders general meeting to operate in a standardized and efficient manner and perform its functions and powers under the laws.</p>	<p>Article 1 These rules of procedures (these “Rules”) have been formulated in accordance with the laws and regulations including the Company Law of the People’s Republic of China (the “Company Law”), <u>the Securities Law of the People’s Republic of China</u>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), <u>the Rules of General Meetings of Shareholders of Listed Companies (as amended in 2016)</u> as well as the Articles of Association of BAIC Motor Corporation Limited (the “Articles of Association”) with reference to the actual condition of BAIC Motor Corporation Limited (the “Company”) to protect the lawful interests of the Company and its Shareholders, clearly define the responsibilities and authorities of the Shareholders general meeting, ensure the Shareholders general meeting to operate in a standardized and efficient manner and perform its functions and powers under the laws.</p>

Original Clauses	Revised Clauses
<p>Article 3 The Shareholders general meeting consists of all Shareholders of the Company which shall be the institution of authority of the Company and shall exercise lawful duties as follows:</p> <p>(1) to decide on the Company’s business policies and investment plans;</p> <p>(2) to elect and replace Directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;</p> <p>(3) to consider and approve the reports of the board of Directors of the Company;</p> <p>(4) to consider and approve the reports of the board of supervisors of the Company;</p> <p>(5) to consider and approve the Company’s proposed annual financial budgets and final account plans;</p> <p>(6) to consider and approve the Company’s profit distribution plans and plans for making up losses;</p> <p>(7) to resolve on the increase or reduction of the Company’s registered capital;</p> <p>(8) to resolve on the issuance of debentures;</p> <p>(9) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(10) to amend the Articles of Association;</p>	<p>Article 3 The Shareholders general meeting consists of all Shareholders of the Company which shall be the institution of authority of the Company and shall exercise lawful duties as follows:</p> <p>(1) to decide on the Company’s business policies and investment plans;</p> <p>(2) to elect and replace Directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;</p> <p>(3) to consider and approve the reports of the board of Directors of the Company;</p> <p>(4) to consider and approve the reports of the board of supervisors of the Company;</p> <p>(5) to consider and approve the Company’s proposed annual financial budgets and final account plans;</p> <p>(6) to consider and approve the Company’s profit distribution plans and plans for making up losses;</p> <p>(7) to resolve on the increase or reduction of the Company’s registered capital;</p> <p>(8) to resolve on the issuance of debentures;</p> <p>(9) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(10) to amend the Articles of Association;</p>

Original Clauses	Revised Clauses
(11) to resolve on the engagement or termination of engagement of the accountants' firm of the Company which provides audit to the annual financial statements of the Company;	(11) to resolve on the engagement or termination of engagement of the accountants' firm of the Company which provides audit to the annual financial statements of the Company;
(12) to resolve on the provision of guarantees specified in the Articles of Association;	(12) to resolve on the provision of guarantees specified in the Articles of Association;
(13) to consider the acquisition or disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;	(13) to consider the acquisition or disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;
(14) to consider and approve the share incentive scheme;	<u>(14) to consider and approve matters relating to the changes in the use of proceeds from fund raising activities;</u>
(15) to consider and approve pledge of asset, external investment and commissioned financial matters which account for more than 50% of the latest audited net assets of the Company and connected transactions which account for more than 20% of the latest audited net assets of the Company;	(14) to consider and approve the share <u>(15) incentive scheme;</u>
(16) to consider the motions raised by Shareholders who represent more than 3% (inclusive) of the total number of voting shares of the Company;	(16) <u>to consider and approve pledge of asset, external investment and commissioned financial matters which account for more than 50% of the latest audited net assets of the Company and connected transactions which account for more than 20% of the latest audited net assets of the Company; to consider and approve transactions specified in the Articles of Association;</u>
(17) to consider other matters which, according to the laws, administrative regulations and departmental rules and regulations or the Articles of Association, should be resolved by the Shareholders of the Company at general meetings;	(15) <u>to consider and approve the proposed (17) connected transactions (except for the provision of guarantees by the Company, receipt of cash asset or reduction of Company's liability) which account for more than RMB30 million and more than 5% of the absolute value of the latest audited net assets of the Company.</u>

Original Clauses	Revised Clauses
	<p>(16) to consider the motions raised by (18) Shareholders who represent more than 3% (inclusive) of the total number of voting shares of the Company;</p> <p>(19) to consider other matters which, according to the laws, administrative regulations and departmental rules and regulations or the Articles of Association, should be resolved by the Shareholders of the Company at general meetings;</p>
	<p>Article 4 <u>The Company shall engage a legal counsel to issue a legal opinion on the following matters in respect of the Shareholders general meeting, and make announcement accordingly:</u></p> <p>(1) <u>whether the convening and procedure of the convening of the meeting are in compliance with laws, administrative regulations and the Articles of Association;</u></p> <p>(2) <u>whether the attendees and the convener of the meeting are legitimate and valid;</u></p> <p>(3) <u>whether the voting procedure and voting results at the meeting are legitimate and valid;</u></p> <p>(4) <u>issue of a legal opinion on such other matters as required by the Company.</u></p>

Original Clauses	Revised Clauses
Chapter 2 Procedure of Shareholders General Meetings	Chapter 2 Procedure of Shareholders General Meetings
Section 1 Convention of Shareholders General Meetings	Section 1 Convention of Shareholders General Meetings
<p>Article 9 Half of the board of independent Directors may request to the board of Directors of the Company to convene an extraordinary general meeting in writing. The board of Directors of the Company shall, within 10 business days upon the receipt of such request, give a written reply on agreeing or disagreeing to convene such meeting in accordance with the laws, administrative regulations and the Articles of Association.</p> <p>Where the board of Directors of the Company agrees to hold an extraordinary general meeting of Shareholders, it shall deliver a notice of Shareholders general meeting within 5 days after the board resolution is made. If the board of Directors of the Company disagrees to hold such extraordinary general meeting, it will provide reasons.</p>	<p>Article 910 Half of the board of independent Directors may request to the board of Directors of the Company to convene an extraordinary general meeting in writing. The board of Directors of the Company shall, within 10 business days upon the receipt of such request, give a written reply on agreeing or disagreeing to convene such meeting in accordance with the laws, administrative regulations and the Articles of Association.</p> <p>Where the board of Directors of the Company agrees to hold an extraordinary general meeting of Shareholders, it shall deliver a notice of Shareholders general meeting within 5 days after the board resolution is made. If the board of Directors of the Company disagrees to hold such extraordinary general meeting, it will provide reasons <u>and make announcement accordingly</u>.</p>

Original Clauses	Revised Clauses
	<p><u>Article 11</u> The board of supervisors have the right to request the board of Directors of the Company to convene an extraordinary general meeting in writing. The board of Directors of the Company shall, within 10 days upon the receipt of such proposal, give a written reply on agreeing or disagreeing to convene such extraordinary general meeting in accordance with laws, administrative regulations and the Articles of Association.</p> <p>Where the board of Directors of the Company agrees to hold an extraordinary general meeting of Shareholders, it shall deliver a notice of such meeting within 5 days after the board resolution is made. Any changes made to the original proposal shall obtain the consent of the board of supervisors of the Company.</p> <p>Where the board of Directors of the Company disagrees to hold an extraordinary general meeting of Shareholders or fails to respond to the proposal within 10 days upon the receipt of such proposal, it shall be deemed as the board of Directors of the Company being unable to or choose not to perform its obligation of convening a general meeting, and the board of supervisors of the Company may convene and chair the meeting on its own.</p>

Original Clauses	Revised Clauses
<p>Article 10 The following procedures shall be followed where Shareholders or the board of supervisors of the Company require to convene an extraordinary general meeting of Shareholders or a classified Shareholders meeting:</p> <p>(1) The Shareholders who individually or collectively hold ten percent or more shares of the Company carrying the right to vote at the meeting or the board of supervisors can sign one or several written requests in the same form and contents to submit to the board of Directors of the Company to require the latter to convene an extraordinary general meeting of Shareholders or a classified Shareholders meeting and explain the subject of the meeting. The board of Directors of the Company shall convene such extraordinary general meeting of Shareholders or a classified Shareholders meeting upon the receipt of such request. The shareholding mentioned above shall be calculated at the date of request.</p>	<p>Article 1012 The following procedures shall be followed where Shareholders or the board of Supervisors of the Company require to convene an extraordinary general meeting of Shareholders or a classified Shareholders meeting:</p> <p>(1) The Shareholders who individually or collectively hold ten percent or more shares of the Company carrying the right to vote at the meeting or the board of supervisors can sign one or several written requests in the same form and contents to submit to the board of Directors of the Company to require the latter to convene an extraordinary general meeting of Shareholders or a classified Shareholders meeting and explain the subject of the meeting. <u>The board of Directors of the Company shall give a written reply on agreeing or disagreeing to convene an extraordinary general meeting or class general meeting within ten days upon receipt of the request in accordance with laws, administrative regulations and the Articles of Association. The aforementioned shareholding shall be calculated based on the date of the making of a written request by the Shareholders.</u> The board of Directors of the Company shall convene such extraordinary general meeting of Shareholders or a classified Shareholders meeting upon the receipt of such request. The shareholding mentioned above shall be calculated at the date of request.</p>

Original Clauses	Revised Clauses
<p>(2) where the board of Directors of the Company fails to deliver a notice of an extraordinary general meeting within 30 days upon receipt of the request, Shareholders that solely or collectively hold 10% or more shares of the Company have the right to propose in writing to the board of supervisors of the Company to hold an extraordinary general meeting or a classified Shareholders meeting. The board of supervisors may convene such meeting within 4 months upon the receipt of such request by the board of Directors. In the event that the board of supervisors does not convene or hold the meeting, Shareholders who solely or collectively hold 10% or more shares of the Company for consecutively 90 or more days may hold or preside over meetings on their own initiatives following the same procedures as the ones convened by the board of Directors of the Company.</p>	<p><u>(2) Where the board of Directors of the Company agrees to hold an extraordinary general meeting or a class general meeting, it shall deliver a notice for the convening of a general meeting or class general meeting within 5 days after the resolution of the board of Directors is made; consent of the relevant shareholders shall be obtained for any changes made to the original proposal in the notices;</u></p> <p><u>(3) Where the board of Directors of the Company does not agree to hold an extraordinary general meeting or class general meeting or fails to give a reply within 10 days upon receipt of the request, where the board of Directors of the Company fails to deliver a notice of an extraordinary general meeting within 30 days upon receipt of the request, the Shareholders that solely or collectively hold 10% or more voting shares of the Company shall have the right to propose the board of supervisors to hold an extraordinary general meeting of Shareholders or a classified Shareholders meeting, and shall put forward the request to the board of supervisors in written form-;</u></p> <p><u>(4) Where the board of supervisors of the Company agrees to hold an extraordinary general meeting or a class general meeting, it shall deliver a notice for the convening of a general meeting or class general meeting within 5 days upon receipt of the request; consent of the relevant Shareholders shall be obtained for any changes made to the original proposal in the notices the board of supervisors of the Company may convene such meeting within 4 months upon the receipt of such request by the board of Directors of the Company;</u></p>

Original Clauses	Revised Clauses
	<p>(5) Where the board of supervisors of the Company fails to issue a notice of extraordinary general meeting or class general meeting within the prescribed time limit, it shall be regarded as the board of supervisors not convening or presiding over such meeting, in the event that the board of supervisors does not convene or hold the meeting, Shareholders who solely or collectively hold 10% or more shares of the Company for consecutively 90 or more days may convene and <u>hold meetings</u> general meetings on their own initiatives following the same procedures as the ones convened by the board of Directors of the Company.</p>
<p>Article 11 In the event that the board of supervisors or the Shareholders of the Company decide to convene a general meeting on its own, it or he shall notify the board of Directors of the Company in writing and deliver the meeting notice. Before passing a resolution at the Shareholders general meeting, the percentage of shareholding held by the convening Shareholders shall not be less than 10%.</p>	<p>Article 113 In the event that the board of supervisors or the Shareholders of the Company decide to convene a general meeting on its their own, it or he they shall notify the board of Directors of the Company in writing and deliver the issue a general meeting notice, <u>and report the same to the local representative office of the competent securities authority of the State Council and the stock exchange to which the shares of the Company are listed.</u> Before <u>making an announcement on</u> passing a resolution made at the Shareholders general meeting, the percentage of shareholding held by the convening Shareholders shall not be less than 10% in aggregate.</p> <p><u>The board of supervisors or the convening Shareholders shall submit relevant supporting materials to the local representative office of the competent securities authority of the State Council and the stock exchange where shares of the Company are listed when issuing a notice of general meeting and making an announcement on the resolutions passed at such meeting.</u></p>

Original Clauses	Revised Clauses
<p align="center">Section 3 Notices of the Shareholders General Meeting and Changes</p>	<p align="center">Section 3 Notices of the Shareholders General Meeting and Changes</p>
<p>Article 18 The notice of a general meeting shall be served on the Shareholders (whether or not entitled to vote at the meeting) of the Company by delivery or prepaid airmail to their addresses as shown in the register of Shareholders. For holders of domestic shares, notice of the meeting may be issued by way of public notice.</p> <p>As stated above, the public announcement of notices of general meetings shall be published on one or more newspapers designated by the securities governing authority of the State Council during 45 days to 50 days prior to the date of the meeting. Upon the publication of announcement, all holders of the domestic shares shall be deemed to have received notice of the relevant Shareholders meeting.</p> <p>As for holders of H Shares, the notice of a general meeting, the relevant circular and relevant documents may be published on the Company’s website or the Stock Exchange of Hong Kong Limited in compliance with the laws, regulations and rules, the listing rules of the place at which the shares of the Company are listed and the Articles of Association.</p>	<p>Article 1821 The notice of a general meeting shall be served on the Shareholders (whether or not entitled to vote at the meeting) of the Company by delivery or prepaid airmail to their addresses as shown in the register of Shareholders. For holders of domestic shares, notice of the meeting may be issued by way of public notice.</p> <p>As stated above, the public announcement of notices of general meetings shall be published on one or more newspapers designated by the securities governing authority of the State Council during 45 days to 50 days prior to the date of the meeting. Upon the publication of announcement, all holders of the domestic shares <u>A Shares</u> shall be deemed to have received notice of the relevant Shareholders meeting.</p> <p>As for holders of H Shares, the notice of a general meeting, the relevant circular and relevant documents may be published on the Company’s website or the Stock Exchange of Hong Kong Limited in compliance with the laws, regulations and rules, the listing rules of the place at which the shares of the Company are listed and the Articles of Association.</p>

Original Clauses	Revised Clauses
<p>Article 20 The notice of a general meeting shall meet the following requirements:</p> <p>(I) Being in written form;</p> <p>(II) Specifying the venue, date and time of the meeting;</p> <p>(III) Explaining the matters and proposals submitted for deliberation at the meeting;</p> <p>(IV) Providing the Shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed. This means that when the following matters which shall include, but shall not be limited to: any merger, share repurchase, share capital reorganization or other restructuring proposals are involved, the detailed terms of the proposed transaction, the proposed agreement (if any) and detailed explanation as to the cause and effect of such proposed transaction shall be provided;</p> <p>(V) Containing a disclosure of the nature and extent of the material interests of any Director, supervisor or senior executive in relation to the matters to be discussed and an explanation that the effect that the matters to be discussed will have on the said Director, supervisor or senior executive as Shareholders is different from that on other Shareholders of the same class (if there is such a difference);</p>	<p>Article 2022 The notice of a general meeting shall meet the following requirements:</p> <p>(I) Being in written form;</p> <p>(II) Specifying the venue, date and time of the meeting;</p> <p>(III) <u>Explaining the matters and proposals submitted for deliberation at the meeting matters and proposals submitted to the meeting for consideration and proposal;</u></p> <p>(IV) Providing the Shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed. This means that when the following matters which shall include, but shall not be limited to: any merger, share repurchase, share capital reorganization or other restructuring proposals are involved, the detailed terms of the proposed transaction, the proposed agreement (if any) and detailed explanation as to the cause and effect of such proposed transaction shall be provided;</p> <p>(V) Containing a disclosure of the nature and extent of the material interests of any Director, supervisor or senior executive in relation to the matters to be discussed and an explanation that the effect that the matters to be discussed will have on the said Director, supervisor or senior executive as Shareholders is different from that on other Shareholders of the same class (if there is such a difference);</p>

Original Clauses	Revised Clauses
<p>(VI) Containing the full text of any special resolution to be proposed and approved at the meeting;</p> <p>(VII) Containing a clear statement that a shareholder entitled to attend and vote at such a meeting is entitled to appoint one or more proxies to attend and vote at such a meeting on his behalf and that such a proxy need not be a shareholder; and</p> <p>Specifying the time and venue for delivering the power of attorney for the voting proxy for the meeting.</p>	<p>(VI) Containing the full text of any special resolution to be proposed and approved at the meeting;</p> <p>(VII) Containing a clear statement that a shareholder entitled to attend and vote at such a meeting is entitled to appoint one or more proxies to attend and vote at such a meeting on his behalf and that such a proxy need not be a shareholder; and</p> <p>(VIII) Specifying the time and venue for delivering the power of attorney for the voting proxy for the meeting-;</p> <p><u>(VIII)(XI) specifying the record date of Shareholders entitled to attend the Shareholders general meeting;</u></p> <p><u>(XI)(X) stating the names and telephone numbers of the contact persons for the meeting.</u></p>

Original Clauses	Revised Clauses
Section 4 Registration	Section 4 Registration
<p>Article 25 The individual Shareholders attending the meeting in person shall present their personal identity cards or other valid documents for identification. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.</p> <p>Corporate Shareholders shall be represented by its legal representative or proxies authorised by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representatives. Proxies authorised to attend the meeting shall present their personal identity cards and the power of attorney legally issued by the corporate shareholder. The power of attorney shall clearly state the number of shares held by the proxies, the name of the proxies, matter represented by the proxies, the signing date and the effective period of the power of attorney, signature or seal of the principal or the signature of Directors or a duly appointed proxy.</p>	<p>Article 2527 The individual Shareholders attending the meeting in person shall present their personal identity cards or other valid documents <u>or proof or stock account card for identification</u> which can prove their identity. Proxies attending the meeting shall present their <u>valid</u> personal identity cards and the power of attorney from the shareholder.</p> <p>Corporate Shareholders shall be represented by its legal representative or proxies authorised by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representatives. Proxies authorised to attend the meeting shall present their personal identity cards and the power of attorney legally issued by the corporate shareholder. The power of attorney shall clearly state the number of shares held by the proxies, the name of the proxies, matter represented by the proxies, the signing date and the effective period of the power of attorney, signature or seal of the principal or the signature of Directors or a duly appointed proxy.</p>

Original Clauses	Revised Clauses
<p>The power of attorney shall contain a statement that whether the proxy may vote at his or her own discretion in absence of shareholder's specific directions.</p>	<p>The power of attorney issued by <u>Shareholders to authorise other persons to attend the Shareholders general meeting shall be in writing, and shall clearly state the following:</u></p> <ul style="list-style-type: none"> (I) <u>the name of the proxies;</u> (II) <u>the number of shares represented by the proxies;</u> (III) <u>whether such shares have the right to vote;</u> (IV) <u>separate instructions as to vote for or against or abstain from voting on each item contained in the agenda of the Shareholders general meeting;</u> (V) <u>the signing date and the effective period of the power of attorney;</u> (VI) <u>whether the proxies have the right to vote in respect of any extraordinary resolutions in the Shareholders general meeting and a clear instruction as to the exercise of what type of voting right (shall there be such voting right);</u> (VII) <u>signature (or seal) of the principal. If the principal is a corporate shareholder, the power of attorney shall bear the seal of the corporation or be signed by its director or a proxy duly appointed.</u> <p>The power of attorney shall contain a statement that <u>as to</u> whether the proxy may vote at his or her own discretion in the absence of the Shareholder's specific directions.</p>

Original Clauses	Revised Clauses
<p>Article 29 Shareholders or proxies who have not signed the roll are deemed to be absent from the meeting and abstained from voting on the resolutions. The convener shall verify the legitimacy of Shareholders' qualification. The registration for the meeting shall be closed before the chairperson of the meeting announces the number of Shareholders and proxies attending the meeting and the total number of voting shares represented by them.</p>	<p>Article 2931 Shareholders or proxies who have not signed the roll are deemed to be absent from the meeting and abstained from voting on the resolutions. The convener and the lawyers appointed by the Company shall verify the legitimacy of Shareholders' qualification <u>based on the register of Shareholders provided by the securities registration and settlement authority</u>. The registration for the meeting shall be closed before the chairperson of the meeting announces the number of Shareholders and proxies attending the meeting and the total number of voting shares represented by them.</p>
<p>Section 5 Convention of the Shareholders general meeting</p>	<p>Section 5 Convention of the Shareholders general meeting</p>
<p>Article 31 A general meeting of the Company shall be convened at the registered office of the Company. A venue shall be available for holding a general meeting as an on-site meeting. The Company shall also provide means as allowed under the listing rules of which the shares of the Company are listed to facilitate the attendance of Shareholders at the Shareholders general meeting. Shareholders attending a general meeting by the above methods shall be deemed being present at the meeting.</p>	<p>Article 3133 A general meeting of the Company shall be convened at the registered office of the Company. A venue shall be available for holding a general meeting as an on-site meeting. The Company shall also provide <u>Internet Connection or</u> means as allowed under the listing rules of which the Shares of the Company are listed to facilitate the attendance of Shareholders at the Shareholders general meeting. Shareholders attending a general meeting by the above methods shall be deemed being present at the meeting.</p>
<p>Article 34 Provided that the Company ensures the legality and validity of the Shareholders general meetings, the Company shall facilitate the attendance of Shareholders at the Shareholders general meetings by various ways and means.</p>	<p>Article 3436 Provided that the Company ensures the legality and validity of the Shareholders general meetings, the Company shall facilitate the attendance of Shareholders at the Shareholders general meetings by various ways and means, <u>including the provision of modern information technology such as a network-based voting platform for A-share Shareholders</u>.</p>

Original Clauses	Revised Clauses
	<p><u>Article 37</u> Voting of the Shareholders general meeting on the Internet or otherwise shall commence not earlier than 3:00 pm on the day prior to the physical general meeting, and not later than 9:30 am on the day of the convening of the physical general meeting, and shall finish not earlier than 3:00 pm on the day of the finish of the physical general meeting.</p>

Original Clauses	Revised Clauses
<p>Article 35 General meetings shall be presided over by the chairman of the board of Directors of the Company. Should the chairman is unable to perform his duties, the meeting shall be presided by a Director appointed by the chairman of the board of Directors of the Company. If no convener is appointed, the Shareholders present at the meeting may choose one person to be the convener. If for any reason, the Shareholders shall fail to elect a chairman of the meeting, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>The Shareholders general meeting convened by the board of supervisors of the Company shall be presided over by the chairman of the board of supervisors. If the chairman of the board of supervisors cannot perform or fails to perform his duties, a supervisor shall be elected by way of show of hands by more than half of the supervisors to chair the meeting.</p> <p>Where the Shareholders convene a general meeting on their own initiative, the convener shall elect a chairperson to hold the meeting.</p> <p>When the Shareholders general meeting is held and the chairman of the meeting violates these rules making it difficult for the Shareholders general meeting to continue, a person may be elected at the Shareholders general meeting to act as the chairman of the meeting, subject to the approval of more than half of the Shareholders having the voting rights who are present at the meeting.</p>	<p>Article 3538 General meetings shall be presided over by the chairman of the board of Directors of the Company. Should the chairman is <u>be</u> unable to perform his duties, <u>to preside over the Shareholders general meeting, a Director jointly proposed by more than half of the Directors shall preside over it.</u> the meeting shall be presided by a Director appointed by the chairman of the board of Directors of the Company. If no convener is appointed, the Shareholders present at the meeting may choose one person to be the convener. If for any reason, the Shareholders shall fail to elect a chairman of the meeting, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>The Shareholders general meeting convened by the board of supervisors of the Company shall be presided over by the chairman of the board of supervisors. If the chairman of the board of supervisors cannot perform or fails to perform his duties, a supervisor shall be elected by way of show of hands by more than half of the supervisors to chair the meeting.</p> <p>Where the Shareholders convene a general meeting on their own initiative, the convener shall elect a chairperson to hold the meeting.</p> <p>When the Shareholders general meeting is held and the chairman of the meeting violates these Rules making it difficult for the Shareholders general meeting to continue, a person may be elected at the Shareholders general meeting to act as the chairman of the meeting, subject to the approval of more than half of the Shareholders having the voting rights who are present at the meeting.</p>

Original Clauses	Revised Clauses
<p>Article 37 At an annual general meeting, the Board of Directors and the Board of Supervisors shall report to the meeting on their work over the past one year.</p>	<p>Article 3740 At an annual general meeting, the Board of Directors and the Board of Supervisors shall report to the meeting on their work over the past one year. <u>Each of the independent Directors shall also make their individual work reports.</u></p>
<p>Article 39 The convener shall ensure that a Shareholders' general meeting is held continuously until final resolutions are reached. In the event that the Shareholders' general meeting is adjourned or the resolution fails to be reached due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be adjourned immediately, and notify the Shareholders of such termination shall be made promptly.</p>	<p>Article 3942 The convener shall ensure that a Shareholders' general meeting is held continuously until final resolutions are reached. In the event that the Shareholders' general meeting is adjourned or the resolution fails to be reached due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be adjourned immediately, and notify the Shareholders <u>an announcement</u> of such termination shall be made promptly. <u>The convener shall also report the same to the local dispatched offices of the CSRC of the place of domicile of the Company and to the stock exchange(s) on which the shares of the Company are listed.</u></p>
<p>Section 6 Passing resolutions in the Shareholders general meeting</p>	<p>Section 6 Passing resolutions in the Shareholders general meeting</p>
<p>Article 40 Shareholders (including proxies) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.</p> <p>However, the shares held by the Company shall carry no right to vote and shall not be counted into the total number of shares carrying the right to present and vote at a general meeting.</p>	<p>Article 4043 Shareholders (including proxies) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.</p> <p>However, the shares held by the Company shall carry no right to vote and shall not be counted into the total number of shares carrying the right to present and vote at a general meeting.</p>

Original Clauses	Revised Clauses
<p>For connected transactions to be considered at a Shareholders general meeting, connected Shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the valid quorum to vote.</p>	<p><u>When material issues affecting the interests of small and medium investors are being considered in the Shareholders general meeting, the votes by small and medium investors shall be counted separately. The separate vote- counting results shall be publicly disclosed in a timely manner.</u></p>
<p>If any shareholder is, under the applicable laws and regulations and the listing rules of the stock exchange of which the shares of the Company is listed , 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>	<p>For connected transactions to be considered at a Shareholders general meeting, connected Shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the valid quorum to vote; <u>the announcements of resolutions passed at the Shareholders general meeting shall fully disclose the voting results of non-connected Shareholders.</u></p>
<p>The Board of Directors and Shareholders fulfilled certain conditions may solicit the voting rights.</p>	<p>If any shareholder is, under the applicable laws and regulations and the listing rules of the stock exchange of which the shares of the Company is listed , 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>

Original Clauses	Revised Clauses
	<p>The Board of Directors and Shareholders fulfilled certain conditions may solicit the voting rights. The soliciting of voting rights can be carried out by the Board, independent Directors, and the Shareholders of the Company who comply with relevant regulations. Information including the specific voting preference shall be fully provided to the Shareholders from whom voting rights are being solicited. Consideration or de facto consideration for soliciting Shareholders' voting rights is prohibited. The Company shall not impose minimum shareholding limitations for soliciting voting rights.</p>
<p>Article 43 In the case of an equality of votes (regardless of it is by way of showing off hands or voting), the chairman of the meeting shall be entitled to an additional vote.</p>	<p>Article 43 In the case of an equality of votes (regardless of it is by way of showing off hands or voting), the chairman of the meeting shall be entitled to an additional vote.</p>
	<p>Article 47 <u>For voting on the election of Directors and supervisors at a general meeting, the cumulative voting system may be implemented in accordance with the provisions hereof or the resolution at the Shareholders general meeting.</u></p> <p><u>For the purpose of the preceding paragraph, the term "cumulative voting system" shall mean that when Directors or supervisors are elected at a Shareholders general meeting, each share shall have voting rights equal to the number of Directors or supervisors standing for election. Voting rights owned by Shareholders can be used in a focused manner.</u></p>

Original Clauses	Revised Clauses
<p>Article 45 All proposals shall be voted one by one at a Shareholders general meeting. In the event that there are different proposals on the same matter, they shall be voted in chronological order of proposing such proposals. Except for special reasons such as force majeure that result in suspending a Shareholders general meeting or failing to make any resolution, no proposals may be shelved or may not be voted at a Shareholders general meeting.</p>	<p>Article 4548 Except for the <u>cumulative voting system</u>, all proposals shall be voted one by one at a Shareholders general meeting. In the event that there are different proposals on the same matter, they shall be voted in chronological order of proposing such proposals. Except for special reasons such as force majeure that result in suspending a Shareholders general meeting or failing to make any resolution, no proposals may be shelved or may not be voted at a Shareholders general meeting.</p>
<p>Article 47 Shareholders present at a Shareholders general meeting shall express one of the following opinions on a proposal submitted for voting: in favour of, against or abstain from voting. If a ballot is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his or her right to vote and the voting results for the number of shares that he or she holds shall be recorded as ‘abstained’.</p> <p>Shareholders or proxy present at a Shareholders general meeting shall complete the voting within a reasonable time set by the chairman of the meeting. If such vote is not submitted within such timeframe, it shall be recorded as ‘abstained’.</p>	<p>Article 4750 Shareholders present at a Shareholders general meeting shall express one of the following opinions on a proposal submitted for voting: in favour of, against or abstain from voting. If a ballot is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his or her right to vote and the voting results for the number of shares that he or she holds shall be recorded as ‘abstained’.</p> <p>Shareholders or proxy present at a Shareholders general meeting shall complete the voting within a reasonable time set by the chairman of the meeting. If such vote is not submitted within such timeframe, it shall be recorded as ‘abstained’.</p> <p><u>The same voting right may only be exercised either at physical meeting, via the Internet or otherwise. In the event that there is duplicate exercise of the same voting right, the result of the first vote shall prevail.</u></p>

Original Clauses	Revised Clauses
<p>Article 48 Statistic of voting results</p> <p>Before voting takes place on a proposal at a Shareholders' general meeting, two Shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing. When voting takes place on a proposal at a Shareholders general meeting, auditors, H share register or qualified external auditors shall be responsible for vote counting and scrutinizing. The chairman of the meeting shall determine whether resolution has been passed, and the decision is final and shall be announced in the meeting and recorded in the meeting minutes.</p>	<p>Article 4851 Statistic of voting results</p> <p>Before voting takes place on a proposal at a Shareholders' general meeting, two Shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing. When voting takes place on a proposal at a Shareholders general meeting, auditors, H share register or qualified external <u>auditors</u> lawyers and representatives of Shareholders and supervisors shall be <u>jointly</u> responsible for vote counting and scrutinizing. The chairman of the meeting shall determine whether resolution has been passed, and the decision is final and shall be announced in the meeting and recorded in the meeting minutes.</p> <p><u>Shareholders of the Company or their proxies who cast their votes through the Internet or otherwise shall have the right to inspect their own voting results through a corresponding voting system.</u></p>

Original Clauses	Revised Clauses
<p>Article 50 The convener of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results. Before the formal announcement of voting results is made, the vote counters, vote scrutineers, Shareholders, the Company and other related parties involved at the on-site Shareholders general meeting shall keep the voting results confidential.</p>	<p>Article 5053 <u>A physical general meeting shall not end earlier than the one held by way of the Internet or otherwise.</u> The convener of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results. Before the formal announcement of voting results is made, the vote counters, vote scrutineers, Shareholders, the Company and other related parties involved at the on-site Shareholders general meeting shall keep the voting results confidential. <u>any vote-counters, vote scrutineers, major Shareholders, network services providers and other related parties involved at the physical general meeting, on-line general meeting and otherwise shall have duty of confidence with regard to the voting results.</u></p>

Original Clauses	Revised Clauses
<p>Article 52 The matters which require the sanction of an ordinary resolution at a general meeting shall include:</p> <ol style="list-style-type: none"> (1) work reports of the board of Directors and the Board of Supervisors; (2) plans for the distribution of profits and for making up losses proposed by the Board; (3) the election and removal of the members of the board of Directors and the staff representative supervisors, their remuneration and method of payment; (4) the business strategies and investments plans (5) the annual budget and final account report, balance sheet, profit and loss statement and other financial statement of the Company; (6) all other matters except those required to be adopted by special resolution as required by the laws and regulations or the Articles of Association. 	<p>Article 5255 The matters which require the sanction of an ordinary resolution at a general meeting shall include:</p> <ol style="list-style-type: none"> (1) work reports of the board of Directors and the Board of Supervisors; (2) plans for the distribution of profits and for making up losses proposed by the Board; (3) the election and removal of the members of the board of Directors and the staff representative supervisors, their remuneration and method of payment; (4) the business strategies and investments plans (5) the annual budget and final account report, balance sheet, profit and loss statement and other financial statement of the Company; (6) <u>annual report of the Company;</u> (7) all other matters except those required to be adopted by special resolution as required by the laws and regulations or the Articles of Association.

Original Clauses	Revised Clauses
	<p>Article 59 Resolutions made at a general meeting shall be announced promptly. The announcement shall set out details on the number of Shareholders and proxies present at the meeting, the total number of voting shares held and the percentage of the total number of voting shares of the Company, the voting method, the voting results of each resolution and the details of the resolutions passed.</p>
	<p>Article 60 In the event that a resolution is not passed, or a resolution passed at a previous general meeting is modified at this general meeting, a special note shall be made in the announcement on the resolutions made at the Shareholders general meeting.</p>

Original Clauses	Revised Clauses
<p>Article 57 Meeting minutes</p> <p>Minutes shall be prepared for a Shareholders general meeting by the secretary of the board of Directors. The minutes of a meeting shall record the following particulars:</p> <ol style="list-style-type: none"> (1) the time, place, agenda and name of the convenor of the meeting; (2) the chairman of the meeting and the Directors, supervisors and other senior management officers attending or sitting in on the meeting; (3) the number of Shareholders and proxies attending the meetings, the total number of voting shares held and their respective percentages of total number of shares of the Company; (4) the process of considering each proposal, main points of remarks and voting results; (5) questions, comments or suggestions by Shareholders, and the replies thereto or explanations thereof; (6) the names of counters and scrutineers of votes; (7) other particulars that shall be recorded into the meeting minutes as prescribed in the Articles of Association. 	<p>Article 5761 Meeting minutes</p> <p>Minutes shall be prepared for a Shareholders general meeting by the secretary of the board of Directors. The minutes of a meeting shall record the following particulars:</p> <ol style="list-style-type: none"> (1) the time, place, agenda and name of the convenor of the meeting; (2) the chairman of the meeting and the Directors, supervisors and other senior management officers attending or sitting in on the meeting; (3) the number of Shareholders and proxies attending the meetings, the total number of voting shares held and their respective percentages of total number of shares of the Company; (4) the process of considering each proposal, main points of remarks and voting results; (5) questions, comments or suggestions by Shareholders, and the replies thereto or explanations thereof; (6) the names of <u>lawyers</u>, counters and scrutineers of votes; (7) other particulars that shall be recorded into the meeting minutes as prescribed in the Articles of Association.

Original Clauses	Revised Clauses
<p>Article 60 Records of the Shareholders General Meeting</p> <p>The records of the Shareholders general meetings shall include the notice of the meeting and meeting proposal, the registration of meeting, the power of attorney of Shareholders, voting ballot, summary of voting, duly signed and confirmed meeting records and resolutions, and such records shall be collected by the secretary of the board of Directors.</p> <p>The records of the Shareholders general meetings shall be regarded as the material records of the Company which are kept by the secretary of the board of Directors, and shall be kept for no less than 10 years.</p>	<p>Article 60 Records of the Shareholders General Meeting</p> <p>The records of the Shareholders general meetings shall include the notice of the meeting and meeting proposal, the registration of meeting, the power of attorney of Shareholders, voting ballot, summary of voting, duly signed and confirmed meeting records and resolutions, and such records shall be collected by the secretary of the board of Directors.</p> <p>The records of the Shareholders general meetings shall be regarded as the material records of the Company which are kept by the secretary of the board of Directors, and shall be kept for no less than 10 years.</p> <p><u>The records of the Shareholders general meetings shall be kept together with valid documents including the roll of Shareholders present at the physical general meeting and the power of attorney for its proxies, the voting statistics for voting done via the Internet and otherwise, and shall be kept for no less than 10 years.</u></p>

Original Clauses	Revised Clauses
<p align="center">Chapter 3 Special voting procedures for classified Shareholders</p>	<p align="center">Chapter 3 Special voting procedures for classified Shareholders</p>
<p>Article 63 Where the Company proposes to change or abrogate the rights of classified Shareholders, the proposal shall be implemented only after it has been approved by a special resolution of the Shareholders' general meeting and by the Shareholders' general meetings convened separately by affected classified Shareholders according to Article 64 to Article 69 of the Articles of Association.</p> <p>No approval by a general meeting or a class meeting is required for variation or abrogation of rights resulting from any change in domestic and foreign laws and administrative regulations and listing rules where the Company's shares are listed, or those resulting from decisions made by domestic and foreign regulatory organs.</p>	<p>Article 63<u>67</u> Where the Company proposes to change or abrogate the rights of classified Shareholders, the proposal shall be implemented only after it has been approved by a special resolution of the Shareholders' general meeting and by the Shareholders' general meetings convened separately by affected classified Shareholders according to Article 64<u>68</u> to Article 69<u>73</u> of the Articles of Association.</p> <p>No approval by a general meeting or a class meeting is required for variation or abrogation of rights resulting from any change in domestic and foreign laws and administrative regulations and listing rules where the Company's shares are listed, or those resulting from decisions made by domestic and foreign regulatory organs.</p>
<p>Article 66 The resolutions of classified Shareholders' meeting shall be passed by more than 2/3 of voting shares of Shareholders who attend classified Shareholders' meeting and have the voting rights according to Article 65 of the Articles of Association.</p>	<p>Article 66<u>70</u> The resolutions of classified Shareholders' meeting shall be passed by more than 2/3 of voting shares of Shareholders who attend classified Shareholders' meeting and have the voting rights according to Article 65<u>69</u> of the Articles of Association.</p>

Original Clauses	Revised Clauses
<p>Article 69 Matters that require to be resolved in the Shareholders general meeting under the laws, regulations, rules, regulatory documents and the Articles of Association shall be resolved in the Shareholders general meeting. However, the board of Directors of the Company shall be authorised to resolve the above matters provided that is it authorised under the laws, regulations, rules, regulatory documents and the Articles and Association or it is under necessary, reasonable and legal circumstances. The content of authorisation shall be clear and detailed.</p>	<p>Article 6974 Matters that require to be resolved in the Shareholders general meeting under the <u>laws, administrative regulations, listing rules and other relevant requirements of the place where the shares of the Company are listed</u> laws, regulations, rules, regulatory documents and the Articles of Association shall be resolved in the Shareholders general meeting. However, the board of Directors of the Company shall be authorised to resolve the above matters provided that is it authorised under <u>the laws, administrative regulations, listing rules and other relevant requirements of the place where the shares of the Company are listed</u> the laws, regulations, rules, regulatory documents and the Articles and Association or it is under necessary, reasonable and legal circumstances. The content of authorisation shall be clear and detailed.</p>
<p>Chapter 5 Execution of resolutions passed in the Shareholders general meeting</p>	<p>Chapter 5 Execution of resolutions passed in the Shareholders general meeting</p>
<p>Article 72 The Company shall implement any plans of cash distribution, issue of bonus shares or increase of share capital by capitalization adopted at a general meeting within three months after the conclusion of the Shareholders general meeting.</p>	<p>Article 7276 Our Bank shall implement any plans of cash distribution, issue of bonus shares or increase of share capital by capitalization adopted at a general meeting within three<u>two</u> months after the conclusion of the Shareholders general meeting.</p>

Original Clauses	Revised Clauses
<p>Article 73 Any content of the resolution of the Shareholders general meeting thereof violates the laws and regulations shall be invalid. If the convening procedures or voting methods for the Shareholders general meeting violate the laws, regulations and the Articles of Association, or any content of the resolution thereof violates the Articles of Association, the Shareholders shall have the right to submit to a court within sixty days after such a resolution is made to revoke it.</p>	<p>Article 7377 Any content of the resolution of the Shareholders general meeting thereof violates the laws and regulations shall be invalid. <u>The controlling Shareholders and de facto controllers of the Company should not restrict or obstruct medium and small investors to exercise their voting rights and should not infringe the legitimate interests of the Company and medium and small investors.</u> If the convening procedures or voting methods for the Shareholders general meeting violate the laws, regulations and the Articles of Association, or any content of the resolution thereof violates the Articles of Association, the Shareholders shall have the right to submit to a court within sixty days after such a resolution is made to revoke it.</p>

Original Clauses	Revised Clauses
Chapter 1 General Provisions	Chapter 1 General Provisions
<p>Article 1 In order to ensure the effective implementation of the duties of Directors and the board of Directors (the “Board”), to ensure the codification, effective operation and prudent and scientific decision making of the Board and to standardise rules governing the operation of the Board, the Board formulates these Rules of Procedures for the Board of Directors (the “Rules”) of BAIC Motor Corporation Limited (the “Company”) in accordance with the laws and regulations and regulatory documents, including the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Articles of Association of the Company (the “Articles of Association”).</p>	<p>Article 1 In order to ensure the effective implementation of the duties of Directors and the board of Directors (the “Board”), to ensure the codification, effective operation and prudent and scientific decision making of the Board and to standardise rules governing the operation of the Board, the Board formulates these Rules of Procedures for the Board of Directors (the “Rules”) of BAIC Motor Corporation Limited (the “Company”) in accordance with the laws and regulations and regulatory documents, including the Company Law of the People’s Republic of China (the “Company Law”), <u>the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange,</u> the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Articles of Association of the Company (the “Articles of Association”).</p>

Original Clauses	Revised Clauses
Chapter 2 Composition and duties of the Board	Chapter 2 Composition and duties of the Board
<p>Article 4 The Board shall be accountable to the general meeting and exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) to be responsible for convening general meetings and to report on its work to the general meeting; (2) to implement the resolutions of the general meetings; (3) to formulate the Company's strategic business plans and investment and financing plans; (4) to formulate the Company's proposed annual financial budgets and final account plans; (5) to formulate the Company's profit distribution plan and plan for making up losses; (6) to formulate proposals for increases or reductions of the Company's registered share capital and issue and listing of corporate debentures or other securities; (7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company; 	<p>Article 4 The Board shall be accountable to the general meeting and exercise the following functions and powers :</p> <ol style="list-style-type: none"> (1) to be responsible for convening general meetings and to report on its work to the general meeting; (2) to implement the resolutions of the general meetings; (3) to formulate the Company's strategic business plans and investment plans; (4) to formulate the Company's proposed annual financial budgets and final account plans; (5) to formulate the Company's profit distribution plan and plan for making up losses; (6) to formulate proposals for increases or reductions of the Company's registered share capital and issue and listing of corporate debentures or other securities; (7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;

Original Clauses	Revised Clauses
(8) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset mortgage/pledge, external guarantee, financing credits, asset management mandate and connected transaction, except for those required approval from the Shareholders' general meeting under laws, regulatory policies, division regulations or the Articles of Association;	(8) <u>to determine matters relating to external guarantees, except for those required approval from the Shareholders' general meeting under the Articles of Association;</u> to determine matters relating to the Company's external investment, asset acquisition and disposal, asset mortgage/pledge, external guarantee, financing credits, asset management mandate and connected transaction, except for those required approval from the Shareholders' general meeting under laws, regulatory policies, division regulations or the Articles of Association;
(9) to decide on the establishment of the Company's internal management structure;	(9) <u>to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, entrusted wealth management, connected transactions, external donations and banking facilities of the Company within the scope of authorisation given by the general meeting;</u>
(10) to appoint or remove the Company's president and secretary of the Board and, based on the president's nomination, to appoint or remove other senior management officers such as vice president and chief financial officer, and to determine the abovementioned matters relating to the remuneration, incentives and punishments of the senior management officers;	(9) to decide on the establishment of the <u>10</u> Company's internal management structure;
(11) to draw up the Company's basic management system;	(10) to appoint or remove the Company's president and secretary of the Board and, based on the president's nomination, to appoint or remove other senior management officers such as vice president and chief financial officer, and to determine the abovementioned matters relating to the remuneration, incentives and punishments of the senior management officers;
(12) to draw up proposals for any modifications to the Articles of Associations;	<u>11</u>

Original Clauses	Revised Clauses
(13) to manage information disclosure of the Company;	(11) to draw up the Company's basic <u>12)</u> management system;
(14) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting auditing for the Company and its budget;	(12) to draw up proposals for any <u>13)</u> modifications to the Articles of Association;
(15) to hear the work report and inspect the work of the president; Company;	(13) to manage information disclosure of <u>14)</u> the Company;
(16) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;	(14) to propose at general meetings for the <u>15)</u> appointment, renewal or remove of accountants' firm conducting auditing for the Company;
(17) other powers conferred by laws, regulations, listing rules of stock exchange which the shares of the Company are listed and the general meetings and the Articles of Association.	(15) to hear the work report and inspect the <u>16)</u> work of the president;
	(16) to decide on the establishment of <u>17)</u> special committees under the Board and to appoint or remove its person-in-charge;
	(17) other powers conferred by laws, <u>18)</u> regulations, listing rules of stock exchange which the shares of the Company are listed and the general meetings and the Articles of Association. <u>The Board may delegate certain powers to the chairman of the Board, the president of the Company or the operational management of the Company provided that it is in compliance with laws, regulations, the listing rules of the stock exchange to which the shares of the Company are listed and the Articles of Association with reference to the condition of the Company.</u>

Original Clauses	Revised Clauses
<p>Article 6: The Company shall have one Chairman of the Board. The Chairman shall exercise the following powers:</p> <p>(1) to preside over the general meetings and to convene and preside over meetings of the Board;</p> <p>(2) to supervise and review the implementation of resolutions of the general meeting and the Board;</p> <p>(3) to sign material documents of the Board or other documents which require signature of the legal representative of the Company;</p> <p>(4) to exercise certain powers of the Board under the Board’s authorization during adjournment of the Board;</p> <p>(5) to sign the share certificates issued by the Company;</p> <p>(6) to formulate relevant policies of the Board and to coordinate the operation of the Board;</p> <p>(7) to exercise special power of discretion and disposal in respect of matters of the Company and make subsequent report to the Board or the general meeting in the event of war or emergency caused by force majeure such as natural disasters;</p> <p>(8) to review reports of the president of the Company, other senior managements and persons-in-charge of invested entities of the Company;</p>	<p>Article 6: The Company shall have one Chairman of the Board. The Chairman shall exercise the following powers:</p> <p>(1) to preside over the general meetings and to convene and preside over meetings of the Board;</p> <p>(2) to supervise and review the implementation of resolutions of the general meeting and the Board;</p> <p>(3) to sign material documents of the Board or other documents which require signature of the legal representative of the Company;</p> <p>(4) to exercise certain powers of the Board under the Board’s authorization during adjournment of the Board;</p> <p>(5) to sign the share certificates issued by the Company;</p> <p>(6) to formulate relevant policies of the Board and to coordinate the operation of the Board;</p> <p>(7) to exercise special power of discretion and disposal in respect of matters of the Company and make subsequent report to the Board or the general meeting in the event of war or emergency caused by force majeure such as natural disasters;</p> <p>(8) to review reports of the president of the Company, other senior managements and persons-in-charge of invested entities of the Company;</p>

Original Clauses	Revised Clauses
<p>(9) The Board authorises the Chairman to determine on the following matters:</p> <ol style="list-style-type: none"> 1. Asset mortgage/pledge and external investment of which the transaction amount accounts for more than 1% of the latest audit net asset value but less than 3% of the latest audit net asset value of the Company; 2. matters in respect of the asset management transactions of which the transaction amount account for no more than 3% of the latest audited net asset value of the Company; 3. borrowings from the bank within the credit limit approved by the Board of which the transaction amount accounts for more than 10% of the net asset value of the Company; 4. donation which the single transaction amount is no more than RMB3 million and the total amount within a year is no more than RMB10 million, and the total amount donated to the same party in the same year is no more than RMB3 million; 5. the acquisition and disposal of material assets of the Company within one year amount for more than RMB50 million but is no more than 3% of the latest audited net asset of the Company; 	<p>(9) The Board authorises the Chairman to determine on the following matters:</p> <ol style="list-style-type: none"> 1. Asset mortgage/pledge and external investment of which the transaction amount accounts for more than 1% of the latest audit net asset value but less than 3% of the latest audit net asset value of the Company; 2. matters in respect of the asset management transactions of which the transaction amount account for no more than 3% of the latest audited net asset value of the Company; 3. borrowings from the bank within the credit limit approved by the Board of which the transaction amount accounts for more than 10% of the net asset value of the Company; 4. donation which the single transaction amount is no more than RMB3 million and the total amount within a year is no more than RMB10 million, and the total amount donated to the same party in the same year is no more than RMB3 million; 5. the acquisition and disposal of material assets of the Company within one year amount for more than RMB50 million but is no more than 3% of the latest audited net asset of the Company;

Original Clauses	Revised Clauses
<p>(10) proposals or matters proposed by the president of the Company except for those requires approval from the Board or the general meetings;</p>	<p>(10) proposals or matters proposed by the president of the Company except for those requires approval from the Board or the general meetings;</p>
<p>(11) other powers conferred by the laws, regulations, the Articles of Associations or the Board.</p>	<p>(11) other powers conferred by the laws, regulations, the Articles of Associations or the Board.</p>
<p>For matters mentioned in clause (9) of which the Chairman is conferred power by the Board (except for matters (i) matters related to annual operation plan or annual investment plan approved by the Board or (ii) matters in the ordinary business of the Company or matters mentioned in clauses 3 and 4 of clause (9)), the Chairman shall submit such resolutions to the relevant committee for approval according to the Articles of Association and relevant policies of the board committee, and reach unanimous decision with such board committee.</p>	<p>For matters mentioned in clause (9) of which the Chairman is conferred power by the Board (except for matters (i) matters related to annual operation plan or annual investment plan approved by the Board or (ii) matters in the ordinary business of the Company or matters mentioned in clauses 3 and 4 of clause (9)), the Chairman shall submit such resolutions to the relevant committee for approval according to the Articles of Association and relevant policies of the board committee, and reach unanimous decision with such board committee.</p>
<p>The Chairman shall report to the Board, in an appropriate way, the progress of matters that are authorised by the Board.</p>	<p>The Chairman shall report to the Board, in an appropriate way, the progress of matters that are authorised by the Board.</p>

Original Clauses	Revised Clauses
Chapter 3 Convening Board Meeting	Chapter 3 Convening Board Meeting
Section 3 Notice and Changes of Board Meetings	Section 3 Notice and Changes of Board Meetings
<p>Article 15 All Directors, supervisors and president shall be informed 14 days before a regular Board meeting or 5 days before a provisional Board meeting respectively.</p> <p>Where a provisional Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting. For the avoidance of doubt, the notice of a provisional Board meeting shall include matters stipulated under items (1), (2), (4) and (5) of Article 21 of the Rules and reasonable and necessary information in respect of the provisional Board meeting.</p>	<p>Article 15 All Directors, supervisors and president shall be informed 14 days before a regular Board meeting or 5 days before a provisional Board meeting respectively.</p> <p>Where a provisional Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting. For the avoidance of doubt, the notice of a provisional Board meeting shall include matters stipulated under items (1), (2), (4), (5) and <u>(6)</u> of Article 21 of <u>Article 16</u> of the Rules and reasonable and necessary information in respect of the provisional Board meeting.</p>

Original Clauses	Revised Clauses
<p>Section 5 The Convening of the Meeting</p>	<p>Section 5 The Convening of the Meeting</p>
<p>Article 27 Board meetings shall be held only if half of the Board are present.</p> <p>A supervisor may be present at meetings of the Board in a non-voting capacity; The president and the secretary to the Board, if they do not concurrently serve as Directors, shall attend meetings of the Board of Directors in a non-voting capacity. When he or she deems it necessary, the chairman of the meeting may notify other relevant persons to attend a meeting of the Board of Directors in a non-voting capacity.</p>	<p>Article 27 Board meetings shall be held only if half <u>the majority</u> of the Board are present.</p> <p>A supervisor may be present at meetings of the Board in a non-voting capacity; The president and the secretary to the Board, if they do not concurrently serve as Directors, shall attend meetings of the Board of Directors in a non-voting capacity. When he or she deems it necessary, the chairman of the meeting may notify other relevant persons to attend a meeting of the Board of Directors in a non-voting capacity.</p>

Original Clauses	Revised Clauses
<p>Section 6 Voting and Resolutions at Meetings of the Board of Directors</p>	<p>Section 6 Voting and Resolutions at Meetings of the Board of Directors</p>
<p>Article 33 Voting at the meeting</p> <p>Unless otherwise required under the Rules, the Board votes on open and written ballot. One Director shall have one vote. Should there be a tie between negative and affirmative votes on a matter, the Chairman of the Board shall have the casting vote.</p> <p>Three options in form of the affirmative vote, negative vote and abstention are available for the Directors to show their voting intentions. The participating Directors shall choose one of them. Where any participating Director fails to choose or chooses two or more options at the same time or the Directors who refuse to choose or fail to return after leaving the meeting without any choosing shall be deemed to have abstained from voting.</p> <p>As for the on-site meeting, the participating Directors shall complete to vote within a reasonable period of time as set by the meeting convener. Should the participating Directors fail to do so, they shall be deemed to have abstained from voting.</p> <p>For those participating the meeting via electric network, the voting should be cast according to Article 30 of the Rules.</p>	<p>Article 33 Voting at the meeting</p> <p>Unless otherwise required under the Rules, the Board votes on open and written ballot. One Director shall have one vote. Should there be a tie between negative and affirmative votes on a matter, the Chairman of the Board shall have the casting vote.</p> <p>Three options in form of the affirmative vote, negative vote and abstention are available for the Directors to show their voting intentions. The participating Directors shall choose one of them. Where any participating Director fails to choose or chooses two or more options at the same time or the Directors who refuse to choose or fail to return after leaving the meeting without any choosing shall be deemed to have abstained from voting.</p> <p>As for the on-site meeting, the participating Directors shall complete to vote within a reasonable period of time as set by the meeting convener. Should the participating Directors fail to do so, they shall be deemed to have abstained from voting.</p> <p>For those participating the meeting via electric network, the voting should be cast according to Article 30 of <u>Article 25 of</u> the Rules.</p>

Original Clauses	Revised Clauses
<p>Article 37 Statistic of voting results</p> <p>As for the on-site meeting, the convener of the meeting shall appoint a vote counter and vote scrutineer before convening the meeting. Upon completion of voting by attending Directors, the chairman of the meeting shall announce the voting results immediately.</p> <p>As for resolutions passed in the form of written resolution, such votes are deemed to be valid if they are received by fax or email within the time limit specified in the notice of the meeting and within two days upon the office of the Board's issuance of a notice under Article 30 of the Rules. The statistic of such votes shall be convened according to Article 38 of the Rules.</p> <p>Directors voting after the announcement of voting results by the convener of the meeting or the end of the required voting period shall not be counted.</p>	<p>Article 37 Statistic of voting results</p> <p>As for the on-site meeting, the convener of the meeting shall appoint a vote counter and vote scrutineer before convening the meeting. Upon completion of voting by attending Directors, the chairman of the meeting shall announce the voting results immediately.</p> <p>As for resolutions passed in the form of written resolution, such votes are deemed to be valid if they are received by fax or email within the time limit specified in the notice of the meeting and within two days upon the office of the Board's issuance of a notice under Article 30 of <u>Article 25 of</u> the Rules. The statistic of such votes shall be convened according to Article 38 of <u>Article 33 of</u> the Rules.</p> <p>Directors voting after the announcement of voting results by the convener of the meeting or the end of the required voting period shall not be counted.</p>
<p>Article 38 Board resolution</p> <p>Board resolution includes ordinary resolution and special resolution. An ordinary resolution shall be passed if half of the Board or more vote for the resolution while more than 2/3 of the Board is required for passing a special resolution.</p>	<p>Article 38 Board resolution</p> <p>Board resolution includes ordinary resolution and special resolution. An ordinary resolution shall be passed if <u>more than</u> half of the Board or more vote for the resolution while more than 2/3 of the Board is required for passing a special resolution.</p>

Original Clauses	Revised Clauses
<p>Article 39 Ordinary Resolution</p> <p>The following matters shall be approved by an ordinary resolution of the Board:</p> <ol style="list-style-type: none"> (1) to convene the general meeting and report its work; (2) to implement the resolution passed in the general meeting; (3) to formulate the Company’s operation plan and investment proposal; (4) to formulate the Company’s proposed annual financial budgets and final account plans; (5) to formulate the Company’s profit distribution plan and plan for making up losses; (6) to determine matters relating to the Company’s external investment, asset acquisition and disposal, asset mortgage/pledge, external guarantee, financing credits asset management mandate and connected transaction, except for those required approval from the Shareholders’ general meeting under the laws, regulatory policies, division regulations or the Articles of Association; (7) to determine the establishment of the Company’s internal management structure; 	<p>Article 39 Ordinary Resolution</p> <p>The following matters shall be approved by an ordinary resolution of the Board:</p> <ol style="list-style-type: none"> (1) to convene the general meeting and report its work; (2) to implement the resolution passed in the general meeting; (3) to formulate the Company’s operation plan and investment proposal; (4) to formulate the Company’s proposed annual financial budgets and final account plans; (5) to formulate the Company’s profit distribution plan and plan for making up losses; (6) to determine matters relating to the Company’s external investment, asset acquisition and disposal, asset mortgage/pledge, external guarantee, financing credits asset management mandate and connected transaction, except for those required approval from the Shareholders’ general meeting under the laws, regulatory policies, division regulations or the Articles of Association <u>to determine on the matters concerning connected transactions or other non-connected transactions under the authorization delegated under the Articles of Association and by the general meeting;</u> (7) to determine the establishment of the Company’s internal management structure;

Original Clauses	Revised Clauses
(8) to appoint and remove the Company's president and secretary of the Board and, based on the president's nomination, to appoint or remove other senior management officers such as vice president and chief financial officer, and to determine the abovementioned matters relating to the remuneration, incentives and punishments of the senior management officers;	(8) to appoint and remove the Company's president and secretary of the Board and, based on the president's nomination, to appoint or remove other senior management officers such as vice president and chief financial officer, and to determine the abovementioned matters relating to the remuneration, incentives and punishments of the senior management officers;
(9) to draw up the Company's basic management system;	(9) to draw up the Company's basic management system;
(10) to manage information disclosure of the Company;	(10) to manage information disclosure of the Company;
(11) to propose at the general meetings for the appointment, renewal or remove of accountants' firm conducting audit for the Company;	(11) to propose at the general meetings for the appointment, renewal or remove of accountants' firm conducting audit for the Company;
(12) to review the work report and inspect the work of the president;	(12) to review the work report and inspect the work of the president;
(13) to determine on the establishment of special committees of the Board and to appoint or remove its person-in-charge;	(13) to determine on the establishment of special committees of the Board and to appoint or remove its person-in-charge;
(14) other powers conferred by the laws, regulations, listing rules of stock exchange which the shares of the Company are listed and Articles of Association.	(14) <u>to determine matters concerning the provision of external guarantees other than those require the approval of the Shareholders general meeting;</u>
	(15) other powers conferred by the laws, regulations, listing rules of the stock exchange which the shares of the Company are listed and the Articles of Associations.
	<u>Matters in clause (14) above shall be passed by 2/3 of the Directors present the in Board meeting.</u>

Original Clauses	Revised Clauses
<p>Article 47 The matters concerning the announcement of the board resolution, the secretary of the Board shall handle according to the relevant provisions of the Listing Rules. Before disclosure is made in the announcements, any participating personnel shall keep contents of the resolution confidential.</p>	<p>Article 47 The matters concerning the announcement of the board resolution, the secretary of the Board shall handle according to the relevant provisions of the Listing Rules <u>listing rules of stock exchange of which the shares of the Company are listed</u>. Before disclosure is made in the announcements, any participating personnel shall keep contents of the resolution confidential.</p>
<p>Chapter 4 Supplemental Provisions</p>	<p>Chapter 4 Supplemental Provisions</p>
<p>Article 53 The Rules shall be prepared by the Board to the general meeting for approval by ordinary resolution and shall replace the articles in respect of the Board from the date the Articles of Association takes effect upon the Company's listing of its H Shares. Any amendments shall be presented by the Board to the general meeting for approval by ordinary resolution.</p>	<p>Article 53 The Rules shall be prepared by the Board to the general meeting for approval by ordinary resolution and shall replace the articles in respect of the Board from the date the Articles of Association takes effect, upon the Company's listing of its H <u>A</u> Shares. Any amendments shall be presented by the Board to the general meeting for approval by ordinary resolution.</p>

BAIC Motor Corporation Limited
Working System for Independent Directors (Draft)

(The Measures was adopted at the XXXX General Meeting
upon deliberation on MM/DD, 2017)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To further perfect the corporate governance structure of BAIC Motor Corporation Limited (hereinafter referred to as the “Company”), promote the Company’s standardized operations and ensure the performance of duties by independent Directors (including independent non-executive Directors), this manual is specially formulated in accordance with the relevant provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Guiding Opinions on the Establishment of a System of Independent Directors by Listed Companies (hereinafter referred to as the “Guiding Opinions”), the Standards of Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (hereinafter referred to as the “SSE Listing Rules”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “SEHK Listing Rules”), and the Articles of Association of BAIC Motor Corporation Limited (hereinafter referred to as the “Articles of Association”).

Article 2 Independent Directors refer to Directors who do not take up any post in the Company other than serving as an independent Director or member of any special committee under the board of Directors; are not related to the Company and its substantial Shareholders (refer to Shareholders who separately or jointly hold shares representing more than 5% of the total number of voting shares of the Company) in a way that may prevent them from exercising independent and objective judgments; and have fulfilled the provisions in relation to their independence under the stock exchange listing rules of the jurisdictions where the Company’s shares are listed. Independent Directors referred to in this manual shall also meet the requirements on independent non-executive Directors as provided under the SEHK Listing Rules.

Article 3 Provisions on Directors contained in the Articles of Association are applicable to independent Directors, except for those otherwise provided in this manual.

CHAPTER 2 QUALIFICATION REQUIREMENTS FOR
INDEPENDENT DIRECTORS

Article 4 To be eligible as an independent Director of the Company, a person shall:

- (1) possess the qualifications for listed company directorships in accordance with the laws, administrative regulations, listing rules and other relevant regulations of the listing place;
- (2) possess the independence required under Article 7 of the manual, which means they are not affected by substantial Shareholders or de facto controller of the Company or other units or individuals that have material interests in the Company;
- (3) possess basic knowledge on the operations of a listed company, and be familiar with relevant laws, administrative regulations, systems and rules;

- (4) possess over five years of work experience in the legal and economic fields or otherwise required for his service as an independent Director;
- (5) ensure the availability of adequate time and energy to perform the duties of an independent Director effectively;
- (6) having obtained a certificate concerning his qualifications as an independent Director in accordance with relevant regulatory provisions of the listing place.

Article 5 At least one third of the members of the Company's board of Directors shall be independent Directors, and the number shall not be less than three, of which at least one must be an accounting professional with appropriate qualifications. The accounting professional referred to in this Article means a professional with senior title or certified public accountant qualification.

Article 6 In principle, independent Directors and proposed independent Directors shall, in accordance with requirements of the CSRC (hereinafter referred to as the "CSRC"), participate in training organized by the CSRC and the organizations authorized by it.

CHAPTER 3 THE INDEPENDENCE OF INDEPENDENT DIRECTORS

Article 7 Independent Directors must possess independence and comply with the requirements concerning the independence of independent Directors under the Guiding Opinions, as well as the provisions concerning the independence of independent non-executive Directors under the SEHK Listing Rules or otherwise required by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Stock Exchange"). The following persons are not allowed to serve as independent Directors:

- (1) persons employed by the Company or its subsidiaries (excluding independent Directors) and their immediate families and main social relations (immediate families refer to spouses, parents, sons and daughters, etc.; main social relations refer to siblings, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, spouses of siblings, siblings of spouses, etc.);
- (2) persons directly or indirectly holding more than 1% of the issued shares of the Company or the Company's top ten natural person Shareholders and their immediate families;
- (3) persons employed by Shareholders directly or indirectly holding more than 5% of the issued shares of the Company or the top five Shareholders of the Company as well as those persons' immediate families;

- (4) persons employed by the de facto controller of a listed company or any of its subsidiaries;
- (5) persons who provide financial, legal or consultancy services to the Company, its controlling shareholder or any of their respective subsidiaries or core connected persons, including Directors, partners, all team members of any projects, auditing staff of all levels, staff members who sign on relevant reports, partners and chief responsible person of intermediaries providing such services;
- (6) persons who serve as a Director, supervisor or senior management member in any unit which has significant business transactions with the Company, its controlling shareholder or any of their respective subsidiaries, or who serve as a Director, supervisor or senior management member in the controlling shareholder of such unit;
- (7) persons who fall under any of the six categories set forth above during the past year;
- (8) has received interest in any securities of the Company as a gift or by means of other financial assistance from core connected persons or the Company itself, other than interests in securities with its aggregate not exceeding 1% of the issued shares of the Company and as a part of Directors' remuneration or acquired on the basis of stock option plan;
- (9) has a material interest in any key business activity of the Company, the controlling Shareholders or their respective subsidiaries, or is involved in any major business dealings with the Company, the controlling Shareholders or their respective subsidiaries or any core connected person of the Company;
- (10) is on the board specifically to protect the interests of an entity whose interests are not the same as those of the Shareholders as a whole;
- (11) is, or has during the two years immediately prior to the date of his proposed appointment as the independent non-executive Director been, an executive or Director (other than an independent non-executive Director) of the listed issuer, of its holding company or of any of their respective subsidiaries or of any core connected persons of the listed issuer, or is or was connected with a Director, the chief executive or a substantial shareholder of the listed issuer;
- (12) is financially dependent on the Company, its controlling Shareholders or any of their respective subsidiaries or core connected persons of the Company;
- (13) other persons specified in the Articles of Association;
- (14) other persons deemed by the CSRC or any stock exchange where the Company's shares are listed as unsuitable for serving as independent Directors.

**CHAPTER 4 NOMINATION, ELECTION AND REPLACEMENT
OF INDEPENDENT DIRECTORS**

Article 8 The Company's board of Directors, board of supervisors, Shareholders jointly or severally holding more than 1% of the issued shares of the Company can nominate candidates to be independent Directors, whose appointment shall be subject to the election and approval at a general meeting.

Article 9 The candidates for independent Directors shall not have any of the following bad records:

- (i) has been administratively penalised by the CSRC in the past three years;
- (ii) is in the period publicly announced by the stock exchange as not appropriate for serving as Director of a listed company;
- (iii) was publicly condemned by the stock exchange or has been issued a notice of criticism more than two times in the past three years;
- (iv) was absent from board of Directors meetings for two consecutive times when assuming position as independent Director, or the numbers of the board of Directors meetings which he did not attend in person accounts for more than one third of the total board of Directors meetings in the year;
- (v) during his tenure of independent Director, gave independent opinion which obviously did not reflect the fact.

Article 10 The nominators of independent Directors should obtain the consent of nominees before such nomination. A nominator shall have full knowledge of the occupation, academic qualifications, professional title, detailed working experience, and history of all part-time jobs of the nominee, and shall express opinions on the nominee's qualifications, independence, professional experience and ethics of conduct as an independent Director. The nominee shall also make a public declaration stating that there is no such relationship between the nominee and the Company which may affect his or her independent and objective judgments, promise that the publicly disclosed information of the nominee is truthful and complete, and undertake that he will duly perform his duties after election.

The Company's board of Directors shall declare the above information in accordance with relevant provisions before convening a general meeting for the election of independent Directors.

Article 11 Before convening a general meeting for the election of independent Directors, the Company shall submit relevant information of all nominees to the CSRC and its offices, the Shanghai Stock Exchange (hereinafter referred to as the "Shanghai Stock Exchange") and the Stock Exchange. When there is any dissent from the Company's board of Directors concerning the nominee's situations, the board of Directors shall submit its written opinions as well.

Nominees dissented by the CSRC shall be eligible for being a candidate for directorships of the Company but are not eligible as a candidate for independent Director. During the election of independent Directors at a general meeting, the Company's board of Directors shall elaborate on whether the CSRC has expressed dissents on any candidates for independent directorship.

Article 12 The term of office of independent Directors is the same as that of other Directors of the Company. At the expiration of a term of office, independent Directors may continue in office upon re-election, provided that such consecutive term of office shall not exceed 6 years. If any applicable laws, regulations or listing rules have stricter provisions, such provisions shall prevail.

Article 13 If an independent Director abstains from attending meetings of the board of Directors in person for three times in succession, he shall be deemed to be incapable of performing his duties, and the board of Directors shall propose a replacement of the Director at a general meeting.

Article 14 Except for the conditions set forth in Article 7 and Article 12 of this manual and the situations in which a person shall not serve as a Director under the Company Law, the office of an independent Director shall not be terminated without any reason before expiration. In case of termination of a director's office prior to expiration, it shall be disclosed as a special issue by the Company. If the independent Director so removed considers that the reason for his removal is not proper, he or she can make a public declaration.

Article 15 An independent Director may tender resignation before expiration of his or her term of office by submitting a written resignation report to the board of Directors, and providing an explanation of the reasons for resignation and any conditions in relation to his or her resignation or which are considered by him/her as necessary to draw the attention of Shareholders and creditors of the Company.

An independent Director shall immediately submit his latest contact information to the Stock Exchange after his resignation.

If an independent Director departs due to reasons other than expiry of term, according to the listing rules of listing place, the Company shall inform the Stock Exchange and the Shanghai Stock Exchange of the independent Director's departure and reasons and make an announcement.

If the proportion of independent Directors in the board of Directors is lower than the minimum number required under the Guiding Opinions due to the resignation of an independent Director, the board of Directors shall convene a general meeting for the election of an independent Director to fill the vacancy within three months upon the resignation of the independent Director. The resignation report of the independent Director shall only come into effect when the next independent Director fills his vacancy.

If the number of independent Directors falls below the number required by the SEHK Listing Rules and the SSE Listing Rules, the Company should notify the Stock Exchange and Shanghai Stock Exchange, make a public announcement and appoint independent Director(s) according to relevant regulations.

Article 16 If an independent Director does not meet the independence qualifications or there are other circumstances which render him or her unsuitable to perform the duties of an independent Director, and in turn result in the number of independent Directors of the Company falling below that required by the Guiding Opinions and/or the SEHK Listing Rules, the Company shall appoint independent Director(s), inform the Stock Exchange and Shanghai Stock Exchange and issue an announcement according to relevant regulations within 3 months following the non-compliance with relevant regulations..

If at any time the independent Directors of the Company does not comply with stipulations on qualification of independent Directors provided in the SEHK Listing Rules, the SSE Listing Rules and the Guiding Opinions, the Company should notify the Stock Exchange and Shanghai Stock Exchange, make a public announcement and appoint independent Director(s) according to relevant regulations as soon as possible.

CHAPTER 5 TERMS OF REFERENCE OF INDEPENDENT DIRECTORS

Article 17 In order to bring independent directors' functions into full play, besides the authorities endowed by the Company Law, the SEHK Listing Rules, the SSE Listing Rules and other relevant laws and regulations, the Company shall delegate the following specific authorities to independent Directors:

- (1) the connected transactions (which are to be disclosed in accordance with the listing rules of the listing place of the Company)/connected transactions (to be determined by the standards promulgated by competent regulatory authorities from time to time), shall be submitted to the board of Directors for discussion after confirmation by independent Directors. Before making a judgement, independent Directors may engage an intermediary to issue an independent financial advisor report as the basis of their judgment.
- (2) make proposals to the board of Directors for the appointment or dismissal of accounting firms;
- (3) make proposals to the board of Directors for holding an extraordinary general meeting;
- (4) make proposals to hold Board meetings;
- (5) appoint an external auditor or consultancy firms independently;
- (6) collect voting rights from Shareholders in public before the convening of a general meeting;
- (7) other responsibilities stipulated in laws, administrative regulations, rules or the Articles of Association.

Independent Directors exercising the above authorities shall obtain the prior consent of half of all independent Directors.

If the above proposals are not adopted or the above authorities cannot be exercised normally, the Company shall disclose relevant circumstances.

Article 18 The Company has set up an audit committee, a nomination committee and a remuneration committee under the board of Directors, which shall comprise mainly of independent Directors. At least one independent Director in the audit committee shall be a professional accountant.

Article 19 Apart from performing the duties set out in Article 17 of this manual, independent Directors shall also express their independent opinions to the board of Directors or at the general meeting on the following issues:

- (1) nomination, appointment and dismissal of Directors;
- (2) appointment or dismissal of senior management members;
- (3) remuneration of Directors and senior management members of the Company;
- (4) any existing or new borrowings or payables and receivables by Shareholders or de facto controller of the Company and any of their respective connected enterprises with an amount exceeding RMB3 million or 5% of the latest audited net asset value of the Company and whether the Company has adopted any effective measures to recover the debts;
- (5) issues which in the opinion of independent Directors may harm the interests of small and medium Shareholders;
- (6) other issues provided in the Articles of Association and the listing rules and other relevant laws and regulations of the jurisdictions where the Company's shares are listed.

Article 20 Independent Directors shall express one of the following kinds of opinions on the issues set out in Article 19 of this manual: consent; qualified opinions specifying reasons; dissent and reasons; or unable to express an opinion and its hindrance.

Article 21 If the issues set out in Article 19 of this manual are issues required to be disclosed in accordance with the listing rules of the jurisdictions where the Company's shares are listed, the Company shall make a public announcement disclosing the independent directors' opinions. If the independent Directors have diverse opinions and cannot reach consensus, the board of Directors shall disclose opinions of each independent Director separately.

CHAPTER 6 OBLIGATIONS OF INDEPENDENT DIRECTORS

Article 22 Independent Directors owe the duty of loyalty and diligence to the Company and its Shareholders as a whole. Independent Directors shall perform their duties earnestly in accordance with the requirements under relevant laws, regulations, the Guiding Opinions, the SEHK Listing Rules, the SSE Listing Rules and the Articles of Association; protect the interests of the Company as a whole; and pay attention to ensure that the legal rights and interests of small and medium Shareholders are not harmed.

Article 23 Independent Directors shall perform their duties independently without being influenced by major Shareholders or de facto controller of the Company, or other units or persons that have an interest in the Company.

Article 24 In principle, independent Directors can serve as an independent Director for up to five listed companies and shall ensure that there is enough time and energy to discharge his duties as an independent Director effectively.

Article 25 Independent Directors shall attend Board meetings on time, understand the business and operations of the Company, take the initiative to investigate and obtain the information required for making strategic decisions. Independent Directors shall submit annual work reports at the annual general meeting of the Company and explain the performance of their duties.

Article 26 Independent Directors shall comply with the provisions under the SEHK Listing Rules and the SSE Listing Rules.

**CHAPTER 7 PROTECTION FOR INDEPENDENT DIRECTORS
IN THE PERFORMANCE OF DUTIES**

Article 27 The Company shall provide independent Directors with necessary working conditions such as offices and ancillary facilities.

The secretary to the board of Directors shall be responsible for the coordination among relevant functions and departments upon request by independent Directors so as to provide independent Directors with true and adequate background information so that they can give a reasonable basis for their independent judgments and opinions.

Article 28 When an independent Director performs his duties, the management and relevant staff of the Company shall provide relevant support without refusal, intervention or withholding, and shall not interfere with his independent performance of duties.

Article 29 The Company shall ensure that independent Directors have the same right to know the facts as other Directors do. The Company shall inform independent Directors of matters which are decided by the board of Directors before the statutory time and provide enough information simultaneously. Should an independent Director regard the information provided as insufficient, he may request for supplementary information.

The secretary to the board of Directors shall positively provide assistance to enable independent Directors to carry out their duties, such as updating them of the Company's affairs, providing them with complete information, inviting independent Directors for on-site visits and facilitating communications between independent Directors.

The secretary to the board of Directors shall arrange announcements with the stock exchange where the Company's shares are listed in a timely manner if any independent opinion, proposal and written explanation issued by independent Directors shall be announced.

Article 30 Information provided to independent Directors by the Company shall be kept for at least 5 years by the Company and each independent Director.

Article 31 Should an independent Director regard the information provided as insufficient, he may request for supplementary information. Whenever two or more independent Directors are of the opinion that the information provided is insufficient or the evidence is not explicit, they can jointly request the board of Directors in writing to postpone the Board meeting or postpone deliberation of the issue before the time appointed for the holding of the meeting, and the board of Directors shall accept such arrangement.

Article 32 If independent Directors need to appoint intermediaries for professional opinions in considering major connected transactions or special issues, the Company may provide independent Directors with a list of intermediaries to choose from. The costs arising from the appointment of intermediaries and the performance of duties by independent Directors shall be borne by the Company.

Article 33 If independent Directors propose to convene an extraordinary general meeting, the board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days after receipt of such proposal. If the board of Directors agrees to convene the extraordinary general meeting, a notice for convening a general meeting shall be issued within five days after adoption of the resolution by the board of Directors. If the board of Directors does not agree to convene the extraordinary general meeting, it shall set forth the reasons and publish an announcement.

Article 34 The Company shall grant independent Directors an appropriate amount of allowances. Standards set for such allowances shall be formulated by the board of Directors, approved at a general meeting, and disclosed in the Company's annual report.

Except for the above allowances, independent Directors shall not obtain other additional and undisclosed benefits from the Company, its major Shareholders or any organization or personnel that has an interest in the Company.

Article 35 The Company may establish a necessary insurance system for independent Directors to mitigate the risks that may arise in the normal performance of their duties and responsibilities.

CHAPTER 8 LEGAL LIABILITIES OF INDEPENDENT DIRECTORS

Article 36 Any of the following situations shall constitute a major dereliction of duties by independent Directors:

- (1) Leakage of the Company's confidential commercial information, resulting in damage to the Company's legal interests;
- (2) Accepting illicit benefits during the course of performance of duties, or seeking personal profits by taking advantage of their positions as independent Directors;
- (3) Refrain from raising objection to board resolutions that, within their knowledge, violate the laws, administrative regulations or the Company's Articles of Association.

Article 37 Where an independent Director commits the serious misconduct listed in Article 36 or where an independent Director engages in acts prohibited by the Company Law and other relevant laws, regulations and governing documents, resulting in great losses to the Company, he shall be liable for payment of compensation for the losses according to law.

CHAPTER 9 SUPPLEMENTARY PROVISIONS

Article 38 Unless specifically specified, the terms used in this manual have the same meaning as the terms in the SEHK Listing Rules and the Articles of Association.

Article 39 This manual shall be subject to the interpretation of the Company's board of Directors.

Article 40 The phrases "more than", "within" and "before" as mentioned in this manual are inclusive while "exceeding" is exclusive.

Article 41 Matters not covered herein shall be performed in accordance with existing relevant laws, regulations and rules, standard documents of The People's Republic of China, the requirements of securities regulatory organizations or/and trading institutions in the place of listing and the listing rules and the Articles of Association. Where this manual contravene the laws and regulations of The People's Republic of China to be issued in future, the laws and requirements of securities regulatory organizations and trading institutions in the place of listing, the listing rules or the amended Articles of Association, the provisions of such laws, regulations, requirements of securities regulatory organizations and trading institutions in the place of listing, the listing rules or the amended Articles of Association shall prevail.

Article 42 Following the approval and passing by the Shareholders at a general meeting, this manual shall come into force from the date on which the shares of the Company are listed on Shanghai Stock Exchange.

Article 43 The Board of Directors shall amend and supplement this manual where it deems necessary. The amendments shall be effective from the date on which the general meeting passes the resolution on amending this manual.

**BAIC Motor Corporation Limited
Administrative Measures on Related Party Transactions**

(The Measures was adopted at the XXXX General Meeting
upon deliberation on MM/DD, 2017)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 These Measures are hereby formulated pursuant to the relevant domestic laws, regulations such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (“SSE Listing Rules”), the Guidelines of the Shanghai Stock Exchange for the Implementation of Related Party Transactions (《上海證券交易所上市公司關聯交易實施指引》), Notice of Certain Issues in relation to Capital Transactions between Listed Companies and the Connected Parties and External Guarantees Granted by Listed Companies issued by CSRC and State-owned Assets Supervision and Administration Commission of the State Council (《中國證券監督管理委員會、國務院國有資產監督管理委員會關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》) and the Code of Corporate Governance for Listed Companies 《(上市公司治理準則》), as well as articles of association of BAIC Motor Corporations Limited (the “Articles of Association”), for the purpose of regulating and enhancing the management of related party transactions of BAIC Motor Corporations Limited (the “Company”), ensuring the fairness of related party transactions and protecting the interests of the Company and its Shareholders as a whole.

Given that the Company is also listing on the main board of The Stock Exchange of Hong Kong Limited (the “HKEx”), in addition to the requirements under these Measures, the Company shall strictly comply with the relevant requirements under Hong Kong securities laws such as the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKEx Listing Rules”) in respect of connected transactions and connected parties.

“Related party transactions” referred to in these Measures represents related party transactions under SSE Listing Rules; “Connected transactions” referred to in these Measures represents connected transactions under the HKEx Listing Rules. The Company shall comply with the requirements under both the Listing Rules and SSE Listing Rules in respect of related party transactions/connected transactions.

Article 2 A related party transaction of the Company shall have a fair price and appropriate procedures for decision making with standardized information disclosure. The Company shall actively reduce related party transactions through asset restructuring, group listing or other means.

Article 3 The audit committee under the board of Directors of the Company shall be responsible for control and daily administration of the related party transactions of the listed company.

Article 4 The related party which is interested in the related party transactions shall abstain from voting and shall not vote on behalf of others on any resolution for approving the related party transaction of the Company.

CHAPTER 2 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Article 5 Related parties of the Company include related legal persons and related natural persons. The meaning of which is defined under the requirements of the HKEx Listing Rules, SSE Listing Rules and the relevant laws and regulations.

- (1) A legal person falling into one of the followings is a related legal person of the Company:
1. Any legal person or other organization that directly or indirectly controls the Company;
 2. Any legal person or other organization, other than the listed company and its controlled subsidiaries, that is directly or indirectly controlled by the legal person or other organization mentioned in item 1 above;
 3. Any legal person or other organization, other than the Company and its controlled subsidiaries, that is directly or indirectly controlled by the related natural person or in which the related natural person assumes the position of Director or senior management;
 4. Any legal person or other organization holding more than 5% of the shares of the Company;
 5. Any legal person or other organization which is considered to have connection with the Company in accordance with the relevant domestic laws and regulations and the listing rules of the place where the Company is listed;
 6. Any legal person or other organization that, as considered by the CSRC, Shanghai Stock Exchange and the Company based on the “substance over form” principle, has any other special relationship with the Company which may cause an imbalance of the Company’s interests towards such person or organisation;
 7. A related legal person within the meaning of SSE Listing Rules or is defined as a connected person under Chapter 14A of the HKEx Listing Rules.
- (2) A natural person falling into one of the followings is considered a related natural person of the Company:
1. Any natural person who directly or indirectly holds more than 5% of the shares of the Company;
 2. The Director, Supervisor and senior management officers of the Company;

3. Family members that have a close relationship with a person specified above, including:
 - (1) his/her parents and parents of his/her spouse;
 - (2) his/her spouse and siblings of his/her spouse;
 - (3) his/her siblings and their spouse;
 - (4) a child who is at least 18 years of age and his/her spouse; and
 - (5) parents of the child's spouse.
4. The Director, Supervisor and senior management of the legal person listed to in Clause (1) of this Article;
5. A natural person who is considered to have connection with the Company in accordance with the relevant domestic laws and regulations and the listing rules of the place where the Company is listed;
6. A natural person that, as considered by the CSRC, Shanghai Stock Exchange and the Company based on the "substance over form" principle, has any other special relationship with the Company which may cause an imbalance of the Company's interests towards such person; including a natural person who holds more than 10% of the shares of a controlled subsidiary which may have an important influence on the listed company;
7. A related natural person within the meaning of SSE Listing Rules or is defined as a connected person under Chapter 14A of the HKEx Listing Rules.

A connected person as defined under the HKEx Listing Rules includes:

- (1) a Director (including a person who was a Director in the last 12 months), Supervisor, chief executive and substantial shareholder (who is entitled to exercise or control the exercise of 10% or more of the voting power of the Company at a Shareholders' general meeting) of the Company or any of its subsidiaries;
- (2) any "associate" of any of the persons stated in the above Clause 1;
- (3) a non-wholly-owned subsidiary of the Company where any connected persons of the Company (other than those at the subsidiary level), individually or together, is entitled to exercise (or control the exercise of) ten percent (10%) or more of the voting power at the Shareholders' general meeting of the non wholly-owned subsidiary;

- (4) any subsidiary of a non-wholly-owned subsidiary referred to in (3) above (each subsidiary referred to in the item (3) above and this item (4) is “connected subsidiary”); and
- (5) a person deemed to be connected by the HKEx.

The term “connected person” and related terminologies shall have the meaning given to them under the HKEx Listing Rules.

- (3) A person is considered a related person of the listed company if, according to the agreements and arrangements concluded with the Company’s related persons, he/she fell or will fall within the definition of related legal person or related natural person as prescribed above after the said agreements or arrangements take effect or in the past or in the upcoming 12 months.
- (4) Related relationship mainly means a direct or indirect relationship through which a party has the ability to control or exercise significant influence over the Company, whether directly or indirectly, in making financial and operational decisions, primarily including shareholding relationship, personnel relationship, administrative relationship and commercial benefit relationship which exist between the related person and the Company.
- (5) The Company shall make substantive judgements on the modes, approaches, procedures and possible outcome of the control or influence of connected relationship towards the Company and make a choice which will not impair the Company’s interests.

Article 6 The related party transactions of the subsidiaries in which the Company has the control or holds more than 50% shareholding shall be deemed as the activities of the Company, and these Measures shall be applicable to the management of such related party transactions.

Article 7 Related party transaction between the Company and its related party means the transaction that may lead to the transfer of resources or obligations between the listed company or its controlled subsidiaries and the related parties of the listed company, and specified categories of transactions (as defined under Chapter 14A of the HKEx Listing Rules) with third parties that may confer benefits on related parties through their interests in the entities involved in the transactions, including but not limited to:

- (1) acquisition or disposal of assets;
- (2) external investments (including entrusted financial management and entrusted loans, etc.);
- (3) provision of financial assistance (both in cash or in kind);

- (4) provision of guarantees (other than counter-guarantees and not including principal business);
- (5) rent or lease of assets;
- (6) entering into contracts in relation to management (including entrusting or being entrusted with assets and business management, etc.);
- (7) donating assets or receiving donated assets;
- (8) creditor's rights or debt restructuring;
- (9) entering into license agreements;
- (10) transfer or acceptance of research and development projects;
- (11) purchase or sale of raw materials, fuels and power;
- (12) purchase or sale of products and commodities;
- (13) provision or receipt of labor services;
- (14) purchases or sales consignment or purchases or sales on commission;
- (15) deposits and loans in financial companies of the related party;
- (16) co-investment with the related party;
- (17) such other matters that may cause the transfer of resources or obligations through agreements, including the financial assistance and guarantee provided for companies as jointly invested with the related persons exceeding its equity percentage or investment percentage, or waiver of capital increase or pre-emptive rights of companies as jointly invested with the related persons on a pro rata basis, etc.;
- (18) such other transactions or matters as defined under Chapter 14A of the HKEx Listing Rules;
- (19) such other matters as deemed to be related party transactions by the stock exchange of the place where the Company is listed.

Article 8 Related party transactions of the Company are categorized into continuing related party transactions and non-continuing related party transactions. Continuing related party transactions are related party transactions which are carried out on a continuing or recurring basis and are expected to extend over a period of time during the ordinary course of business. Non-continuing related party transactions are one-off or non-recurring transactions between the Company and related persons, such as purchase or sale of products or assets with related parties on a one-off basis, or asset restructuring, merger and acquisition with the related parties.

CHAPTER 3 PRINCIPLES OF RELATED PARTY TRANSACTIONS

Article 9 Related party transactions of the Company shall be based on the following basic principles:

- (1) Related party transactions shall be impartial, fair and open, in the best interests of the Company and its Shareholders as a whole and without prejudice to the legal rights of the Company and non-related Shareholders, particularly, minority Shareholders;
- (2) The Board shall evaluate whether the related party transaction is in the interest of the Company on an objective basis. If necessary, the Board shall retain and seek advice from an independent financial adviser as to whether the transaction is fair to the Shareholders as a whole;
- (3) Any interested Directors shall abstain from voting when the Board votes on such matter;
- (4) The independent Directors shall clearly express their independent opinions on the notifiable related party transactions;
- (5) The Company is obliged to enter into written agreement in relation to the related party transactions with the related parties and observe the following avoidance measures when entering into such agreements:
 1. Any individual shall only represent one party to enter into an agreement;
 2. No related party shall interfere the Company's decision by any means;
 3. The related Directors shall abstain from voting and shall not exercise the voting power on behalf of other Directors when the Board is considering the related party transaction;
 4. The related Shareholders shall abstain from voting and shall not exercise the voting power on behalf of other Shareholders when the related party transaction is being considered at the Shareholders' general meeting.

The entering into the agreement shall observe the principle of equality, voluntariness, equivalence in value and consideration with clearly defined terms and conditions in the agreement. For the related party transactions which are notifiable under listing rules, the Company shall disclose the entering into, amendments to, termination and performance of obligations of such related party transactions in accordance with the relevant requirements.

Article 10 When the Board is considering the related party transactions, the Directors under one of the following circumstances shall abstain from voting when the Director is:

- (1) The counterparty of a transaction;
- (2) The direct or indirect controller of the counterparty;
- (3) Holding a position in the counterparty or in the legal person directly or indirectly controls the counterparty or is directly or indirectly controlled by the counterparty;
- (4) A close family member of the counterparty or its direct or indirect controller;
- (5) A close family member of the Directors, Supervisors or senior management of the counterparty or its direct or indirect controller;
- (6) A person's independence of commercial judgment, as deemed by the CSRC, stock exchange or the Company, may be affected due to any other reasons.

The interested Director who is not able to attend the meeting in person is not entitled to appoint any other Directors to vote on his/her behalf in respect of the transaction.

In the event that the number of voting Directors is less than three due to abstention from voting of the related Directors, all Directors attending such meeting (including related Directors) shall vote on the procedural issues concerning such transactions to be submitted to the Shareholders' general meeting of the Company for approval, and the relevant resolutions relating to such transactions shall be considered at the Shareholders' general meeting, and an announcement stating the opinions of independent Directors shall be made separately.

Article 11 Shareholders under one of the following circumstances shall abstain from voting when the Shareholders' general meeting is considering the related party transactions under which the Shareholder is:

- (1) The counterparty of a transaction;
- (2) The direct or indirect controller of the counterparty;
- (3) Directly or indirectly controlled by the counterparty;
- (4) Directly or indirectly controlled by the same legal person or natural person with the counterparty;
- (5) A shareholder whose voting rights are restricted or affected due to a subsisting equity transfer agreement or other agreement with the counterparty or its related party that has not been completely performed;

- (6) A legal person or natural person as deemed by the CSRC or stock exchange to likely cause an imbalance of the Company's interests toward such person.

The shares with voting rights which are represented by the related Shareholders above who shall abstain from voting shall not be counted in the total number of valid votes. In exceptional circumstances where related Shareholders are not able to abstain from voting, the Company may, with the approval of the competent department, proceed with voting pursuant to normal procedures. The Company shall explain, in details, in the resolution at the Shareholders' general meeting in respect of this matter, and record the votes of non-related Shareholders especially and disclose it in the announcement of the resolution.

Article 12 Related party transactions conducted with the connected persons as defined under Chapter 14A of the HKEx Listing Rules shall be dealt with in accordance with the following different categories:

- (1) Fully exempted related party transactions as defined under Chapter 14A of the HKEx Listing Rules are subject to relevant annual audit requirements as prescribed in Article 57 of these Measures.
- (2) Partially exempted one-off related party transactions as defined under Chapter 14A of the HKEx Listing Rules are subject to announcement requirement as prescribed in Clause (3)(1)(A) of this Article and reporting requirement as prescribed in Clause (3)(1)(D) of this Article. Partially exempted continuing related party transactions are subject to the requirements as prescribed in Clause 3(2)(A) of this Article.
- (3) Non-exempted related party transactions are subject to reporting, announcement and independent Shareholders' approval requirements.
 - (1) Non-exempted one-off related party transactions are subject to reporting, announcement and independent Shareholders' approval requirements, and shall be conducted on the following principles:
 - (A) Approval from the Board of the Company shall be obtained in advance and an announcement shall be made on the following day upon such approval.
 - (B) Connected transactions will be proposed at the Shareholders' general meeting for consideration and shall be conditional upon the approval at the Shareholders' general meeting. At such Shareholders' general meeting, the related party who is materially interested shall abstain from voting.
 - (C) The opinions of independent financial adviser and independent Directors in relation to the related party transactions shall be included in the circular to be despatched to the Shareholders.

- (D) Report shall be made based on the following principles: the date of a transaction, the parties to the transaction and description of their connected relationships, description of the transaction and its purpose, the consideration and terms (including interest rate, repayment term and security), the nature and extent of the related parties' interests in the transaction shall be disclosed in the first annual report and accounts after the related party transaction has been concluded.
- (2) Non-exempted continuing related party transactions shall be conducted on the following principles:
- (A) An annual cap shall be set in respect of each of the related party transactions and the calculation basis of which shall be disclosed.
- (B) Written agreement(s) shall be entered into with related parties in respect of each connected transaction. The agreement shall reflect normal commercial terms and set out the basis of the calculation of the payments to be made. The duration of the agreement shall be fixed and shall not exceed 3 years. Where the nature of the transaction requires the agreement to have a duration longer than 3 years, it is required to obtain a confirmation in writing from the financial adviser.
- (C) Such transactions are subject to the requirements of reporting, announcement and independent Shareholders' approval, relevant approval procedures under the Company's internal authorization and filing with the Board at the same time.
- (D) Such transactions are subject to the relevant requirements regarding the annual audit of continuing connected transactions described in Article 57 of these Measures.

Article 13 The principles for pricing of a related party transaction are as follows:

- (1) Pricing of related party transaction means the transactional price of related party transactions between the Company and its related parties in respect of goods or services;
- (2) The pricing of the related party transactions shall be fair, confirmed in writing and determined with reference to the following principles:
1. If a government-set price is applicable to the subject matter of the transaction, such price may be adopted directly;
 2. If a government guidance price is applicable to the subject matter of the transaction, the price for the transaction may be set reasonably within the range of the government guidance price;

3. If, in addition to the government-set price or government guidance price, there is an independent third-party market price or charging rate that is comparable, such price or rate may be used as priority reference for the pricing of the transaction;
4. If there is no comparable independent third-party market price for the subject matter of the related party transaction, the price at which the related party enters into a non-related party transaction with a third party independent of the related party may be used as reference for the pricing of the transaction;
5. If there is no independent third-party market price or price for independent non-related party transaction available for reference, the price may be set on the basis of a reasonable price which consists of reasonable costs plus reasonable profits.

Article 14 The Company shall adopt measures to prevent the Shareholders and their related parties from appropriating or transferring its capital, assets or other resources by any means. The listed company shall not provide guarantees for any Shareholders and their related parties.

Article 15 The Company shall adopt effective measures to prevent its related parties from interfering with its operations and impairing the interests of the Company and its non-related Shareholders through engaging in activities such as monopolizing the procurement or sales channels of the Company.

Article 16 The Company shall not, directly or indirectly, provide capital to the controlling Shareholders and other related parties for use by the following means:

- (1) lending any capital of the Company, whether with or without consideration, for use by the controlling Shareholders and other related parties;
- (2) providing entrusted loans to the related parties through a bank or a non-bank financial institution;
- (3) entrusting the controlling Shareholders and other related parties carry on investment activities;
- (4) issuing any trade acceptance receipt without actual underlying transaction for the controlling Shareholders and other related parties;
- (5) repaying any debt for the controlling Shareholders and other related parties;
- (6) such other means determined by the CSRC.

Article 17 The Company shall not provide any guarantee to its controlling Shareholders and their controlled subsidiaries, the Company's Shareholders, other related parties in which the Company holds less than 50% interests, any non-legal person entity or individuals.

Article 18 Any related persons who are interested in related party transactions shall abstain from voting on the resolution in relation to such transactions at the Board meeting.

Article 19 Related party transactions shall be conducted on normal commercial terms, and, principally, the prices of related party transactions shall not deviate from the pricing or charging standards of the third party on the market. The Company shall make sufficient disclosure on the pricing basis for the related party transactions.

Article 20 Appropriation of capital of the Company shall be strictly restricted during the transactions of operating capital between the Company and the controlling Shareholder and other related parties. The controlling Shareholder and other related parties shall not request the Company to advance any wages, benefits, insurance premium or advertising expenses, nor shall they bear any costs or other expenses incurred for each other.

CHAPTER 4 MANAGEMENT OF RELATED PARTY TRANSACTIONS

Section 1 Management of Related Party Transactions

Article 21 The finance and accounting department and the legal affairs department shall be responsible for the fundamental collection of information on related party transactions of the Company. The finance department and the legal affairs department of each branch and subsidiary shall be responsible for the collection of information on related party transactions of the respective branch and subsidiary.

Article 22 The legal affairs department (compliance department) shall compile a list of related persons, subject to update at least twice a year as appropriate, pursuant to the definition of related persons prescribed in Chapter Two of these Measures. The list of related persons shall be distributed to all departments, branches and subsidiaries of the Company in a timely manner.

Article 23 The Company shall collect contracts in relation to the related party transactions entered into by the Company's headquarters in a timely manner and collect data on the related party transactions pursuant to the contracts and specific income and expense items to ensure the consistency, accuracy and completeness of the data of the related party transactions.

The finance department of each branch and subsidiary shall collect the data of related party transactions of each of the respective subsidiary with reference to the aforesaid principles and report the data of related party transactions of the respective subsidiary to the Company monthly.

Article 24 All business departments and subsidiaries of the Company shall fulfill the contract signing process in accordance with the Company's contract management measures, and submit the agreement which may constitute a related party transaction to the finance and accounting department, the legal affairs department (compliance department) and the securities department, which will be responsible for determining the specific category to which the transaction belongs in accordance with the roles of each department and the requirements of SSE Listing Rules and HKEx Listing Rules, and carry out the relevant procedures in accordance with the roles specified in these Measures and the relevant requirements.

Article 25 The Finance and Accounting Department shall organize the departments of the Company to predict the amount of continuously related transactions and monitor the amount of actually occurred related transactions. The Securities Department shall organize relevant declaration and external disclosure in accordance with the requirements of *SSE Listing Rules* and *SEHK Listing Rules*.

Section 2 Test Indicators of Related Party Transactions

Article 26 Test indicators are the standards for formulating the approval procedures and authorization of a related party transaction with reference to the listing rules of the place where the shares are listed, and are subject to adjustments pursuant to the amendments to the listing rules of the place where the shares are listed.

- (1) Net assets ratio represents the percentage of the amount of the related party transactions to the absolute value of the latest audited net assets of the Company;
- (2) Assets ratio represents the percentage of total assets involved in the related party transactions to the latest audited total assets of the Company;
- (3) Revenue ratio represents the percentage of the revenue generated from the assets involved in the related party transactions to the latest audited total revenue of the Company;
- (4) Consideration ratio represents the percentage of the amount of the related party transactions to the total market capitalization of the Company;
- (5) Equity ratio represents the percentage of the total issued share capital after the consideration of the related party transactions is made with the proceeds raised by way of issue of securities by the Company to the total issued share capital preceding such transactions.

Article 27 All test indicators are on a standalone basis and strictly follow the principle of lowest threshold. Continuing related party transactions are calculated on the basis of its annual transaction amount.

CHAPTER 5 DECISION-MAKING AUTHORITY OF
RELATED PARTY TRANSACTIONS

Article 28 The functional department of the Company shall report the proposed related party transactions in writing, setting out the details of specific matters of such related party transactions, basis for pricing and impact on each of the counterparties in respect of the related party transactions.

Article 29 The following transactions are subject to prior approval of independent Directors by way of independent opinions and will be proposed to the Board for consideration upon the said approval is obtained: (1) amount of the related party transactions proposed to be conducted between the Company and related legal persons exceeds RMB3 million and the net assets ratio of which exceeds 0.5%; (2) amount of the related party transaction proposed to be conducted between the Company and related natural persons exceeds RMB300,000; or (3) any test indicator of the related party transactions such as assets ratio, revenue ratio, consideration ratio and equity ratio exceeds 0.1%, except in a case where each test indicator of the transaction such as assets ratio, revenue ratio, consideration ratio and equity ratio exceed 0.1% and are lower than 5%, and the transaction amount of which is below HK\$3 million. Prior to making a judgement, the independent Directors may engage an intermediate institution to issue an independent financial report as the basis of their judgments.

Article 30 In addition to the requirements under Article 29, related party transactions meeting the following criteria shall be conditional upon the approval at the Shareholders' general meeting: (1) an one-off related party transaction is agreed between the Company and the related parties, or a related party transaction has been conducted for 12 consecutive months with a total amount of transaction exceeds RMB30 million and a net assets ratio of over 5%; or (2) any test indicators such as assets ratio, revenue ratio, consideration ratio and equity ratio that exceeds 5%, except in a case where each test indicator of the transaction are more than 5% but lower than 25% and the transaction amount is less than HK\$10 million. Any related person who has interests in that related party transaction shall abstain from voting at the Shareholders' general meeting approving such resolution. The Board shall express its opinion as to whether the transaction is in the interests of the Company, and the Company shall appoint an independent financial advisor to give advice as to whether the related party transaction is fair and reasonable to the Shareholders as a whole and explain the basis, key assumptions and factors considered.

Article 31 The transactions for providing guarantee to related parties regardless of the amount will be proposed for consideration at the Shareholders' general meetings after consideration and approval by the Board. The related shareholder to whom the Company may grant guarantees shall abstain from voting at the Shareholders' general meeting.

Article 32 Similar related party transactions relating to the same subject matter of the transaction of the Company for a period of consecutive twelve months shall be aggregated.

Article 33 Related party transactions meeting the following criteria (“Discloseable Related Party Transactions”) shall be disclosed in a timely manner after obtaining approvals from the decision-making bodies:

- (1) related party transactions between the Company and related natural persons with a transaction amount of more than RMB300,000;
- (2) related party transactions between the Company and related legal persons with a transaction amount of more than RMB3 million and a net assets ratio of more than 0.5%;
- (3) all test indicators of the related party transactions such as assets ratio, revenue ratio, consideration ratio and equity ratio exceed 0.1%, except in a case where all test indicators of the transaction such as assets ratio, revenue ratio, consideration ratio and equity ratio exceed 0.1% but are lower than 5%, and the transaction amount of which is below HK\$3 million.

Independent opinions of the independent Directors of the Company as to whether the abovementioned Discloseable Related Party Transactions are in compliance with the procedures and fair shall also be disclosed at the same time.

CHAPTER 6 DECISION-MAKING PROCEDURES OF RELATED PARTY TRANSACTIONS

Article 34 The relevant functional department of the Company shall express their opinions or suggest feasible proposals in respect of the proposed related party transactions, and put forward such opinions and proposals to the office of executives or president’s meeting for consideration and approval.

Article 35 Upon the approval at the office of executives or president’s meeting, the office of the Board of the Company will propose the resolution on the related party transactions to the independent Directors.

Article 36 For the related party transactions falling within the scope of authority of the Board prescribed under these Measures, the Board shall ensure that the independent Directors will participate and express their fair opinions on how to vote in respect of the related party transactions. The independent Directors may require supporting documents and information as and when deemed necessary. The Board may engage solicitors or auditors for professional opinions as it thinks fit.

Article 37 The Board will vote on the resolutions proposed by the relevant functional department and considered by the independent Directors in accordance with the Articles of Association and its scope of authority. If the resolutions fall within the scope of authority of the Shareholders’ general meeting of the Company, they shall be proposed by the Board at the Shareholders’ general meetings subsequent to the approval of the Board.

Article 38 The Board is responsible for convening the Shareholders' general meetings and explaining in details to the Shareholders prior to voting at the Shareholders' general meetings.

Article 39 Independent Directors of the Company shall provide independent opinions or explanation on the fairness of the resolution in relation to the related party transactions at the Shareholders' general meeting.

Article 40 The Board of Supervisors of the Company shall place sufficient emphasis on the fairness and compliance of the related party transactions. If necessary, it may explicitly express opinions on the related party transaction as to whether it will impair the legal interests of the Company and other non-related Shareholders.

Article 41 The way of voting on an ordinary resolution prescribed under the Articles of Association is applicable to the voting on the related party transactions at the Shareholders' general meeting.

Article 42 Where the Shareholders' general meeting is considering the related party transaction, the related Shareholders shall not participate in and shall abstain from voting. The shares with voting rights which they represent shall not be counted in the total number of valid votes.

Article 43 In voting on any related party transaction at the Shareholders' general meeting, the resolutions shall be adopted with more than half of voting rights held by the non-related Shareholders present in the Shareholders' general meeting while the related Shareholders shall be absent from the meeting.

Article 44 Provisions in Article 42 of these Measures shall apply to the Shareholders who appoint proxies to attend the Shareholders' general meetings and their proxies.

Article 45 When the Board is considering the related party transaction, the related Directors shall disclose their interests in advance to the Board, and shall abstain from voting and are not entitled to exercise voting right on such resolution in the related party transaction for themselves or on behalf of other Directors. The said Board meeting may be held by more than one-half of the unrelated Directors attending the meeting and resolutions proposed at the Board meeting shall be passed by more than one-half of the unrelated Directors. Where the number of unrelated Directors attending the meeting falls below three, such matters shall be submitted to the Shareholders' general meeting for consideration.

Related Director referred to in the above clauses is a Director falling within the categories specified under Article 10 of these Measures.

Article 46 In considering the related party transactions, the Board shall at least examine the following documents and information:

- (1) background of the related party transaction;
- (2) main qualification certificate of the related persons (business license of a legal person or certificate of identity of a natural person);
- (3) agreements, contracts or any other written arrangements relevant to the related party transactions;
- (4) documents and materials taken as references for pricing of related party transactions;
- (5) Impact of the related party transactions on the legal interests of Company and non-related Shareholders;
- (6) reports of intermediate institutions, in any;
- (7) other materials as required by the Board.

Article 47 In addition to the documents listed in Article 45, the opinions of independent Directors in respect of these transactions shall also be examined at the Shareholders' general meeting approving the related party transactions.

Article 48 The Company shall engage intermediate institutions with relevant securities and futures business qualifications to conduct a valuation and auditing on the subject matter for material related party transactions between the Company and the related persons which are subject to approval in general meeting, with an exception in sales and purchases or service transactions in relation to the Company's daily operations, but if such matters are provided for in the relevant laws, regulations or regulatory documents, such laws, regulations or regulatory documents shall be complied with.

Independent financial adviser may be engaged by the Company to express opinions on the related party transactions which are subject to the approval in general meeting as to the fairness and reasonableness of such transactions, and to issue its independent financial adviser report.

Article 49 If within its validity period, an agreement or a contract of related party transaction must be terminated or amended due to force majeure or changes in production and operating conditions, parties to the contract may terminate the agreement or amend or supplement the agreement content. The supplement to or amendment of the agreement may, depending on the circumstances, take effect immediately or upon approval and confirmation by the Board or Shareholders in general meeting.

**CHAPTER 7 PROCEDURES FOR ABSTENTION AND VOTING OF
CONNECTED DIRECTORS**

Article 50 Where a Director himself or other enterprises where such Director assumes offices is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than contract of service), he shall declare the nature and extent of related relationship to the Board of Directors at the earliest opportunity, whether or not the relevant matters are subject to the approval of the Board of Directors in normal circumstances.

Article 51 A Director with connected relationship to a certain matter under consideration of the Board of Directors shall voluntarily disclose his connected relationship to the Board of Directors of the Company and apply for abstention prior to the Board meeting. Directors without connected relationship are entitled to apply for abstention of Directors with connected relationship to the Board of Directors prior to consideration of related party transactions in the Board meeting.

The application made by the Director may be in verbal or written form to state the reasons of abstention of Directors with certain related relationship. Prior to consideration and approval, the Board of Directors shall review and resolve upon the abstention application submitted by Directors without connected relationship. Unless approved by the Board of Directors at a meeting where the connected Director(s) abstain(s) from voting and is/are not counted in the quorum and the connected Director(s) have made disclosure to the board of Directors in accordance with the requirements of this Article, the Company shall have the right to request such connected Director(s) or other enterprises where such connected Director(s) assume offices to cancel the relevant contracts, transactions or arrangements, save that such connected Director(s) or other enterprises where they assume offices are bona fide third parties.

Article 52 Where the board of Directors is considering matters related to a connected transaction, the chairman of the meeting shall announce the Directors with related relationship, explain and describe the connected relationship between the Directors with connected relationship and related party transactions.

Article 53 The chairman of the meeting shall request the connected Director to abstain from voting on the related party transactions. The matter of related party transactions shall be subject to the consideration and approval by non-related Directors.

Article 54 The resolutions of related transaction must be passed by more than half of the votes cast by all non-related Directors.

Article 55 Should a Director being requested to abstain from voting or other Directors object to the nature of the related party transactions and the disclosure of interest, abstention from voting and surrender of voting rights in the meeting arising therefrom, an extraordinary Board meeting of the Directors who do not need to be abstained from voting may be sought to resolve on the matter. The decision shall be final and conclusive.

Article 56 The independent Directors who attend the meeting of the Board of Directors shall pay close attention to the abstention of voting of Directors and voting on such related party transactions, and shall forthwith recommend rectifications from the board of Directors if they are of the view that the Directors or the Board of Directors have/has violated the requirements of the Articles of Association of the Company and these Measures.

Article 57 The annual review requirements are as follows:

- (I) Each year the independent Directors of the Company shall review the continuing related party transactions and confirm in the annual report and accounts that the transactions have been entered into:
 - (1) in the ordinary and usual course of business of the Company;
 - (2) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
 - (3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.
- (II) Each year the auditors of the Company shall provide a letter to the Board of Directors (with a copy provided to the Stock Exchange of Hong Kong at least 10 business days prior to the bulk printing of the annual report), confirming that the continuing related party transactions:
 - (1) have received the approval of the Company's Board of Directors;
 - (2) are in accordance with the Company's pricing policies if the transactions involve provision of goods or services by the Company;
 - (3) have been entered into in accordance with the relevant agreement governing the transactions; and
 - (4) have not exceeded the cap disclosed in previous announcement(s).

Article 58 Where, in contravention of relevant requirements of these Measures, the relevant Directors and Shareholders do not abstain from the voting, the resolution of the related party transactions shall be void. Where the connected transaction has in fact been implemented and has been confirmed through jurisdiction or arbitration that it shall be performed, the relevant Directors and Shareholders shall be liable for the losses incurred to the Company.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

Article 59 The rights of interpretation of these Measures belongs to the Board of the Company.

Article 60 The term “more” and “below” in these Measures include the number specified, while “exceed” excludes the number specified.

Article 61 Any matters not addressed in these Measures shall be dealt with in accordance with the existing domestic laws, regulations and policies, normative documents, provisions of the securities regulatory institutions or/and trading institutions in the place where the shares of the Company are listed, the listing rules and the Articles of Association. Shall these measures contradict with domestic laws and regulations as enacted in the future, laws in the place where the shares of the Company are listed, the provisions of securities regulatory and trading institutions, the listing rules or the amended Articles of Association, the new domestic laws and regulations, new laws in the place where the shares of the Company are Listed, new provisions of securities regulatory and/or trading institutions, new provisions of the listing rules or amended Articles of Association shall be implemented.

Article 62 If a transaction shall be both a related party transactions under Shanghai Stock Exchange Listing Rules and a related party transaction under Rule 14A of the Hong Kong Stock Exchange Listing Rules, the stricter rules shall apply in relation to these Measures. If a transaction is only either a related transaction under Shanghai Stock Exchange Listing Rules or a related transaction under Rule 14A of the Hong Kong Stock Exchange Listing Rules, the provisions of these Measures related to those transactions shall apply.

Article 63 These Measures have been considered and passed by the Shareholders in general meeting, and shall become effective from the date of the listing of the Shares of the Company on Shanghai Stock Exchange. Apart from complying with the provisions contained in these Measures, the Company must also strictly comply with relevant provisions governing related transactions of the respective listing rules applicable in the domestic and overseas places of listing of the Shares of the Company.

Article 64 These Measures may be modified and supplemented if the Board considers it necessary. Any amendments to these Measures should be effective upon the passing of the resolution of the modification of these Measures at Shareholders’ general meeting.

**Administrative Measures on Use of Proceeds
Raised by BAIC Motor Corporation Limited**

(The Measures was adopted at the XXXX General Meeting
upon deliberation on MM/DD, 2017)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 With a view to regulate the management and usage of funds raised by BAIC Motor Corporation Limited (hereinafter referred to as the “Company”), maximize the protection of interests of investors, ensure the safety of proceeds and improve the efficiency of the usage of proceeds, these Measures have been formulated in accordance with the *Company Law of the People’s Republic of China* (hereinafter referred to as the “Company Law”), the *Securities Law of the People’s Republic of China* (hereinafter referred to as the “Securities Law”), the *Administrative Measures for the Issuance of Securities by Listed Companies*, the *Supervisory Requirements on the Management and Use of Funds Raised by Listed Companies* (hereinafter referred to as the Supervisory Requirements), the *Stock Listing Rules of the Shanghai Stock Exchange* (hereinafter referred to as the SHSE Listing Rules), *Administrative Measures on the Funds Raised by Listed Companies on the Shanghai Stock Exchange* (hereinafter referred to as “SHSE Administrative Measures”) and other laws, regulations and stock exchange rules, and the related provisions of the *Articles of Association of BAIC Motor Corporation Limited* (hereinafter referred to as the “Articles of Association”), combined with the actual circumstances of the Company.

Article 2 The term “proceeds” refers to the funds raised by the Company from investors through the public offering of securities in China (including the public offering of shares, share allotment, secondary public offering, issuance of convertible corporate bonds, issuance of convertible corporate bonds with attached warrants, etc.) and the private placement of securities, but does not include funds raised by the Company through the implementation of share incentive schemes.

Article 3 The Company shall go through the formalities for capital verification in a timely manner after the proceeds have been received, and a capital verification report shall be issued by an accounting firm with securities practice qualifications. The proceeds shall be used in strict accordance with the usage approved by the general meeting of the Company and regulatory authorities by adhering to the principles of standardization and transparency.

Article 4 The Board shall fully and in a timely manner disclose the use of the proceeds in accordance with the provisions of the Company Law, the Securities Law, and the SHSE Listing Rules, SHSE Administrative Measures and other laws and regulations.

Article 5 In case of any loss caused to the Company due to the violation of these Measures, including economic losses and reputational loss, the relevant person in charge shall be punished in accordance with the regulations of the Company and subject to the relevant specific circumstances. If necessary, the relevant person in charge shall bear corresponding civil indemnification liabilities.

CHAPTER 2 DEPOSIT OF PROCEEDS

Article 6 The Company shall adopt a special account deposit system for the proceeds in order to ensure the safe use and effective supervision of the proceeds.

The Board shall set up a special account (hereinafter referred to as the “Special Account for Proceeds”) for the centralized management of the deposit and collection/payment of proceeds. The setup, alteration or cancellation of the Special Account for Proceeds shall be approved by the Board.

The Special Account shall not keep funds other than the proceeds or be used for other purposes.

Article 7 The finance and accounting department of the Company shall assist the transaction of the formalities for capital verification in a timely manner after the proceeds have been received, and a capital verification report shall be issued by an accounting firm with securities practice qualifications.

Article 8 The Company shall, within one month after the proceeds have been received, sign a Special Account for Proceeds deposit and escrow agreement with the sponsoring agency and the commercial bank in which the proceeds are deposited (hereinafter referred to as the “Commercial Bank”). The Company shall actively perform the Special Account for Proceeds deposit and escrow agreement. The agreement shall at least include the following information:

- (1) The Company shall deposit the proceeds in the Special Account for Proceeds in a centralized manner;
- (2) The Commercial Bank shall provide the bank reconciliation statements for the Special Account for Proceeds on a monthly basis and copy the same to the sponsoring agency;
- (3) Where the cumulative amount drawn by the Company from the Special Account for Proceeds in a one-off manner or within 12 months exceeds RMB50 million and amounts to 20% of the net amount of the total proceeds after deduction of the listing expenses (hereinafter referred to as the “net proceeds”), the Company shall notify the sponsoring agency in a timely manner;
- (4) The sponsoring agency shall be entitled to enquire from the Commercial Bank information about the Special Account for Proceeds at any time;
- (5) The liabilities for default of the parties.

The Company shall, within 2 trading days after the signing of the above agreement, submit the same to the Shanghai Stock Exchange for record-filing purposes and make an announcement of the same.

Where the above agreement is terminated prior to the expiry of its term due to a change in the sponsoring agency, etc., the Company shall sign a new agreement with the parties concerned within 2 weeks of the date of termination of the agreement, and submit the same to the Shanghai Stock Exchange for record-filing purposes and make an announcement of the same within 2 trading days after the signing of the new agreement.

CHAPTER 3 USE OF PROCEEDS

Article 9 The proceeds of the Company must be used in strict accordance with the investment direction and investment plan of the proceeds committed in the application documents.

Article 10 The Company shall not alter the use of proceeds through pledge, entrusted loans, or otherwise.

Article 11 The finance and accounting department of the Company shall report the use of the proceeds to the Board at regular intervals.

In the event of any circumstances severely affecting the normal implementation of the plan for the use of proceeds, the Company shall report the same to the Shanghai Stock Exchange in a timely manner and make an announcement of the same.

Article 12 The use of proceeds shall be implemented in accordance with the committed schedule of investment projects for the proceeds (hereinafter referred to as the “Proceeds Investment Projects”) to ensure that the various tasks can be completed according to the schedule. The relevant persons in charge of the projects shall provide the specific work progress and plan to the finance and accounting department of the Company at regular intervals.

Article 13 Where any of the following circumstances occur with respect to a Proceeds Investment Project, the Company shall make a re-evaluation on the feasibility and/or projected earnings, etc. of the project, and decide whether or not to continue with the implementation of the project, and disclose the project progress, reasons for abnormality and the revised Proceeds Investment Project (if any) in the latest periodic report:

- (1) Where the market environment for the Proceeds Investment Project has undergone material changes;
- (2) Where the Proceeds Investment Project has been put aside for over 1 year;
- (3) Where the deadline of the investment plan of the proceeds has expired and the amount invested by the proceeds fails to reach 50% of the amount as set forth by the relevant plan;
- (4) Where there are other abnormalities with respect to the Proceeds Investment Project.

Article 14 Where upon the completion of a single Proceeds Investment Project, the Company uses the remaining proceeds (including interest income) for other Proceeds Investment Projects, deliberated and adopted by the Board, and the independent Directors, sponsoring agency and board of supervisors have given their opinions. The Company shall report the same to the Shanghai Stock Exchange within 2 trading days of the meeting of the Board, and make an announcement of the same.

Where the remaining proceeds (including interest income) is less than RMB1 million or less than 5% of the committed investment amount of the proceeds for that project, the procedures of the previous paragraph may be exempted from performance, but its use shall be disclosed in the annual report.

Where the remaining proceeds of a single Proceeds Investment Project (including interest income) is used for non-Proceeds Investment Projects (including replenishing working capital), the corresponding procedures and disclosure obligations shall be performed with reference to that for the change of Proceeds Investment Projects.

Article 15 After all Proceeds Investment Projects have been completed, where the remaining proceeds (including interest income) is more than 10% of the net proceeds, deliberated and adopted by the Board and the general meeting of the Company, and the independent Directors, sponsoring agency and board of supervisors have given their opinions. The Company shall report the same to the Shanghai Stock Exchange within 2 trading days of the meeting of the Board and make an announcement of the same.

Where the remaining proceeds (including interest income) is less than 10% of the net proceeds, it needs to be adopted by the Board, and it can only be used after the independent Directors, sponsoring agency and board of supervisors have given their opinions. The Company shall report the same to the Shanghai Stock Exchange within 2 trading days of the meeting of the Board and make an announcement of the same.

Where the remaining proceeds (including interest income) is less than RMB5 million or less than 5% of the net proceeds, the provisions of the previous paragraph may be exempted from performance, but its use shall be disclosed in the latest periodic report.

CHAPTER 4 CHANGE IN INVESTMENT DIRECTION OF THE PROCEEDS

Article 16 The Company shall use the proceeds pursuant to the investment purpose listed in the prospectus and may not alter the usage of the proceeds randomly. Any change in the investment direction of the proceeds shall be adopted by the Board and the general meeting upon deliberation and subject to the explicit consent of the independent Directors, sponsoring agency and board of supervisors.

Where only the implementation place of the investment project is changed, the procedures of the previous paragraph may be exempted from performance, but it shall be deliberated and adopted by the Board of the Company, and the reasons for change and the opinions of the sponsoring agency shall be reported to the Shanghai Stock Exchange within 2 trading days, and an announcement of the same shall be made.

Article 17 The Proceeds Investment Project upon alteration shall invest in mainstream business.

The Company shall rationally and prudently carry out feasibility analysis on the new Proceeds Investment Projects, firmly believing that the investment project has sound market prospects and profitability. It shall effectively guard against investment risks and improve the usage efficiency of the proceeds.

Article 18 Where the Company proposes to change the investment direction of the proceeds, the Company shall, within 2 trading days of submission of the same to the Board for deliberation, submit the same to the Shanghai Stock Exchange for record-filing purposes, and make an announcement of the same, which shall include the following information:

- (1) Basic information of the original Proceeds Investment Project and the specific reasons for the change;
- (2) Basic information, feasibility analysis and risk reminder of the new Proceeds Investment Project;
- (3) The investment plan for the new Proceeds Investment Project;
- (4) A description that the new Proceeds Investment Project has obtained or is pending the approval of the relevant authorities (if applicable);
- (5) Opinions of the independent Directors, board of supervisors and sponsoring agency on the change of the investment direction of the proceeds;
- (6) A description that the change in the Proceeds Investment Project still needs to be submitted to the general meeting for deliberation;
- (7) Other information as required by the Shanghai Stock Exchange.

Where the new Proceeds Investment Project involves connected transactions, purchase of assets or foreign investment, it shall also be disclosed pursuant to the relevant provisions of the related rules.

Article 19 Where the Company changes the investment direction of the proceeds in order to acquire the assets (including the equity interests) of the controlling Shareholders or actual controllers, the Company shall comply with the Company's regulations regarding connected transactions, and shall ensure that, after the acquisition, the Company can effectively avoid horizontal competition and reduce connected transactions.

Article 20 Where the use of proceeds involves a specific investment project and the Company proposes to externally transfer or replace the investment project (except for Proceeds Investment Projects that have been externally transferred or replaced in full in the implementation of major assets restructuring by the Company), it shall be reported to the Shanghai Stock Exchange within 2 trading days of submission to the Board for deliberation, and an announcement shall be made, which shall include the following information:

- (1) Specific reasons for the external transfer or replacement of the investment project;
- (2) Amount of the proceeds that have been invested into this project;
- (3) Completion progress of the project and the effectiveness achieved;
- (4) Basic information, feasibility analysis and risk reminder of the replaced project (if applicable);
- (5) Pricing basis for the transfer or replacement and the related gains;
- (6) Opinions of the independent Directors, board of supervisors and sponsoring agency on the transfer or replacement of the investment project;
- (7) A description of the transfer or replacement of the investment project still needs to be submitted to the general meeting for deliberation;
- (8) Other information as required by the Shanghai Stock Exchange.

The Company shall pay full attention to the collection and use of the transfer price, the change of ownership of the replaced assets and the continued operation of the replaced assets, and perform the necessary obligations of information disclosure.

CHAPTER 5 MANAGEMENT AND SUPERVISION OF THE USE OF PROCEEDS

Article 21 The Board shall completely check the progress on the use of proceeds once every six months before all proceeds have been used up, and the Board shall authorize the finance and accounting department of the Company to issue a *Special Report on the Deposit and Actual Use of Proceeds Raised by the Company* (hereinafter referred to as the Special Report) with regard to the deposit and use of the proceeds.

Where the use of proceeds involves a specific investment project and there is a difference between the actual investment progress and the investment plan in relation to the Proceeds Investment Project, the Company shall explain the specific reasons in the Special Report. Where idle proceeds are used to invest in products for the period, the Company shall disclose the revenues of this reporting period and the investment share, contracting parties, product descriptions, duration and other information in the Special Report.

The Special Report shall be deliberated and adopted by the Board and the board of supervisors, and reported to the Shanghai Stock Exchange within two (2) trading days after the submission to the Board for deliberation, and an announcement of the same shall be made.

For an annual audit, the Company shall engage an accounting firm to issue the auditors' report on the deposit and use of proceeds, and submit it to the Shanghai Stock Exchange upon the release of the annual report of the Company, and meanwhile, disclose it on the website of the Shanghai Stock Exchange.

Article 22 The independent Directors of the Company, the audit committee of the Board, and the board of supervisors shall pay continuous attention to the actual management and use of the proceeds. More than 1/2 of the independent Directors, members of the audit committee of the Board, or the board of supervisors may engage an accounting firm to issue an auditors' report on the deposit and use of the proceeds. The Company shall make active cooperation and bear the necessary expenses.

The Board shall report to the Shanghai Stock Exchange and make an announcement within two (2) trading days after receiving the auditors' report prescribed in the previous paragraph. If according to the auditors' report, there have been violations in the management and use of the proceeds, the Board shall also announce the violations, consequences that have been caused or may be caused, and the measures that have been taken or are proposed to be taken in relation to the deposit and use of the proceeds.

Article 23 The sponsoring agency shall conduct at least one (1) on-site investigation every six months regarding the deposit and use of the proceeds raised by the Company before all proceeds have been used up.

The sponsoring agency shall issue a special verification report on the deposit and use of proceeds raised by the Company for the year after the end of each fiscal year, submit it to the Shanghai Stock Exchange upon the disclosure of the annual report of the Company and meanwhile disclose it on the website of the Shanghai Stock Exchange. The verification report shall contain the following information:

- (1) The deposit and use of the proceeds and the balance of the Special Account;
- (2) The progress of the projects for which proceeds are raised, including any deviation from the progress of the investment plan for the proceeds;
- (3) The replacement with the proceeds of the self-raised funds previously injected into the investment projects for proceeds (if applicable);
- (4) Supplement of the working capital with idle proceeds and its effect (if applicable);
- (5) Use of over-raised funds (if applicable);
- (6) Change in the investment direction of the proceeds (if applicable);
- (7) Conclusive opinions as to whether the deposit and use of the proceeds raised by the Company are in compliance with relevant regulations;
- (8) Other information as required by the Shanghai Stock Exchange.

The Board of the Company shall disclose the conclusive opinions of the special verification report by the sponsoring agency and the auditors' report by the accounting firm in the Special Report after the end of each fiscal year.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 24 The right of interpretation of these Measures shall be vested in the Board of the Company.

Article 25 The term “more than” stated in these Measures includes the number itself, and the term “exceeds” or “below” does not include the number itself.

Article 26 These Measures shall come into force as of the date of the Company's shares being listed on the Shanghai Stock Exchange after they have been approved by the Board of the Company.

Article 27 Any matter not covered in these Measures shall be carried out in accordance with the provisions of the existing national laws, regulations, rules, regulatory documents, the regulations of the securities regulatory institutions and/or trading institutions at the place where the Company's shares are listed, the Listing Rules and the provisions of the Articles of Association of the Company. In the event that these Measures conflict with any laws and regulations to be enacted by the State in the future, any laws at the place where the Company's shares are listed, any regulations of securities regulatory and trading institutions and the HKEx Listing Rules or the amended Articles of Association of the Company, the new national laws and regulations, the new laws of the place where the Company's shares are listed, the new regulations of securities regulatory and trading institutions, the HKEx Listing Rules or the amended Articles of Association shall prevail.

BAIC MOTOR CORPORATION LIMITED
Administrative Measures on External Guarantees

(The Measures was adopted at the XXXX General Meeting
upon deliberation on MM/DD, 2017)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 These measures (hereinafter referred to as the “Measures”) are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Guarantee Law of the People’s Republic of China, Circular on Regulating the External Guarantees Behaviour of Listed Companies, Circular on Certain Issues Relating to Standardization of Fund Transfer between Listed Companies and their Affiliates and the External Guarantees Provided by Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of BAIC Motor Corporation Limited (hereinafter referred to as the “Articles of Association”) and other relevant laws and regulations, for the purpose of strengthening the risk management of BAIC Motor Corporation Limited (hereinafter referred to as the “Company”) and regulating the Company’s external guarantee behaviors.

Article 2 The “external guarantees” mentioned in the Measures mean the guarantees provided by the Company for third parties including its wholly-owned and holding subsidiaries, for which the Company will undertake joint and several liability if the guaranteed parties fail to repay the debts at maturity, in the form of guaranty, mortgage, pledge, performance bond, lien and deposit. The Measures shall not apply to guarantees provided by the Company for its own debts or financing.

Article 3 The Company’s external guarantees shall observe the principles of legitimacy, mutual benefit and safety and be subject to strict control over guarantee risks. The Company’s external guarantees shall conform to its overall development strategies and benefits, and insist on the principle of careful consideration and strict control.

Article 4 The Company’s external guarantees are managed according to the multi-level review and supervision system.

The finance and accounting department is the centralized management department for the Company’s external guarantees, responsible for management work including review, reporting for approval and filing of guarantee matters.

The legal affairs department (compliance department) is the legal review department of the Company’s external guarantees, and is responsible for verifying the legality of the guarantee contract.

The office of the Board is the department that implements the decision-making procedures of the Company’s external guarantees and is responsible for submitting to the Board or the general meeting for approval in accordance with the relevant provisions of the Articles of Association.

The securities department is responsible for information disclosure for the Company's external guarantees, and performs the relevant work for information disclosure for the Company's external guarantees.

The audit department may be responsible for inspecting whether the Company's internal control system related to external guarantees is sound, and whether the various provisions have been implemented effectively in accordance with the relevant requirements of the internal control system.

CHAPTER 2 GUARANTEE OBJECT AND APPROVAL

Article 5 In principle, the Company will not provide guarantees to other parties except for its wholly-owned subsidiaries and holding subsidiaries.

Article 6 Limits to the authority for approving external guarantees.

The provision of external guarantees in any of the following circumstances shall be subject to approval at the general meeting:

- (1) any guarantee granted after the total amount of external guarantees provided by the Company and its holding subsidiaries reaches or exceeds 50% of the Company's latest audited net assets;
- (2) any guarantee provided to any guarantee object whose debt-to-asset ratio exceeds 70%;
- (3) guarantees with the amount of a single guarantee exceeding 10% of the Company's latest audited net assets;
- (4) the amount of guarantees aggregated over a period of twelve consecutive months exceeds 30% of the Company's latest audited total assets;
- (5) the amount of guarantees aggregated over a period of twelve consecutive months exceeds 50% of the Company's latest audited net assets, with the absolute amount exceeding more than RMB50 million;
- (6) other guarantees required to be deliberated by the general meeting as prescribed by the securities regulatory authority or stock exchange in the place where the Company's shares are listed.

The above-mentioned "total amount of external guarantees provided by the Company and its holding subsidiaries" means the sum of the total amount of external guarantees provided by the Company to other parties including its holding subsidiaries and the total amount of the external guarantees provided by its holding subsidiaries.

The external guarantees that should be approved at the general meeting must be deliberated and passed by the Board before submitting to the general meeting for approval.

Except for the aforesaid circumstances, the external guarantees in other circumstances shall be approved by the Board. The guarantee within the authority of the Board requires not only the approval of the majority of all the Directors, but also the approval of more than two-thirds of the Directors attending the Board meeting.

When the resolution in respect of guarantees under this item 4 is considered at the general meeting, the guarantees shall require the approval of more than two-thirds of the voting rights held by the Shareholders present at the general meeting; when the general meeting deliberates the resolution in respect of guarantees provided for the Shareholders, actual controllers and their affiliated parties, such Shareholders or the Shareholders controlled by the actual controllers shall abstain from voting on such proposal.

Article 7 Before deciding to provide external guarantees, the Company shall have a good understanding of the credit status of the guaranteed party. The finance and accounting department of the Company shall be responsible for investigating and evaluating the credit status of the party applying for guarantee, and carry out adequate analysis and consideration on risks and benefits of such guarantee. The finance and accounting department shall require the party applying for guarantee to provide the following information:

- (1) basic information about the enterprise (including its name, registered address, legal representative, business scope, affiliated relationship and other relationships with the Company);
- (2) analysis of the audited financial reports and repayment ability of the past three years;
- (3) name of the creditor;
- (4) method, term and amount of guarantee;
- (5) major terms of the master debt contract or draft contract;
- (6) explanation of the repayment plan of the guaranteed party for the guaranteed debts and the source of funds;
- (7) other important information.

Article 8 The finance and accounting department of the Company shall carry out investigation and analysis according to the information provided by the party applying for guarantee, verify the authenticity of such information, issue the application report in a timely manner, and clearly express its review opinions.

Article 9 The application for guarantees shall be reported level by level. Where a subsidiary applies to the Company for providing guarantees for itself or for its subsidiaries and between subsidiaries, an application for approval of the amount of external guarantees shall be submitted to the finance and accounting department of the Company within two months after the previous fiscal year is ended, and the finance and accounting department will formulate the annual guarantee plan and submit to the office of chief executive for approval, and submit to the Board and/or the general meeting for approval in accordance with the listing rules and the Articles of Association of the Company.

Article 10 Where a subsidiary applies to the Company for providing guarantees for itself or for its subsidiaries and between subsidiaries within the amount of annual planned guarantee, the relevant information required in Article 7 of the Measures shall be submitted to the finance and accounting department of the Company in a timely manner. After verifying the relevant information and upon approval by the chief financial officer, the finance and accounting department will submit an application report to the chief executive, expressing its verification opinions.

Where a subsidiary applies to the Company for providing guarantees for itself or for its subsidiaries and between subsidiaries beyond the amount of annual planned guarantee, the party applying for guarantee must submit a written application and the necessary documents to the finance and accounting department of the Company in advance, and after being endorsed by the finance and accounting department, such application and documents will be submitted to the office of chief executive, the Board and the general meeting for approval.

Article 11 Any external guarantees must be approved by the Board or the general meeting, and without authorization of the Board, no other department or individual of the Company shall have the right to provide external guarantees on behalf of the Company.

If necessary, the Company may engage an external professional agency to evaluate the risks of external guarantees, which will be taken as the basis for the Board or the general meeting to make decisions.

Article 12 The independent Directors of the Company may engage an accounting firm to audit the cumulative and current external guarantees of the Company, if necessary. In case any abnormal conditions are found, the independent Directors shall duly report to the Board and the regulatory authorities and make announcements. Meanwhile, the independent Directors of the Company shall provide in the annual report a special explanation on the status of the cumulative and current external guarantees provided by the Company and the implementation of the above-mentioned provisions, and shall issue an independent opinion thereon.

CHAPTER 3 ENFORCEMENT AND SUPERVISION OF GUARANTEES

Article 13 An external guarantee shall be set out in a guarantee contract in accordance with the prescribed procedures, the approval from the Board or the general meeting and the approved planned amount of annual external guarantee. Before a guarantee contract is entered into, the legal department of the Company shall be consulted to ensure that the terms of the contract comply with applicable laws and corporate regulations. The guarantee contract shall specify the scope of the guarantee, the limit, the method, the term, the liability for default, and other matters which both parties deem necessary.

Article 14 The following terms shall be determined in the guarantee contract:

- (1) creditors and debtors;
- (2) the type and amount of the principal claim guaranteed;
- (3) the method of guarantee;
- (4) the scope of guarantee;
- (5) the term of guarantee;
- (6) the rights and obligations of the parties and their liabilities for default;
- (7) the effective terms of the contract;
- (8) other matters which both parties deem necessary.

Article 15 The finance department of the Company shall strengthen the management of the guarantee contract and eliminate any loopholes in contract management. The guarantee contracts, counter-guarantee contracts, mortgage or pledge certificates and other relevant original information shall be properly kept and strictly managed, and inspected and sorted every quarter with the results recorded in writing.

The finance and accounting department shall track information regarding the guaranteed party, collect and file information such as the financial statements, audit reports and operation and management information of the guaranteed party.

Article 16 The guarantee contract shall not be modified arbitrarily. If the contents of the contract must be modified for special reasons, it shall be considered and approved again.

Article 17 The operation department of the guarantee business assumes the following main responsibilities in the operation process of the guarantee business:

- (1) execution and implementation of matters required by the terms of the guarantee contract and the Board of the Company and the general meeting;
- (2) follow-up and monitoring of the risks of the guaranteed party and the implementation of the guarantee, study the operating conditions and financial position of the guaranteed party on a regular basis, collect relevant information, set up files of the guaranteed party, and report to the competent department of the guarantee business;
- (3) properly dealing with the unforeseen circumstances occurring in the operation of the guarantee business, effectively control risks, and report to the competent department of the guarantee business in a timely manner;
- (4) assisting the competent department of the guarantee business to terminate the guarantee relationship and cancel the guarantee in a timely manner in accordance with the contract.

Article 18 The guaranteed party and the beneficiary of the guarantee shall be notified in a timely manner to terminate the guarantee contract when the following circumstances arise:

- (1) the term of the guarantee expires;
- (2) the principal contract of the guarantee contract is modified;
- (3) the guaranteed party or the beneficiary requests the termination of the guarantee contract;
- (4) other agreed matters.

Article 19 The finance and accounting department of the Company shall inspect the guarantee business of the Company, its wholly-owned and holding subsidiaries on a regular basis. For problems found in the process of inspection, the finance and accounting department shall urge the relevant organizations or departments to identify the reasons and take measures for rectification and improvement in a timely manner. Any abnormal guarantee contracts not having been approved by the Board or the general meeting shall be reported to the Board in a timely manner. In accordance with the relevant requirements of internal control supervision and inspection, the finance and accounting department may submit the abnormal contracts to the head of finance or audit of the inspected organization and the higher competent department of the guarantee business for review.

Article 20 The supervision and inspection of the guarantee business mainly includes the following:

- (1) The placement of positions related to the guarantee business, Focus on inspecting whether there is any mixing of incompatible duties in the guarantee business;
- (2) The decision-making mechanism and the implementation of the guarantee business, Focus on inspecting whether the review of guarantee business is scientific and reasonable, whether the approval procedures of the guarantee business comply with regulations, and whether there are any ultra vires authorization acts;
- (3) The implementation of the guarantee terms. Focus on inspecting whether the guarantee object complies with regulations and whether the guarantee contract is proper and complete;
- (4) The implementation of the guarantee business monitoring report system. Focus on inspecting whether all the guarantee projects have been filed with the higher competent department of the guarantee business, whether the monitoring reports on the financial risk of the guaranteed party and the implementation of the guaranteed business are regularly submitted to the competent department of the guarantee business, and whether the operation department of the guarantee business has fully performed the duties stipulated herein;
- (5) The implementation of records for the guarantee business and the property custody system for guaranteed property. Focus on inspecting whether the records and files and documents of the guarantee business are complete, whether the certificates of property and ownership are properly stored, and whether the safety and completeness of the counter-guarantee property are safeguarded;
- (6) Whether termination procedures are handled in a timely manner after the guarantee contract expires;
- (7) If the operating conditions of the guaranteed party is found to be seriously deteriorating or where major events such as dissolution or a spin-off have occurred, the Board shall be notified in a timely manner. The Board is obliged to take effective measures to minimize loss.

Article 21 Where the debts guaranteed by the Company expire and need renewal and require it to continue to provide guarantee, such guarantee shall be deemed as a new external guarantee, and undergo the guarantee approval procedures again.

CHAPTER 4 INFORMATION DISCLOSURE FOR GUARANTEES

Article 22 The Company shall earnestly fulfill the obligation of information disclosure of the guarantees in accordance with the relevant laws, regulations and listing rules in the place of listing. The external guarantees approved by the Board or the general meeting shall be timely disclosed in the designated information disclosure publications or website in accordance with the listing rules.

Article 23 The securities department is the competent department for the disclosure of information in respect of the Company's guarantees. After the resolution of the Board or the general meeting is passed, the wholly-owned or holding subsidiaries of the Company shall timely inform the finance and accounting department, which will timely notify the securities department to perform its obligations of information disclosure as required.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 24 The interpretation of the Measures shall be vested in the Board of the Company.

Article 25 For the purpose of the Measures, the term "more than" shall include the number itself, while the term "exceeds" shall not include the number itself.

Article 26 Any matters not detailed in the Measures shall be performed in accordance with the existing national laws, regulations, rules, normative documents, provisions and listing rules of the securities regulatory institutions and/or stock exchanges in the place where the shares of the Company are listed, as well as the Articles of Association of the Company. In case of any conflict between the Measures and the national laws and regulations enacted in future, laws, provisions and listing rules of the securities regulatory institutions and stock exchanges in the place where the shares of the Company are listed or the amended Articles of Association, the new national laws and regulations, laws, provisions and listing rules of the securities regulatory institutions and/or stock exchanges in the place where the shares of the Company are listed or the amended Articles of Association shall prevail.

Article 27 The Measures will come into effect, upon approval by the general meeting, on the date when the Company's shares are listed on the Shanghai Stock Exchange.

Article 28 The Measures may be amended and supplemented whenever the Board deems necessary. The amendments to the Measures shall come into effect from the date when the general meeting adopts the resolution for the amendment thereof.

Original Clauses	Revised Clauses
Chapter 2 The Board of Original Clauses Supervisors and its functions and powers	Chapter 2 The Board of Revised Classes Supervisors and its functions and powers
<p>Article 3 The Board of Supervisors shall exercise the following functions and powers in accordance to the law:</p> <ol style="list-style-type: none"> (1) to review and express its view in writing on regular reports prepared by the Board of Directors; (2) to review the financial affairs of the Company; (3) to supervise the actions of the Directors and senior management, to propose dismissal of Directors and senior management officers who have violated laws, administrative regulations, the Articles of Association or the resolutions of general meetings when carrying out its duties; (4) where any act of the Directors and senior management officers damages the interests of the Company, to require them to rectify such act accordingly; (5) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside over the general meetings; (6) to present motions to general meetings; (7) to initiate legal proceedings against the Directors or senior executives in accordance with the Company Law; (8) in case of any irregularity identified, to investigate and if necessary to engage professional institutions such as accounting firms or law firms to assist in its work at the expense of the Company; 	<p>Article 3 The Board of Supervisors shall be exercise the following functions and powers in accordance to the law:</p> <ol style="list-style-type: none"> (1) to review and express its view in writing on regular reports prepared by the Board of Directors; (2) to review the financial affairs of the Company; (3) to supervise the actions of the Directors and senior management, to propose dismissal of Directors and senior management officers who have violated laws, administrative regulations, the Articles of Association or the resolutions of general meetings when carrying out its duties; (4) where any act of the Directors and senior management officers damages the interests of the Company, to require them to rectify such act accordingly; (5) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside over the general meetings; (6) to present motions to general meetings; (7) to initiate legal proceedings against the Directors or senior executives in accordance with the Company Law; (8) in case of any irregularity identified, to investigate and if necessary to engage professional institutions such as accounting firms or law firms to assist in its work at the expense of the Company;

Chapter 5 Supplementary Provisions	Chapter 5 Supplementary Provisions
<p>(9) to propose to convene a provisional Board meeting and present motions;</p> <p>(10) to exercise other functions and powers granted by resolution at general meeting;</p>	<p>(9) to propose to convene a provisional Board meeting and present motions;</p> <p>(10) <u>to review the distribution plan of the Company's profits and provide views in respect of the reasonableness and compliance of such distribution plan;</u></p> <p>(11) to exercise other functions and powers granted by resolution at general meeting.</p>
<p>Article 41 This Article shall be presented by the Board of Supervisors to the general meeting for approval by ordinary resolution and shall replace the articles in respect of the Board of Supervisors from the date the articles of association takes effect upon the Company's listing of its H Shares. Any amendments shall be presented by the Board of Supervisors to the general meeting for approval by ordinary resolution.</p>	<p>Article 41 This Article shall be presented by the Board of Supervisors to the general meeting for approval by ordinary resolution and shall replace the articles in respect of the Board of Supervisors from the date the articles of association takes effect upon the Company's listing of its <u>HA</u> Shares. Any amendments shall be presented by the Board of Supervisors to the general meeting for approval by ordinary resolution.</p>

APPENDIX XIII BIOGRAPHICAL DETAILS OF CANDIDATE FOR NON-EMPLOYEE REPRESENTATIVE SUPERVISOR

Mr. Gu Zhangfei (顧章飛), aged 51, holds a bachelor's degree in management and a master's degree in business administration and is a senior engineer. Since September 2017, he has been the full-time deputy director-level supervisor of the Beijing Municipal State-owned Enterprises Supervisory Board (北京市國有企業監事會). Mr. Gu has over 20 years of experience in business management. He successively worked as a specialist, section chief and deputy division chief of the spare parts division, division chief of the raw materials division and assistant to the general manager of Shougang's Beigang (首鋼北鋼) from July 1988 to November 1995. He successively served as the deputy division chief and division chief of the spare parts division of the mechanics department of Shougang Corporation (首鋼總公司) from November 1995 to December 2004, and worked as the deputy general manager and general manager of the sales company of Shougang Corporation and the deputy general manager of Xingang Company (新鋼公司) from December 2004 to September 2010. He was a director, the general manager and the deputy secretary of the party committee of Qinhuangdao Shouqin Metal Material Co., Ltd. (秦皇島首秦金屬材料有限公司) from September 2010 to October 2012. He successively served as the assistant to the general manager of Shougang Corporation (首鋼總公司), the deputy secretary of the party committee and the secretary of the discipline inspection commission of Shougang Jingtang United Iron and Steel Company Limited (首鋼京唐鋼鐵聯合有限責任公司), the secretary of the party committee and the secretary of the discipline inspection commission of Shougang Jingtang United Iron and Steel Company Limited (首鋼京唐鋼鐵聯合有限責任公司), and the secretary of the party committee and the chairman of Beijing Shougang Shareholding Investment Management Co., Ltd. (北京首鋼股權投資管理有限公司) from October 2012 to September 2017.

Mr. Wang Min (王敏), aged 51, holds a master's degree in industrial engineering and is a senior accountant. At present, Mr. Wang is a supervisor of the Company. Mr. Wang is also the director of the first office of the full-time supervisor office of Beijing Automotive Group Co., Ltd. ("**BAIC Group**"). Mr. Wang Min has about 30 years of experience in financial management and business management. He served in various positions, including consecutively serving as the price officer of profit tax division, cost officer of cost division, responsible officer and deputy department head of capital division and deputy department head of profit tax division of finance department of Shougang's Beigang Company (首鋼北鋼公司) from August 1989 to November 1995; serving as the profit tax administrator, office head assistant and deputy office head of price and tax office of audit and finance department of Shougang Corporation (首鋼總公司) from November 1995 to October 1999; serving as the chief accountant of Beijing Shougang Company Limited ("**Shougang Shares**") from October 1999 to December 2010; serving as a member of the party committee and the vice president of the Company from December 2010 to December 2013; serving as the secretary of the party committee and the general manager of Beijing Rocar Automotive Trading Co., Ltd. (北京鵬龍行汽車貿易有限公司) ("**Rocar**") from December 2013 to December 2014; simultaneously serving as the secretary of the party committee and general manager of Rocar and BAIC ROCAR Automobile Services & Trade Co., Ltd. (北京北汽鵬龍汽車服務貿易股份有限公司) ("**BAIC ROCAR**") from December 2014 to December 2015 and simultaneously serving as the joint secretary of the party committee of BAIC Rocar Services & Trade (北汽鵬龍服務貿易) and general manager of BAIC ROCAR and Rocar from December 2015 to April 2016; serving as the designated full-time supervisor of BAIC Group from April 2016 to June 2016. Since June 2016, he has been the director of the first office of the full-time supervisor office of BAIC Group. Since December 2016, he has been a supervisor of the Company.

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Mr. Yao Shun (姚舜), aged 36, holds a bachelor's degree and a master's degree in material processing engineering and a part-time master's degree in finance and is a middle class steel-rolling engineer. Since August 2017, he has been the deputy secretary of the party committee and the general manager of Beijing Shougang Cold-Rolled Sheet Co., Ltd. (北京首鋼冷軋薄板有限公司). Mr. Yao has more than 10 years of working experience in relevant business and management. He served successively as a researcher of the plate and strip department, a specialist of the technology management division, the team head of the general management team of the automobile sheet marketing division, the assistant to director of the automobile sheet marketing division, and the deputy director of the automobile sheet marketing division of Shougang Technology Research Institute (首鋼技術研究院) from April 2006 to May 2015; he served as the deputy general manager of Shougang Cold-Rolled Sheet Co., Ltd. (首鋼冷軋薄板有限公司) from May 2015 to June 2016; he successively served as the deputy director of the technology and quality control department of Shougang Shares and the deputy general manager of Shougang Cold-Rolled Company (首鋼冷軋公司) and the deputy director of the manufacturing department of Shougang Shares and the deputy general manager of Beijing Shougang Cold-Rolled Sheet Co., Ltd. from June 2016 to May 2017; and he served as the general manager of Beijing Shougang Cold-Rolled Sheet Co., Ltd. and the deputy director of the manufacturing department of Shougang Shares from June 2017 to July 2017.

Mr. Jiang Dali (姜大力), aged 37, holds a bachelor's degree in law and a master's degree in sociology. Since June 2017, he has been serving as the deputy general manager of Beijing Industry Investment Management Co., Ltd. (北京工業發展投資管理有限公司). Mr. Jiang has more than 10 years of working experience in relevant business and management. He was a clerk of Yong Shun Township, Tongzhou District, Beijing, and the deputy head and the secretary of the committee of Investment Promotion Center successively from July 2003 to June 2007. He worked as the deputy general manager of Beijing Tongzhou Business Park Development Co., Ltd. (北京通州商務園開發建設有限公司) from June 2007 to September 2008 and the deputy head of the administration commission of Beijing Tongzhou Xincheng Financial Service District (北京市通州新城金融服務區) from September 2008 to July 2011. He served as the chairman, general manager and a consultant of Beijing Tongzhou Business Park Development Co., Ltd. (北京通州商務園開發建設有限公司) from July 2011 to February 2014, and a consultant of the administration commission of Beijing Tongzhou Xincheng Financial Service District (北京市通州新城金融服務區) from February 2014 to May 2017.

Mr. Pang Minjing (龐民京), aged 61, holds a bachelor's degree and is a senior lawyer. At present, Mr. Pang is an independent supervisor of the Company. Mr. Pang has more than 30 years of experience in the law industry. He also worked at the plant of Beijing Automobile Repair Company from April 1975 to August 1979. He worked as a cadre of Beijing Municipal Security Bureau from September 1983 to April 1985 and a lawyer at Beijing Municipal Second Law Firm from April 1985 to October 1988. Mr. Pang was a partner of Beijing North Law Firm between November 1988 and August 2002. Since September 2002, he has been working as a director of Beijing North Law Firm. Since July 2015, he has been serving as an independent supervisor of the Company.

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NON-EMPLOYEE REPRESENTATIVE SUPERVISOR**

Mr. Zhan Zhaohui (詹朝暉), aged 48, holds a master's degree and is a certified accountant, certified public valuer, certified tax agent, and international certified internal auditor. At present, Mr. Zhan is an independent supervisor of the Company. Mr. Zhan has more than 20 years of experience in accounting and corporate management. He was a clerk of the business operation division of Shaowu Branch of Fujian Province Petroleum Corporation from August 1989 to June 1993 and worked as an assistant to general manager of the lubricant company of Shaowu Branch of Fujian Province Petroleum Corporation from July 1993 to July 1995. He was a project team leader of Environmental Science Institute in Beijing General Research Institute of Mining and Metallurgy from August 1998 to May 2002. He worked as a project manager of Beijing Huaxia Tianhai Certified Public Accountants and Beijing Huarongjian Asset Appraisal Firm from November 2002 to March 2007 and a department manager of Huaxia Zhongcai (Beijing) Certified Public Accountants from April 2007 to December 2008. He was a partner of Huaxia Zhongcai (Beijing) Certified Public Accountants and chairman of the board of directors of Huaxia Jiacheng (Beijing) Asset Appraisal Co. Ltd. from January 2009 to October 2012. Since September 2012, he has been working as a deputy general manager of Beijing Tianyuankai Asset Appraisal Co. Ltd. Since January 2013, he has been an expert in the evaluation report review committee of the SASAC of Beijing Municipality.