
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Inner Mongolia Yitai Coal Co., Ltd., you should at once hand this circular and the proxy form dispatched to shareholders on 14 November 2022 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).



內蒙古伊泰煤炭股份有限公司

INNER MONGOLIA YITAI COAL CO., LTD.*

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

(Stock Code: 3948)

**ENTERING INTO OF REVISED CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE
SHAREHOLDERS' GENERAL MEETING
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE
BOARD OF DIRECTORS
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE
SUPERVISORY COMMITTEE
PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM FOR
EXTERNAL GUARANTEES
PROPOSED ISSUANCE OF SUPER SHORT-TERM COMMERCIAL PAPERS
AND
NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2022**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 24 of this circular.

A notice convening the EGM to be held at Conference Room 1, Conference Center, Yitai Building, North Tianjiao Road, Dongsheng District, Ordos, Inner Mongolia, the PRC at 3:00 p.m. on Thursday, 29 December 2022 is set out on pages 147 to 149 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy dispatched to the Shareholders on 14 November 2022 in accordance with the instruction printed thereon and return it to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM (i.e. at 3:00 p.m. on Wednesday, 28 December 2022) or 24 hours before the time appointed for the holding of any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

Precautionary Measures for the EGM

Taking into account the recent developments of the COVID-19, the Company will implement the following prevention and control measures at the EGM to safeguard the health and safety of the Shareholders attending the EGM:

1. Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.
2. Every Shareholder or proxy is required to wear a surgical face mask throughout the meeting.
3. Every Shareholder or proxy is required to complete a health declaration form before entering the venue.
4. No entry to the venue is allowed for any person who has shown any symptom of COVID-19 or is subject to quarantine order.
5. As a precautionary safety measure, appropriate distancing and spacing will be observed and as such, the Company reserves the right to limit the number of the attendees at the EGM as may be necessary to reduce interaction between participants.
6. No refreshments will be served and no corporate gifts will be distributed.

Shareholders, particularly those who are subject to quarantine in relation to COVID-19, are reminded that they may appoint any person or the chair of the EGM as a proxy to attend and vote at the EGM, instead of attending and voting in person.

13 December 2022

* For identification purposes only

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DEFINITIONS

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

“Articles of Association”	Articles of Association of the Company
“Board”	the board of directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“Company”	Inner Mongolia Yitai Coal Co., Ltd. (內蒙古伊泰煤炭股份有限公司), a joint stock limited company incorporated in the PRC on 23 September 1997, whose H Shares are listed on the Hong Kong Stock Exchange (stock code: 3948) and whose B Shares are listed on the Shanghai Stock Exchange (stock code: 900948)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and in this circular, refers to Yitai Group and Yitai Investment
“Director(s)”	the director(s) of the Company
“EGM”	the third extraordinary general meeting of the Company in 2022 which will be held at 3:00 p.m. on Thursday, 29 December 2022
“Management System for External Guarantees”	the Management System for External Guarantees of Inner Mongolia Yitai Coal Co., Ltd.
“Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and Yitai Finance on 29 October 2020
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Independent Board Committee”	a committee of the Board comprising Mr. Wong Hin Wing, Ms. Du Yingfen and Mr. E Erdun Tao Ketao, being the Independent non-executive Directors, which has been formed to advise the Independent Shareholders as to whether the proposed provision of deposit services to the Company contemplated under the Revised Financial Services Framework Agreement and its new annual cap are fair and reasonable as far as the Independent Shareholders are concerned, and whether they are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how they should vote on the relevant resolution after considering the recommendation of the Independent Financial Adviser appointed by the Company
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed provision of deposit services to the Company contemplated under the Revised Financial Services Framework Agreement and the new annual caps relating thereto
“independent non-executive Director(s)”	the independent non-executive director(s) of the Company
“Independent Shareholders”	the Shareholders of the Company other than the Controlling Shareholders and their associates
“Latest Practicable Date”	7 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Revised Financial Services Framework Agreement”	the revised financial services framework agreement entered into between the Company and Yitai Finance on 11 November 2022
“RMB”	RMB, the lawful currency of the PRC
“Rules of Procedures for the Board of Directors”	the Rules of Procedures for the Board of Directors of Inner Mongolia Yitai Coal Co., Ltd., as amended, revised or supplemented from time to time

DEFINITIONS

“Rules of Procedures for the Shareholders’ General Meeting”	the Rules of Procedures for the Shareholders’ General Meeting of Inner Mongolia Yitai Coal Co., Ltd., as amended, revised or supplemented from time to time
“Rules of Procedures for the Supervisory Committee”	the Rules of Procedures for the Supervisory Committee of Inner Mongolia Yitai Coal Co., Ltd., as amended, revised or supplemented from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Yitai Finance”	Inner Mongolia Yitai Finance Co., Ltd. (內蒙古伊泰財務有限公司)
“Yitai Group”	Inner Mongolia Yitai Group Co., Ltd. (內蒙古伊泰集團有限公司), a limited liability company established in the PRC and one of the Company’s Controlling Shareholders
“Yitai Investment”	Inner Mongolia Yitai Investment Co., Ltd. (內蒙古伊泰投資股份有限公司), a limited liability company established in the PRC and one of the Company’s Controlling Shareholders
“%”	per cent.

LETTER FROM THE BOARD



内蒙古伊泰煤炭股份有限公司
INNER MONGOLIA YITAI COAL CO., LTD.*

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

(Stock Code: 3948)

Executive Directors:

Mr. Zhang Jingquan
Mr. Liu Chunlin
Mr. Ge Yaoyong
Mr. Zhang Dongsheng
Mr. Liu Jian
Mr. Lv Junjie
Mr. Zhao Like

Independent non-executive Directors:

Mr. Wong Hin Wing
Ms. Du Yingfen
Mr. E Erdun Tao Ketao

Registered office:

Yitai Building
North Tianjiao Road
Dongsheng District, Ordos
Inner Mongolia, the PRC

Principal place of business in Hong Kong:

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wan Chai, Hong Kong

13 December 2022

To the Shareholders

Dear Sir or Madam,

**ENTERING INTO OF REVISED CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
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NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2022**

INTRODUCTION

The purpose of this circular, of which this letter forms a part, is to provide you the notice of the EGM and all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

* *For identification purposes only*

LETTER FROM THE BOARD

Ordinary resolutions will be proposed at the EGM to approve, among others, (i) the entering into of the revised continuing connected transactions framework agreement; (ii) the proposed amendments to the Rules of Procedures for the Shareholders' General Meeting; (iii) the proposed amendments to the Rules of Procedures for the Board of Directors; (iv) the proposed amendments to the Rules of Procedures for the Supervisory Committee; and (v) the proposed amendments to the Management System for External Guarantees. Special resolutions will be proposed at the EGM to approve, among others, (vi) the proposed issuance of super short-term commercial papers; and (vii) the proposed amendments to the Articles of Association.

1. ENTERING INTO OF THE REVISED CONTINUING CONNECTED TRANSACTIONS FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 11 November 2022 in relation to, among others, the entering into of the Revised Financial Services Framework Agreement and the new annual caps for the year ending 31 December 2023.

As the coal prices have increased significantly since the second half of 2021 and maintained at a high level in 2022, and the monetary funds of the Group increased as compared to previous years, the original annual caps under the Financial Services Framework Agreement for the year ending 31 December 2023 will not be sufficient for the development needs of the Company. Accordingly, with the resolution passed by the Board on 11 November 2022, the Company entered into the revised financial services framework agreement with Yitai Finance on 11 November 2022 to reflect the newly proposed annual caps and other new terms in the agreement. Upon consideration and approval by the Shareholders at the EGM, the Revised Financial Services Framework Agreement will come into effect and replace the Financial Services Framework Agreement from 1 January 2023.

I. REVISED FINANCIAL SERVICES FRAMEWORK AGREEMENT

1. *Overview of the Revised Financial Services Framework Agreement*

The Parties:	The Company (as the Service Recipient); and Yitai Finance (as the Service Provider)
Date:	11 November 2022
Type of transaction:	Provision of financial services, including deposit services, loan services, transfer settlement services, entrusted loans, bank acceptance bill business, non-financing letter of guarantee and credit verification, underwriting of corporate bonds, etc.

LETTER FROM THE BOARD

Principal terms:

Yitai Finance and/or its subsidiaries shall provide financial services, including deposit services, loan services, transfer settlement services, entrusted loans, bank acceptance bill business, non-financing letter of guarantee and credit verification, underwriting of corporate bonds and other financial services to the Company and/or its subsidiaries. The Revised Financial Services Framework Agreement shall be effective from 1 January 2023 and expired on 31 December 2023, and an extension agreement may be entered into upon mutual agreement of the parties.

Yitai Finance undertakes to provide the Company with financial services of high quality and efficiency, and to deliver notice to the Company in respect of certain agreed matters promptly, in order to maintain the security of the Company's financial assets and take mitigation measures where appropriate.

During the term of the Revised Financial Services Framework Agreement, in respect of the deposit services, the Group's daily deposit balance (inclusive of accrued interests occurred) in Yitai Finance shall not be more than RMB18,000.00 million; in respect of the loan services, the total credit facilities provided by Yitai Finance to the Group shall not be more than RMB22,000.00 million (of which, the upper limit of daily average loan balance is RMB8,000.00 million), and the loan interest paid by the Group throughout the year shall not be more than RMB312.80 million; in respect of other financial services, other financial service fees paid by the Group to Yitai Finance throughout the year shall not be more than RMB33.35 million.

Pricing policies:

Yitai Finance has undertaken to provide the aforementioned financial services based on the following pricing policies for the Group:

LETTER FROM THE BOARD

- (1) The interest rate for the Group's deposit with Yitai Finance shall be no less than the benchmark interest rate published by the People's Bank of China from time to time for deposits of same type and term¹, and determined with reference to the prevailing market interest rate for deposits of same type and term². The deposit interest rate ranges from 0.25% to 1.90%;
- (2) The transfer settlement services provided by Yitai Finance to the Group is free of charge;
- (3) Yitai Finance undertakes to provide favourable interest rate for loans granted to the Group, which should not be higher than the interest rate charged by major commercial banks in the PRC for the loans with the same type and term. During the term of the Revised Financial Services Framework Agreement, the loan interest rate ranges from 2% to 5% (of which, 5% interest rate is only applicable to the project loans totaling RMB1 billion provided by Yitai Finance to Yitai Yili Mining Co., Ltd. (伊泰伊犁礦業有限公司) and Yitai Yili Energy Co., Ltd. (伊泰伊犁能源有限公司), other than which the loan interest rate ranges from 2% to 3.85%); and
- (4) The fee rate charged by Yitai Finance for other financial services must comply with the charging standards prescribed by the People's Bank of China, and is no higher than the fee rate charged by major commercial banks in the PRC for the same type of services.

1 The relevant benchmark interest rates are available on the website of the People's Bank of China (www.pbc.gov.cn).

2 The relevant prevailing market interest rates are available on the websites of major commercial banks in the PRC, such as the website of Bank of China (www.boc.cn), the website of China Construction Bank (www.ccb.com), the website of Industrial and Commercial Bank of China (www.icbc.com.cn) and the website of Agricultural Bank of China (www.abchina.com).

LETTER FROM THE BOARD

- Risk control measures:**
- (1) Yitai Finance guarantees that it is qualified to perform its obligations under the Revised Financial Services Framework Agreement or conduct all relevant financial services transactions. It also undertakes and ensures the compliance with all applicable regulations and regulatory requirements during the implementation of the Revised Financial Services Framework Agreement.
 - (2) The Group has the right to view and obtain relevant information including the financial account books, financial statements, audit reports of Yitai Finance in accordance with requirements such as the Company Law of the People's Republic of China, the articles of association of Yitai Finance, and the regulatory rules of relevant securities regulatory authorities of the place where the shares of the Company are listed.
 - (3) Before depositing funds with Yitai Group, the Group has the right to obtain and review the audited annual financial report of Yitai Finance, evaluate the operation qualification, business and risk status of Yitai Finance, and issue a risk appraisal report, and Yitai Finance should cooperate with the Group.
 - (4) The Group has the right to assign specialized agencies and personnel to dynamically assess and supervise the risk status of funds deposited with Yitai Finance. The Group examines the operation status and financial position of Yitai Finance on a regular basis, and pay close attention to whether Yitai Finance is in violation of any relevant regulations including the Administrative Measures on Financial Companies of Group Enterprises issued by the CBIRC. In the event that major regulatory indicators of Yitai Finance are found to be inconsistent with relevant regulatory requirements and may result in material risks, the Group shall discontinue depositing at Yitai Finance.

LETTER FROM THE BOARD

- (5) Yitai Finance shall ensure the safe operation of the fund settlement network, ensure the safety of funds, control fund risks, and ensure the security of the Group's settlement and payment.
- (6) The Group will be able to withdraw funds for satisfying its flexible capital needs without limitation, and may, from time to time, transfer its deposit placed with Yitai Finance in full or in part to test and ensure the security and liquidity of relevant deposits.
- (7) Yitai Finance guarantees that upon occurrence of any event that may imperil or bring potential security risk to the deposit safety of the Group, it shall notify the Group in writing within two working days, take measures to avoid the occurrence or expansion of losses, and assist the Group in fulfilling its corresponding information disclosure obligations.

The leading team for financial risk prevention and disposal shall urge the Company to take risk response measures in due course, such as withdrawing full or partial deposits placed with Yitai Finance, suspending any deposits placement with Yitai Finance and requesting Yitai Finance to carry out rectification within a prescribed time limit, so as to ensure the safety of deposits of the Group placed with Yitai Finance. In the event of default where the deposits with Yitai Group become unable to be withdrawn, the Group is entitled to set off the amount of unrecovered deposits with the loan provided by Yitai Finance.

- (8) The Company and Yitai Finance agree to, under the requests and recommendations of relevant securities regulatory authorities where the shares of the Company are listed, independent non-executive directors of the Company and independent financial adviser (if any), adjust risk control measures mentioned above, including, but not limited to adding and modifying relevant risk control measures, upon agreement by negotiation.

LETTER FROM THE BOARD

2. *Historical amounts, Approved Annual Caps under the Financial Services Framework Agreement and New Annual Caps under the Revised Financial Services Framework Agreement*

Unit: RMB'0,000

		Historical amount for the year ended 31 December 2021	Historical amount for the ten months ended 31 October 2022	For the year ending 31 December 2023	
				Approved annual cap	New annual cap
Provision of deposits to the Group by Yitai Finance	Daily maximum deposit balance	1,169,974	1,169,996	1,170,000	–
	Annual deposit interest	3,500	3,055.99	18,840	–
	Daily maximum deposit balance (inclusive of accrued interests occurred)	–	–	–	1,800,000
Provision of loans to the Group by Yitai Finance	Annual loan interest	–	–	–	31,280
Provision of other financial services to the Group by Yitai Finance	Other financial service fees	0	1	3,335	3,335

Basis for the revision of annual caps: Deposit services

When revising the proposed annual caps for the deposit services, the Company has considered the following:

LETTER FROM THE BOARD

Since the second half of 2021, the coal prices have risen sharply. The operating income of the Company in 2021 increased by 49.97% as compared with 2020. In 2022, coal prices have been running high. As of 30 June 2022, the operating income of the Company increased by 54.20% as compared with the same period in 2021, and the net cash flow from operating activities increased by 161.88% as compared with the same period of the previous year. Such growth rates are expected to continue to increase until the end of 2023. Besides, certain interest-bearing liabilities of the Company fallen due, and the interest-bearing liabilities expenses decreased. It is expected that the net cash flow of the Company will significantly increase in 2023.

With respect to the specific condition in 2022, in the first three quarters of 2022, the net cash flow generated from the consolidated operating activities of the Group was RMB16.148 billion, and the closing balance of monetary fund was RMB18.511 billion, based on which the net cash flow generated from the consolidated operating activities of the Group at the end of 2022 is expected to be approximately RMB22.531 billion; after deducting interest-bearing liabilities due in the fourth quarter and other expenses, the balance of consolidated monetary fund at the end of 2022 is expected to be RMB18.085 billion.

On basis of the foregoing and considering the deposit interest rate level¹, the Company expects that the upper limit of the Group's deposits in Yitai Finance will reach RMB18 billion in 2023.

1 The deposit interest rate ranges from 0.25% to 1.9%: 0.25% is based on the nominal rate for demand deposits of major commercial banks with which the Group cooperates, and 1.9% is based on the deposit benchmark rate for agreement deposits of the People's Bank of China of 1.15% plus 75 BPs, which is currently the highest deposit rate for agreement deposits.

LETTER FROM THE BOARD

The Company will endeavour to carry out adequate supervision over the transaction amount of the deposit services and the interest income for the whole year provided by Yitai Finance to the Group against the relevant annual caps in the future with a view to ensuring that necessary measures and appropriate actions for the compliance with applicable requirements under the Listing Rules will be promptly taken.

Deposit transaction is part of the Group's daily business activities. The commercial terms (including interest rate) provided by Yitai Finance in respect of such transactions are no less favourable than those provided to the Company by major commercial banks in the PRC in respect of similar services. The Directors are of the opinion that the deposit transaction has no effect on the Group's assets and liabilities; on the contrary, the Group can generate interest income from the deposit transactions. The Company has the rest of its cash deposited in a number of other independent financial institutions. The Company is of the opinion that arrangement with Yitai Finance in respect of deposits is helpful to risk diversification related to the Group's deposits.

Loan services

The terms on which Yitai Finance provides loan services to the Group are normal commercial terms and no less favourable than those provided to the Group by any independent third parties in respect of similar services in the PRC, and no assets will be pledged by the Group in respect of any loan services. Thus, the loan services shall be exempted from the reporting, annual review, announcement and seeking for the independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

LETTER FROM THE BOARD

The upper limit of total credit facilities provided by Yitai Finance to the Group is RMB22,000.00 million (of which the upper limit of daily average loan balance is RMB8,000.00 million). On this basis and calculated at the average loan interest rate of 3.91%¹, the Company expects that the total annual loan interest to be paid in 2023 will not exceed RMB312.80 million.

The Board of Directors is of the view that the increment of relevant proposed annual caps is fair and reasonable and on normal commercial terms. The Board of Directors is also of the view that the adjustments will be in compliance with the needs of the daily operation of the Company and its connected persons, and in compliance with the Company's business development and strategic needs, and will not have material adverse effect on the capital utilization of the Company.

3. *Reasons for and benefits of the transactions*

The registered capital of Yitai Finance is RMB1 billion, of which RMB400 million is contributed by the Company in cash, representing a shareholding of 40%, and RMB600 million by Yitai Group in cash, representing a shareholding of 60%. The board of directors of Yitai Finance comprises of 3 directors, the Company being interested in 40% of Yitai Finance is entitled to appoint 1 director of Yitai Finance to oversee the operation and corporate finance of Yitai Finance.

Given that Yitai Finance is subject to the supervision of the CBIRC and provides its services in accordance with the rules and operational requirements of the CBIRC, the Company believes that the risk profile of Yitai Finance, as a financial services provider to the Company, is not significantly greater than that of other independent commercial banks in the PRC. If the following situation occurs, the Company will adopt risk response measures such as withdraw the deposit with Yitai Finance in full or in part,

¹ The average loan interest rate of 3.91% is calculated based on the loan interest rate ranging from 2% to 5% (of which, 5% interest rate is only applicable to the project loans totaling RMB1 billion provided by Yitai Finance to Yitai Yili Mining Co., Ltd. (伊泰伊犁礦業有限公司) and Yitai Yili Energy Co., Ltd. (伊泰伊犁能源有限公司), other than which the loan interest rate ranges from 2% to 3.85%).

LETTER FROM THE BOARD

cease to deposit with Yitai Finance, require Yitai Finance to make rectifications within a fixed period (as the case may be), so as to effectively guarantee the security of the Company's deposit with Yitai Finance:

- (i) substantial withdrawal of deposits by other member companies; unable to pay its debt when it falls due; a substantial amount of overdue loan repayment and guarantee payment; information system breakdown; suffering robbery or fraud; material breach of law and/or commitment of criminal offense by directors and/or senior management of Yitai Finance;
- (ii) loss on investment in securities by Yitai Finance amounts to 50% of its registered capital;
- (iii) significant change in organizational structure, shareholding or operational risk of Yitai Finance which may affect the operation of Yitai Finance;
- (iv) the proportion of the daily maximum deposit amount and loan amount of Yitai Finance exceeds relevant rules and regulations of relevant regulatory body;
- (v) Yitai Finance is guilty of breaching relevant rules and regulations and is penalized by the CBIRC or other regulatory bodies;
- (vi) Yitai Finance is ordered by the CBIRC for rectification; and/or
- (vii) other matters which the Directors of the Company considered shall cause potential risks for the deposits placed by the Company.

If necessary, the Group will seek assistance from Yitai Group to ensure that the safety and liquidity of the Company's funds will not be affected. Yitai Finance only provides financial services to the members of Yitai Group and the Group. Yitai Finance will be in a better position to gain information of the member companies in a more timely and comprehensive manner as compared to other commercial banks and is also exposed to a lower level of potential risk compared to commercial banks which conduct business with clients of various credit ratings and background not comparable to the Company.

Having considered that (i) Yitai Finance is held as to 40% shareholding by the Company, and the Company is entitled to appoint a director for Yitai Finance to oversee its operation and corporate governance; (ii) the provision of financial services by Yitai Finance is limited only to member companies; (iii) Yitai Finance will operate under the relevant guidelines and requirements of the CBIRC as other independent financial institutions; (iv) if the Directors have confirmed that Yitai Finance breaches any guidelines and requirements of the CBIRC, the Company will cease to place any deposit in Yitai Finance; and (v) the Company seeks assistance from Yitai Group to ensure that the safety and liquidity of the Company's funds will not be affected. Directors are of the view that the risk profile of Yitai Finance is not significantly greater than that of other independent commercial banks in the PRC.

LETTER FROM THE BOARD

The Company and Yitai Finance will adopt various internal control and risk management measures in relation to the provision of financial services by Yitai Finance in order to ensure the protection of the interest of the shareholders. As advised by the management of the Company, there are internal control measures in place for monitoring of the compliance of Yitai Finance with the relevant regulations, the risk profile of Yitai Finance and the deposit services. Such measures include the establishment of a financial risk prevention and disposal leading group by the Company to be responsible for prevention and disposal of capital risks associated with Yitai Finance. The leading group is headed by the chief financial officer of the Company, and its members include department heads and related personnel of the financial management department, audit and supervision department, capital operation and compliance management department of the Company. The leading group is responsible for organizing and implementation of the prevention and disposal of financial business risks. Under the guidance of the leading group, the financial management department is responsible for daily supervision and management of specific businesses of Yitai Finance, and promptly reports to the leading group for prevention and disposal of risks according to the plan.

Yitai Finance will establish stringent internal control measures to ensure effective risk management. In accordance with the Company Law of the People's Republic of China and relevant laws and regulations, Yitai Finance has established a corporate governance structure under which the shareholders' general meeting, the board of directors, the supervisory committee and the management of mutual balancing and respective responsibilities and obligations, clearly define their responsibilities in internal control, has established a corporate governance structure under which the shareholders' general meeting, the board of directors, the supervisory committee and the management perform their respective responsibilities, operate in a standardized manner and with mutual balancing. The shareholders' general meeting is the highest authority of Yitai Finance, and the board of directors is the standing body of the shareholders' general meeting, responsible for organizing and implementing major decisions of the shareholders' general meeting, and accountable to the shareholders' general meeting. The supervisory committee earnestly performs its supervision duties, and the management is responsible for the implementation of specific production and operation according to the objectives and directions of the board of directors' decisions. There are an internal control audit committee and a risk control committee under the board of directors. The general manager is fully responsible for the operation and management of the company. There are seven functional departments under the management, namely, the capital settlement department, the corporate business department, the general management department, the information technology department, the planning and finance department, the risk compliance department and the internal control and audit department, which manage the capital settlement business, credit business, comprehensive affairs, information technology, financial accounting, risk control and internal supervision, respectively. The organizational structure is complete, and provides necessary preconditions for the effectiveness of risk management.

The benefits of this transaction are set out as below:

LETTER FROM THE BOARD

- (i) It is an alternative choice for the Company in addition to obtain loans from other financial institutions, which can improve the liquidity within the Company, enhance the Company's overall solvency, and assist in financial risks monitoring;
- (ii) The Company will regard Yitai Finance as a platform for fund management to help the members of the Company to deploy their capital more efficiently;
- (iii) The interest rate on the deposit services offered to the Company, and handling charges related to other financial services charged by Yitai Finance shall be no less favorable (as the case may be) than those offered by any independent third parties to the Company; and
- (iv) The arrangements under the Revised Financial Services Framework Agreement would help in saving financial costs so as to enhance the Company's profitability.

The Directors consider it will be in the interest of the Company to cooperate with Yitai Finance for diversifying the financing platform of the Company. As advised by the Directors, the Company is neither obliged nor committed to engage Yitai Finance to provide the deposit services under the Revised Financial Services Framework Agreement, and Yitai Finance is merely one of the financial institutions which provides deposit services to the Company. This arrangement allows the Company to have the flexibility and discretion to select the appropriate provider for deposit services. It is expected that Yitai Finance, as an inter-group service provider, is more familiar with the Company's operation and will have better and more efficient communication with the Company compared with other commercial banks and financial institutions in the PRC for the deposit services under the Revised Financial Services Framework Agreement. In addition, the interest rate offered by Yitai Finance under the deposit services will not be lower than those that would have been offered to the Company by other major commercial banks in the PRC or those offered by Yitai Finance to third parties. According to the Revised Financial Services Framework Agreement, if Yitai Finance defaults payment when the Company withdraws its deposits, the Company shall withhold the repayment of outstanding loan to Yitai Finance. Having considered that the Company has its sole discretion to use the deposit services provided by other commercial banks and financial institutions when the relevant terms are more favourable than those offered by Yitai Finance, we are of the view that the deposit services provide the Company with an alternative choice of service provider for deposit services and allow the Company to select the service provider offering the most favorable terms to the Company.

LETTER FROM THE BOARD

II. MEASURES OF INTERNAL CONTROL

To ensure the Company's conformity with the above pricing policies from time to time, the Company will adopt a series of internal control policies for its daily operation. Such internal control policies shall be implemented and supervised by the capital operation and compliance management department and finance management department of the Company:

- The Company has established and adopted a management system on connected transactions. According to the system, the capital operation and compliance management department and finance management department are responsible for the information gathering on and monitoring of connected transactions, and conducting evaluation on the fairness of the transaction terms and the pricing terms;
- The finance management department of the Company is responsible for the information collection and monitoring of the Continuing Connected Transactions as well as submission of the monthly report to the capital operation and compliance management department. The capital operation and compliance management department will assess the fairness of the terms and conditions of the transactions¹, and ensures that the actual amount of the Continuing Connected Transactions shall not exceed the annual caps. If the actual amount reaches the cap soon, the finance management department will notify the capital operation and compliance management department in time, and the capital operation and compliance management department shall perform the corresponding review and disclosure procedures according to relevant rules;
- The audit and supervision department of the Company will conduct regular audit according to the established Internal Audit System to ensure that the transaction price is fair and reasonable and is in line with the price terms of general services agreement and the terms offered by the provider to the Company are consistent with those available to independent third parties or better;
- Prior to the implementation of certain financial services, the principal officers for relevant matters shall lodge applications to the financial management department, and such applications would only be approved upon preliminary review and final review conducted by the head of the financial management department and the chief financial officer of the Company pursuant to the relevant internal control policies of the Group;
- Before the placement of funds with Yitai Finance, the Company will obtain and review the audited annual financial report of Yitai Finance, evaluate the operation qualification, business and risk status of Yitai Finance, issue the risk appraisal report, and assign special agencies and personnel to dynamically evaluate and supervise the risk status of the funds placed with Yitai Finance; and

¹ For deposit services to be provided under the Revised Financial Services Framework Agreement, the interest rate for the Group's deposit with Yitai Finance shall be no less than (i) the interest rate offered by major commercial banks in the PRC (including but not limited to Bank of China, China Construction Bank, Industrial and Commercial Bank of China and Agricultural Bank of China) for deposits of same type and term, and (ii) the interest rate offered by Yitai Finance to Yitai Group and its connected companies (other than the Group) for deposits of same type and term.

LETTER FROM THE BOARD

- the independent non-executive Directors of the Company have also reviewed and will continue to review the Continuing Connected Transactions to ensure such agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company will also conduct an annual review on the pricing and annual caps of such Continuing Connected Transactions.

III. LISTING RULES IMPLICATION

As at the Latest Practicable Date, Yitai Group, directly and indirectly, holds 58.76% of the existing issued share capital of the Company and is a Controlling Shareholder of the Company, and thus constitutes a connected person of the Company. Meanwhile, the Company and Yitai Group hold 40% and 60% of shareholdings in Yitai Finance respectively, thus Yitai Finance constitutes a connected person of the Company. Therefore, the Revised Financial Services Framework Agreement entered into between the Company and Yitai Finance and the transactions contemplated thereunder constitute the Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules.

As each of the highest applicable percentage ratio under the Listing Rules of the annual cap in respect of the deposit services proposed to be provided for the Group under the Revised Financial Services Framework Agreement exceeds 25%, thus such transactions constitute the Continuing Connected Transactions and major transactions at the same time and shall be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As the provision of loan services to the Group contemplated under the Revised Financial Services Framework Agreement are normal commercial terms and no less favourable than those provided to the Group by any independent third parties in respect of similar services in the PRC, and no assets will be pledged by the Group in respect of any loan services. Thus, the loan services shall be exempted from the reporting, annual review, announcement and seeking for the independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As each of the highest applicable percentage ratio under the Listing Rules of the annual cap in respect of other financial services proposed to be provided for the Group under the Revised Financial Services Framework Agreement exceeds 0.1% but is less than 5%, thus such transactions constitute the Continuing Connected Transactions and shall be subject to the reporting, annual review and announcement requirements but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board has considered and approved the resolution regarding the entering into of the Revised Financial Services Framework Agreement. As Mr. Zhang Jingquan, Mr. Liu Chunlin, Mr. Ge Yaoyong, Mr. Zhang Dongsheng, Mr. Liu Jian, Mr. Lv Junjie and Mr. Zhao Like, all being Directors of the Company, are deemed to have material interests in the above transactions, they have abstained from voting on the above resolution accordingly. Save for the above persons, other Directors have no interests in the above resolution.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Revised Financial Services Framework Agreement and new annual caps contemplated thereunder are entered into on normal commercial terms in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Company has appointed Gram Capital as the independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the proposed provision of deposit services to the Company contemplated under the Revised Financial Services Framework Agreement and its new annual cap are entered into on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how they should vote in respect of the above resolution at the EGM. The independent board committee comprising all independent non-executive Directors has been established by the Company to advise the Independent Shareholders as to whether the proposed provision of deposit services to the Company contemplated under the Revised Financial Services Framework Agreement and its new annual cap are entered into on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how they should vote in respect of the above resolution, after taking into account the recommendations of Gram Capital.

IV. GENERAL INFORMATION

Information on the Company

The Company is a joint stock limited liability company incorporated in the PRC on 23 September 1997, which is the largest local coal enterprises in Inner Mongolia Autonomous Region and one of the large-scale coal enterprises in the PRC. The principal businesses of the Company include coal operations, transportation operations, coal related chemical operations and other operations. The ultimate beneficial owner of the Company is Yitai Investment.

Information on Yitai Group

Yitai Group is one of the Company's Controlling Shareholders, which is a limited liability company duly incorporated in the PRC. Yitai Group is a large-scale clean energy enterprise integrating railway and coal-related chemical industry with coal production, transportation and sales as the basis and ecological restoration, organic agriculture and other non-coal industries as the complementation. The ultimate beneficial owner of Yitai Group is Yitai Investment.

Information on Yitai Investment

Yitai Investment is a stock limited company incorporated under the PRC law in December 2005, changed from a limited liability company to a stock limited company on June 2017 and the company name changed from Inner Mongolia Yitai Investment Limited Liability Company to Inner Mongolia Yitai Investment Co., Ltd. The operations of Yitai Investment include

LETTER FROM THE BOARD

investment of energy industry and railway construction. Yitai Investment has no de facto controller, and its shareholders are more than 2,000 individual shareholders (including a large number of third-party individual shareholders who are not connected persons of the Company, and certain Directors, Supervisors and senior management members of the Company), of which Mr. Zhang Shuangwang (not a connected person of the Company), the single largest shareholder, holds 15% of the shares, and none of the rest of the shareholders holds more than 5% of the shares.

Information on Yitai Finance

Yitai Finance obtained approval for establishment from the CBIRC on 1 July 2015 and obtained approval for incorporation. The operations of Yitai Finance include: providing financial and financing advisory, credit appraisal and related consulting; agency service for its members; assisting its members in collecting and making transaction payments; approved insurance agency business; providing security and guarantee for its members; handling entrusted loan among its members; handling bill acceptance and discounting affairs for its members; conducting internal financial transfers between members and the corresponding settlement, clearing design; absorbing deposits from its members; providing loans and finance lease to its members; engaging in inter-bank borrowings. The ultimate beneficial owner of Yitai Finance is Yitai Investment.

2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidance for the Articles of Association of Listed Companies, the listing rules of the stock exchanges where the Company's shares are listed as well as the latest revision of other relevant laws and administrative regulations and based on the actual situation of the Company, it is proposed to make amendments to the Articles of Association.

Details of the proposed amendments are set out in Appendix III to this circular.

The proposed amendments to the Articles of Association are subject to approval at the EGM by way of special resolution.

3. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING

In accordance with the latest amendments to laws, regulations and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules of Procedures of Shareholders' General Meeting of Listed Companies, the listing rules of the stock exchanges where the Company's shares are listed, and the Articles of Association, and based on the actual situation of the Company, it is proposed to make amendments to certain articles of the Rules of Procedures for the Shareholders' General Meeting.

LETTER FROM THE BOARD

Details of the proposed amendments are set out in Appendix IV to this circular.

The proposed amendments to the Rules of Procedures for the Shareholders' General Meeting are subject to approval at the EGM by way of ordinary resolution.

4. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

In accordance with the latest amendments to laws, regulations and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the listing rules of the stock exchanges where the Company's shares are listed, and the Articles of Association, and based on the actual situation of the Company, it is proposed to make amendments to certain articles of the Rules of Procedures for the Board of Directors.

Details of the proposed amendments are set out in Appendix V to this circular.

The proposed amendments to the Rules of Procedures for the Board of Directors are subject to approval at the EGM by way of ordinary resolution.

5. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE

In accordance with the latest amendments to laws, regulations and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the listing rules of the stock exchanges where the Company's shares are listed, the Self-Regulatory Guidelines for Listed Companies No. 1 – Standardised Operation issued by the Shanghai Stock Exchange (上海證券交易所上市公司自律監管指引第1號—規範運作), and the Articles of Association, it is proposed to make amendments to certain articles of the Rules of Procedures for the Supervisory Committee.

Details of the proposed amendments are set out in Appendix VI to this circular.

The proposed amendments to the Rules of Procedures for the Supervisory Committee are subject to approval at the EGM by way of ordinary resolution.

6. PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM FOR EXTERNAL GUARANTEES

In accordance with the provisions of the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies (上市公司監管指引第8號 – 上市公司資金往來、對外擔保的監管要求), the Self-Regulatory Guidelines for Listed Companies No. 1 – Standardised Operation issued by the Shanghai Stock Exchange (上海證券交易所上市公司自律監管指引第1號—規範運作) and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, it is proposed to make amendments to certain articles of the Management System for External Guarantees.

LETTER FROM THE BOARD

Details of the proposed amendments are set out in Appendix VII to this circular.

The proposed amendments to the Management System for External Guarantees are subject to approval at the EGM by way of ordinary resolution.

7. PROPOSED ISSUANCE OF SUPER SHORT-TERM COMMERCIAL PAPERS

In order to expand financing methods, optimize and adjust the debt structure of the Company and reduce financing costs, as well as further improve financing efficiency and industry influence, the Company proposed to register and issue super short-term commercial papers (the “**Super Short-term Commercial Papers**” or the “**Issuance**”) in the National Association of Financial Market Institutional Investors. The details of the Super Short-term Commercial Papers are as follows:

Issuance Plan and Authorization related to the Issuance

(I) Scale of registration of the Super Short-term Commercial Papers

The scale of registration of the Super Short-term Commercial Papers will not exceed RMB5 billion (inclusive), and will be issued in installments based on the capital situation of the Company.

(II) Validity period of registration and term of maturity

The validity period of registration is 2 years; the Company has an option to issue within the registered amount based on the market environment during the validity period of registration, and each tranche of the Super Short-term Commercial Papers has a term of not more than 270 days (inclusive).

(III) Interest rate and method of determination

It is determined based on the Company’s credit rating, the market interest rate level during the issuance period and the situations of inter-bank bond market and underwriters.

(IV) Issue targets

The issue targets are institutional investors in the inter-bank bond market of the PRC (excluding those in respect of which subscription is prohibited under the PRC laws and regulations).

(V) Use of proceeds

The Company intends to use the proceeds raised in each tranche of the Super Short-term Commercial Papers to supplement the working capital of the Company (including its subsidiaries) or to repay the debts and bank borrowings of the Company (including its subsidiaries), and other corporate operations that meet national laws, regulations and policy requirements.

LETTER FROM THE BOARD

(VI) *Date of issue*

It will be issued in one-time or installments within the validity period of registration in the National Association of Financial Market Institutional Investors based on the market environment and the actual funding requirements of the Company.

(VII) *Authorization related to the issuance*

If the issuance is approved by the general meeting, the Chairman of the Board or the legal representative of the Company will be authorized to decide and handle matters related to the issue of Super Short-term Commercial Papers at his sole discretion in the above issuance plan, including but not limited to:

1. formulating specific plans for the issue of Super Short-term Commercial Papers, revise and adjust the issuance terms of the Issuance, including the issuance period, time, specific amount, issuance interest rate, underwriting method, use of proceeds and other matters relating to the issuance terms;
2. engaging the lead underwriter and other intermediaries to provide services for the issuance, and handling the reporting, registration, disclosure and other matters;
3. within the scope of the above authorization, being responsible for amending and signing all necessary documents relating to the Issuance;
4. making corresponding adjustments to the specific plan for the issuance and other relevant matters according to the opinion of regulatory authorities in the event of changes in regulatory policies or market conditions;
5. handling other matters relating to the issue of Super Short-term Commercial Papers;
6. terminating the registration and issue of the Super Short-term Commercial Papers;
7. the validity period of the above authorization will commence from the date of approval at the EGM till the date of completion of the above authorization.

The proposed issuance of the Super Short-Term Commercial Papers is subject to approval at the EGM by way of special resolution.

POLL PROCEDURE

Pursuant to Rule 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 while Shareholders may cast a vote either personally or by proxy.

LETTER FROM THE BOARD

As Yitai Group has material interest in the proposed provision of deposit services by Yitai Finance to the Company contemplated under the Revised Financial Services Framework Agreement and its new annual cap, Yitai Group and its associates (directly and indirectly hold 58.76% of the existing issued share capital of the Company as at the Latest Practicable Date), shall abstain from voting on the resolution proposed by the Company at the EGM in relation to the approval of the entering into of the Revised Financial Services Framework Agreement. As at the Latest Practicable Date, save as disclosed in this circular, no other Shareholder has to abstain from voting on any of the proposed resolutions. The results of the poll will be published on the websites of the Company and the Hong Kong Stock Exchange on the date of the EGM.

EGM

A notice convening the EGM to be held at 3:00 p.m. on Thursday, 29 December 2022 is set out on pages 147 to 149 of this circular. A form of proxy for use at the EGM has been dispatched to the Shareholders on 14 November 2022. Such form of proxy is also published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.yitai.com).

Whether or not you propose to attend the EGM, you are requested to complete the form of proxy dispatched to the Shareholders on 14 November 2022 in accordance with the instruction printed thereon and return it to the Hong Kong H Shares registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM (i.e. 3:00 p.m. on Wednesday, 28 December 2022) or 24 hours before the time appointed for the holding of any adjournment thereof (as the case may be). 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.

CLOSURE OF REGISTER FOR MEMBERS OF H SHARES

In order to ascertain the entitlements of the Shareholders to attend the EGM to be held at 3:00 p.m. on Thursday, 29 December 2022, the register of members of H Shares of the Company will be closed from Tuesday, 29 November 2022 to Thursday, 29 December 2022 (both days inclusive), during which period no transfer of H Shares will be effected. To be eligible to attend and vote at the EGM, all transfer documents must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for holders of H Shares of the Company no later than 4:30 p.m. on Monday, 28 November 2022.

RECOMMENDATION

The Board considers that the proposed resolutions above are in the best interests of the Company and the Shareholders as a whole, therefore, the Board recommends all qualified Shareholders vote in favor of the said resolutions at the EGM.

By order of the Board
Inner Mongolia Yitai Coal Co., Ltd.*
Zhang Jingquan
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



内蒙古伊泰煤炭股份有限公司

INNER MONGOLIA YITAI COAL CO., LTD.*

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

(Stock Code: 3948)

13 December 2022

To the Independent Shareholders

Dear Sir or Madam,

ENTERING INTO OF REVISED CONTINUING CONNECTED TRANSACTIONS FRAMEWORK AGREEMENT

We refer to the circular issued by the Company to the Shareholders dated 13 December 2022 (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the proposed provision of deposit services to the Company contemplated under the Revised Financial Services Framework Agreement and its new annual cap are entered into on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned and whether are in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the proposed provision of deposit services to the Company contemplated under the Revised Financial Services Framework Agreement and its new annual cap are entered into on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and whether are in the interests of the Company and the Shareholders as a whole. The text of the letter of advice from the Independent Financial Adviser containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out from pages 27 to 36 of the Circular.

After considering the information contained in the letter from the Board and the contents contained in the letter from the Independent Financial Adviser in the Circular, we consider that the proposed provision of deposit services to the Company contemplated under the Revised Financial Services Framework Agreement and its new annual cap are entered into on normal commercial terms and in the usual and ordinary course of business of the Group, are fair and reasonable as far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We therefore recommend the Independent Shareholders to vote in favour of the relevant resolution in relation to the approval of the entering into of the Revised Financial Services Framework Agreement and the new annual caps contemplated thereunder to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Independent Board Committee
Independent non-executive Directors

Mr. Wong Hin Wing

Ms. Du Yingfen

Mr. E Erdun Tao Ketao

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Deposit Services for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

13 December 2022

*To: The independent board committee and the independent shareholders
of Inner Mongolia Yitai Coal Co., Ltd.*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Revised Financial Services Framework Agreement (the “**Deposit Services**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 13 December 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As the coal prices have increased significantly since the second half of 2021 and maintained at a high level in 2022, and the monetary funds of the Group increased as compared to previous years, the original annual caps under the Financial Services Framework Agreement for the year ending 31 December 2023 will not be sufficient for the development needs of the Company. Accordingly, with the resolution passed by the Board on 11 November 2022, the Company entered into the Revised Financial Services Framework Agreement with Yitai Finance on 11 November 2022 to reflect the newly proposed annual caps and other new terms in the agreement. Upon consideration and approval by the Shareholders at the EGM, the Revised Financial Services Framework Agreement will come into effect and replace the Financial Services Framework Agreement from 1 January 2023.

With reference to the Board Letter, the Deposit Services constitute a major and continuing connected transaction of the Company and are subject to the reporting, annual review, announcement and independent shareholders’ approval requirements for continuing connected transactions under Chapters 14 and 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Wong Hin Wing, Ms. Du Yingfen and Mr. E Erdun Tao Ketao (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Deposit Services are on normal commercial terms and are fair

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and reasonable; (ii) whether the Deposit Services are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Company; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Deposit Services at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Deposit Services. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

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

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Yitai Finance and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Company or the Shareholders as a result of the Deposit Services. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Deposit Services, we have taken into consideration the following principal factors and reasons:

Information on the Company

With reference to the Board Letter, the Company is a joint stock limited liability company incorporated in the PRC on 23 September 1997, which is the largest local coal enterprises in Inner Mongolia Autonomous Region and one of the large-scale coal enterprises in the PRC. The principal businesses of the Company include coal operations, transportation operations, coal related chemical operations and other operations. The ultimate beneficial owner of the Company is Yitai Investment.

Information on Yitai Finance

With reference to the Board Letter, Yitai Finance obtained approval for establishment from the CBIRC on 1 July 2015 and obtained approval for incorporation. The operations of Yitai Finance include: providing financial and financing advisory, credit appraisal and related consulting; agency service for its members; assisting its members in collecting and making transaction payments; approved insurance agency business; providing security and guarantee for its members; handling entrusted loan among its members; handling bill acceptance and discounting affairs for its members; conducting internal financial transfers between members and the corresponding settlement, clearing design; absorbing deposits from its members; providing loans and finance lease to its members; engaging in inter-bank borrowings.

As at the Latest Practicable Date, Yitai Finance was directly held as to (i) 40% by the Company; and (ii) 60% by Yitai Group. The ultimate beneficial owner of Yitai Group is Yitai Investment.

We understood that Yitai Finance is subject to Measures for the Administration of Finance Companies of Enterprise Groups* 《企業集團財務公司管理辦法》(the “**Administrative Measures**”), the latest version of which was promulgated by CBIRC with effect from 13 November 2022 and regulates the operation of non-bank financial institutions which provide financial management services to the enterprise group member entities. The Administrative Measures set out certain compliance and risk control requirements/measures in relation to the operation of group financing companies, including but not limited to maintaining certain financial ratios at all times.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The table below sets out the key financial ratio requirements of 《企業集團財務公司管理辦法》(中國銀行業監督管理委員會令2006年第8號) (Administration of Finance Companies of Enterprise Groups (Order of China Banking Regulatory Commission No. 8, 2006))* and 《企業集團財務公司風險監管指標考核暫行辦法》(the Provisional Measures for Risk Regulation Indicators Assessment of Finance Companies of Business Group*) (collectively, the “**Previous Measures**”) (Note: the aforesaid documents were superseded/voided on 13 November 2022) and the respective financial ratios of Yitai Finance for the two years ended 31 December 2021 as provided by the Company.

Financial ratio	Requirements	Financial ratios of Yitai Finance	
		For the year ended 31 December 2021 (approximate %)	For the year ended 31 December 2020 (approximate %)
		<i>Lowest during the respective period</i>	
Capital adequacy ratio	Not less than 10%	17.74	22.48
		<i>Highest during the respective period</i>	
Inter-financial institution borrowing balances to total capital ratio	Not more than 100%	Nil	Nil
Total amount of outstanding guarantees to total capital ratio	Not more than 100%	Nil	0.02
Long-term and short-term investment to total capital ratio	Not more than 70%	Nil	Nil
Self-owned fixed assets to total capital ratio	Not more than 20%	0.06	0.09
Non-performing loan ratio	Not more than 5%	Nil	Nil

Note: Yitai Finance is required to comply with relevant financial ratios requirements as set out in the Administrative Measures, which may be different from the existing financial ratios requirements under the Previous Measures.

As shown in the table above, Yitai Finance complied with the relevant financial ratio requirements as set out in the Previous Measures during 2020 and 2021.

The key indicators of credit risk are the non-performing loan ratio and the allowance of non-performing loans to total loans ratio. According to the above table, the highest non-performing loan ratios were nil for each of the two years ended 31 December 2021, which indicated that Yitai Finance did not have non-performing loans for the two years ended 31 December 2021. As Yitai Finance did not have non-performing loans, the allowance of non-performing loans to total loans ratio were not applicable.

As also confirmed by the Directors, they are not aware of any record of non-compliance with the relevant laws and regulations of the PRC in respect of the operations of Yitai Finance for the two years ended 31 December 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the Board Letter, the registered capital of Yitai Finance is RMB1 billion, of which RMB400 million is contributed by the Company in cash, representing a shareholding of 40%, and RMB600 million by Yitai Group in cash, representing a shareholding of 60%. The board of directors of Yitai Finance comprises of three directors, the Company being interested in 40% of Yitai Finance is entitled to appoint one director of Yitai Finance to oversee the operation and corporate finance of Yitai Finance.

We also noted that there are certain risk control measures as set out in the Revised Financial Services Framework Agreement. Please refer to the section headed “Risk control measures” for details.

Reasons for benefit of entering into the Deposit Services

With reference to the Board Letter, the benefits of the Deposit Services include: (i) the Company will regard Yitai Finance as a platform for fund management to help the members of the Company to deploy their capital more efficiently; and (ii) the interest rate on the deposit services offered to the Company shall be no less favorable (as the case may be) than those offered by any independent third parties to the Company.

With reference to the Board Letter, the Company is neither obliged nor committed to engage Yitai Finance to provide the deposit services under the Revised Financial Services Framework Agreement, and Yitai Finance is merely one of the financial institutions which provides deposit services to the Company. This arrangement allows the Company to have the flexibility and discretion to select the appropriate provider for deposit services. It is expected that Yitai Finance, as an inter-group service provider, is more familiar with the Company’s operation and will have better and more efficient communication with the Company compared with other commercial banks and financial institutions in the PRC for the deposit services under the Revised Financial Services Framework Agreement.

Pursuant to the Revised Financial Services Framework Agreement, the interest rate for the Group’s deposit with Yitai Finance shall be no less than the benchmark interest rate published by the People’s Bank of China from time to time for deposits of same type and term, and determined with reference to the prevailing market interest rate for deposits of same type and term.

With reference to the Board Letter, as the coal prices have increased significantly since the second half of 2021 and maintained at a high level in 2022, and the monetary funds of the Group increased as compared to previous years, the original annual caps under the Financial Services Framework Agreement for the year ending 31 December 2023 will not be sufficient for the development needs of the Company.

Having considered above factors, in particular, (i) the Company is neither obliged nor committed to engage Yitai Finance to provide the deposit services under the Revised Financial Services Framework Agreement, and Yitai Finance is merely one of the financial institutions which provides deposit services to the Company; (ii) the pricing policies for the Deposit Services as mentioned above; and (iii) the revision of the annual cap of the Deposit Services for the year ending 31 December 2023 is necessary as the original annual cap of deposit services under the Financial Services Framework Agreement for the year ending 31 December 2023 will not be sufficient, we are of the view that the Deposit Services are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1. Principal terms of the Deposit Services

Set out below are the principal terms of the Deposit Services, details of which are set out under the section headed “1. Overview of the Revised Financial Services Framework Agreement” of the Board Letter.

Date: 11 November 2022

Parties: (a) The Company (as the Service Recipient); and
(b) Yitai Finance (as the Service Provider).

Type of transaction: The Deposit Services

Pricing policies:

Pursuant to the Revised Financial Services Framework Agreement, the interest rate for the Group’s deposit with Yitai Finance shall be no less than the benchmark interest rate published by the People’s Bank of China from time to time for deposits of same type and term, and determined with reference to the prevailing market interest rate for deposits of same type and term. The deposit interest rate ranges from 0.25% to 1.90%.

With reference to the Board Letter, to ensure the Company’s conformity with the above pricing policies from time to time, the Company will adopt a series of internal control policies for its daily operation. Such internal control policies shall be implemented and supervised by the capital operation and compliance management department; and finance management department of the Company. Details of which are set out under the section headed “II. MEASURES OF INTERNAL CONTROL” of the Board Letter. As there will be information gathering on and monitoring of connected transactions and evaluation procedures for the fairness of the transaction terms and the pricing terms, we consider that the implementation of the aforesaid measures would help to ensure fair determination of interest rates of the Deposit Services according to the pricing policies.

As also stated in the Company’s internal control measures, if the actual amount reaches the cap soon, the finance management department will notify the capital operation and compliance management department in time, and the capital operation and compliance management department shall perform the corresponding review and disclosure procedures according to relevant rules. We consider that there are sufficient internal control measures to monitor the actual transactions amounts being not exceeded the annual caps.

For our due diligence purpose, we obtained over 20 copies of deposit records of (i) the Company’s deposits in Yitai Finance and in an independent commercial bank; and (ii) the Company’s connected person’s deposits in Yitai Finance, for the period from 2020 to 2022. The deposit rates as shown in the deposit records are in compliance with the existing pricing policy.

Having also considered our findings above, we do not doubt the effectiveness of the implementation of the internal control measures for the Deposit Services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. The proposed annual cap

Set out below are (i) the historical maximum daily balance of deposits placed by the Company with Yitai Finance for the two years ending 31 December 2022 with original annual caps; and (ii) the original and revised daily maximum deposit balance (inclusive of accrued interests occurred) for the Deposit Services for the year ending 31 December 2023 (the “**Revised Cap**”):

Historical transaction amounts	For the year ended 31 December 2021 (FY2021) (RMB'000)	For the year ending 31 December 2022 (FY2022) (RMB'000)	For the year ending 31 December 2023 (FY2023) (RMB'000)
Daily maximum deposit balance	11,699,740	11,699,960 <i>(Note 1)</i>	N/A
Original annual caps	11,700,000	11,700,000	11,700,000
Utilisation rate	Approximately 100.00%	Approximately 100.00% <i>(Note 1)</i>	N/A
			For the year ending 31 December 2023 (RMB'000)
Daily maximum deposit balance (inclusive of accrued interests occurred)			18,000,000

Notes:

1. the figure was for the ten months ended 31 October 2022.
2. the original annual caps for interest incomes for the three years ending 31 December 2023 (i.e. RMB188.4 million) were separate to the original annual caps for deposit services.

With reference to the Board Letter, the Revised Cap has been determined after taking into account of various factors, details of which are set out under the sub-section headed “Historical amounts, Approved Annual Caps under the Financial Services Framework Agreement and New Annual Caps under the Revised Financial Services Framework Agreement” under the section headed “REVISED FINANCIAL SERVICES FRAMEWORK AGREEMENT” of the Board Letter.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the above table, the original annual caps for the two years ending 31 December 2022 were almost fully utilised. Despite the foregoing, the Revised Cap for the year ending 31 December 2023 represented a substantial increase of RMB6.3 billion (or approximately 53.8%)(the “Increase”) as compared to that for the original annual caps for the three years ending 31 December 2023. To assess the fairness and the reasonableness of the Increase, we conducted the following analyses:

- With reference to the quarterly report for the nine months ended 30 September 2022, the Group recorded balance of cash and cash equivalents of approximately RMB17.84 billion as at 30 September 2022. The Revised Cap is close to the Group’s balance of cash and cash equivalents as at 30 September 2022.
- We summarised the relevant financial information (i) for the year ended 31 December 2021, being the latest available public full-year financial information immediately prior to the date of the Revised Financial Services Framework Agreement; and (ii) for the year ended 31 December 2019, being the latest available public full-year financial information immediately prior to the date of the Financial Services Framework Agreement. We also listed out the Group’s (a) balance of cash and cash equivalents; and (b) accounts receivable as at 30 September 2022 and 30 September 2020 respectively, being the latest available public financial information immediately prior to the date of the Revised Financial Services Framework Agreement and the date of Financial Services Framework Agreement respectively, as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2019	Amount Change	Change
	<i>(RMB'million)</i>	<i>(RMB'million)</i>	<i>(RMB'million)</i>	
Total operating revenue	50,676	40,929	9,747	24%
	As at 30 September 2022	As at 30 September 2020	Amount Change	Change
	<i>(RMB'million)</i>	<i>(RMB'million)</i>	<i>(RMB'million)</i>	
Balance of cash and cash equivalents	17,840	11,252	6,588	59%

Based on the above table, we noted that there was a substantial increase in revenue for FY2021 (being the latest available public full-year financial information immediately prior to the Revised Financial Services Framework Agreement) as compared to that for 2019 (being the latest available public full-year financial information immediately prior to the date of Financial Services Framework Agreement). There was also a substantial increase in balance of cash and cash equivalents as at 30 September 2022 (being the latest available financial information

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

immediately prior to the date of Revised Financial Services Framework Agreement) as compared to those as at 30 September 2020 (being the latest available financial information immediately prior to the date of Financial Services Framework Agreement).

- As stated in the Board Letter, the coal prices have increased significantly since the second half of 2021. The operating revenue of the Company for 2021 increased by 49.97% as compared with that for 2020. In 2022, coal prices have been running high.

We also noted from the Company's third quarterly report for the nine months ended 30 September 2022 the following:

- 1) the Group's operating revenue increased by approximately 36.60% for the nine months ended 30 September 2022 as compared to that for the corresponding period in 2021; and
 - 2) net cash flows from operating activities also increased by approximately 59.52% for the nine months ended 30 September 2022 as compared to that for corresponding period in 2021.
- As advised by the Directors, it is difficult to forecast the total cash level for whole period of the year ending 31 December 2023. Nevertheless, should there be any substantial increase in total cash of the Company, the Company may opt to deposit larger portion of cash in commercial banks or re-comply with the applicable provisions of the Listing Rules governing continuing connected transaction to revise the Revised Cap.

Based on the above, we are of the view that the Increase is justifiable. Accordingly, we are of the view that the Revised Cap is fair and reasonable.

Having reviewed and considered the terms of the Deposit Services in particular the key terms as listed above (including the pricing policy and Revised Cap; and no abnormal term observed), we are of the view that the terms of the Deposit Services are on normal commercial terms and are fair and reasonable.

LISTING RULES IMPLICATION

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum values of the Deposit Services must be restricted by the Revised Cap; (ii) the terms of the Deposit Services must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Deposit Services must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposit Services (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In the event that the maximum amounts of the Deposit Services are anticipated to exceed the Revised Cap, or that there is any proposed material amendment to the terms of the Revised Financial Service Framework Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Deposit Services and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deposit Services are on normal commercial terms and are fair and reasonable; and (ii) the Deposit Services are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Deposit Services and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

* *for identification purposes only*

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS AND CONFIRMATIONS

As at the Latest Practicable Date:

- (a) none of the Directors, supervisors and senior management of the Company or their spouses or children under the age of 18 was granted any rights to subscribe any equity security or debt security of the Company;
- (b) except Mr. Zhang Jingquan, Mr. Liu Chunlin, Mr. Ge Yaoyong and Mr. Zhang Dongsheng who are directors and/or employees of Yitai Investment and Yitai Group, none of the Directors is a director or employee of a company having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO;
- (c) none of the Directors has material interests in any contract or arrangement which was subsisting as at the Latest Practicable Date and significant in relation to the business of the Group;
- (d) none of the Directors has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021 (being the date to which the latest published audited annual financial statements of the Company were made up);
- (e) save as disclosed in “Competing Interests” in Appendix I, so far as it is known to the Directors, none of the Directors and any of their respective associates was interested in any business (apart from the business of the Group) which competes or is likely to compete either directly or indirectly with the business of the Group; if each of them was the Controlling Shareholder, they are required to make disclosure under Rule 8.10 of the Listing Rules;
- (f) the Company has not been aware of any material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited annual financial statements of the Company were made up);

- (g) none of the Directors or supervisors entered or proposed to enter into any service contract (excluding agreements expiring or determinable by employers within one year without payment of compensation other than statutory compensation) with the Company or any member of the Group; and
- (h) the Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or other arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party either generally or on a case-by-case basis.

Interests of Directors, Supervisors and Chief Executive

As at the Latest Practicable Date, the interests of the Directors and supervisors of the Company in the Shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Unit: share

Name of Director/ supervisor	Name of associated corporation	Type of interest	Number of ordinary Shares interested	Percentage of the associated corporation's issued share capital (%)
Directors:				
Mr. Zhang Jingquan	Inner Mongolia Yitai Investment Co., Ltd.	Beneficial owner	2,266,452	0.31
Mr. Liu Chunlin	Inner Mongolia Yitai Investment Co., Ltd.	Beneficial owner	6,181,234	0.86
Mr. Ge Yaoyong	Inner Mongolia Yitai Investment Co., Ltd.	Beneficial owner	5,151,028	0.71
Mr. Zhang Dongsheng	Inner Mongolia Yitai Investment Co., Ltd.	Interest of spouse	52,798	0.01
		Beneficial owner	5,151,028	0.71
Mr. Liu Jian	Inner Mongolia Yitai Investment Co., Ltd.	Interest of spouse	153,446	0.02
		Beneficial owner	2,266,452	0.31

Name of Director/ supervisor	Name of associated corporation	Type of interest	Number of ordinary Shares interested	Percentage of the associated corporation's issued share capital (%)
Mr. Lv Junjie	Inner Mongolia Yitai Investment Co., Ltd.	Beneficial owner	1,328,225	0.18
Mr. Zhao Like	Inner Mongolia Yitai Investment Co., Ltd.	Beneficial owner	257,551	0.04
Supervisor:				
Mr. Liu Xianghua	Inner Mongolia Yitai Investment Co., Ltd.	Beneficial owner	358,993	0.05

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors or chief executives of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, supervisors or chief executives of the Company, the following persons or corporations (other than Directors, supervisors or chief executives of the Company) who had interests and short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Name of substantial Shareholder	Class of Share	Type of interest	Long/Short position	Number of Shares	Percentage of the underlying Shares in issue (%) ^{5.6}	Percentage of the total issued Shares (%) ^{5.6}
Inner Mongolia Yitai Group Co., Ltd. ¹	Non-overseas listed foreign Shares	Beneficial owner/Interest of controlled corporation	Long	1,912,000,000	65.30	58.75
Inner Mongolia Yitai Investment Co., Ltd. ²	Non-overseas listed foreign Shares	Interest of controlled corporation	Long	1,912,000,000	65.30	58.75
Yitai Group (Hong Kong) Co., Ltd. ¹	Non-overseas listed foreign Shares	Beneficial owner	Long	312,000,000	10.65	9.58

Name of substantial Shareholder	Class of Share	Type of interest	Long/Short position	Number of Shares	Percentage of the underlying Shares in issue (%) ^{5,6}	Percentage of the total issued Shares (%) ^{5,6}
Inner Mongolia Ordos Investment Holding Group Co., Ltd.	H Shares	Beneficial owner	Long	55,443,600	17.00	1.70
Ordos Hongrui Trade Company Limited	H Shares	Trust beneficiary	Long	44,711,200	13.71	1.37
China Datang Corporation ³	H Shares	Interest of controlled corporation	Long	36,062,200	11.06	1.11
Datang International (Hong Kong) Limited ³	H Shares	Beneficial owner	Long	36,062,200	11.06	1.11
Datang International Power Generation Co., Ltd.	H Shares	Interest of controlled corporation	Long	36,062,200	11.06	1.11
Inner Mongolia Manshi Investment Group Limited	H Shares	Beneficial owner	Long	28,321,000	8.68	0.87
Great Huazhong Energy Co. Ltd	H Shares	Beneficial owner	Long	27,168,000	8.33	0.83
Chen Yihong ⁴	H Shares	Interest of controlled corporation	Long	20,017,000	6.14	0.61
Harvest Luck Development Limited ⁴	H Shares	Interest of controlled corporation	Long	20,017,000	6.14	0.61
Poseidon Sports Limited ⁴	H Shares	Beneficial owner	Long	20,017,000	6.14	0.61

Notes:

1. Inner Mongolia Yitai Group Co., Ltd. holds the entire issued share capital of Yitai Group (Hong Kong) Co., Ltd. and is thus deemed to be interested in the 312,000,000 B Shares held by Yitai Group (Hong Kong) Co., Ltd. Inner Mongolia Yitai Group Co., Ltd. directly holds 1,600,000,000 domestic Shares.
2. Inner Mongolia Yitai Investment Co., Ltd. holds 99.64% of the registered capital of Inner Mongolia Yitai Group Co., Ltd. and is thus deemed to be interested in all of the 1,912,000,000 Shares directly or indirectly held by Inner Mongolia Yitai Group Co., Ltd.
3. Datang International (Hong Kong) Limited holds 36,062,200 Shares (long position) of the Company. Datang International (Hong Kong) Limited is wholly owned by Datang International Power Generation Co., Ltd. while China Datang Corporation holds 53.61% of interests of Datang International Power Generation Co., Ltd. Pursuant to the SFO, Datang International Power Generation Co., Ltd. and China Datang Corporation are deemed to be interested in the 36,062,200 Shares (long position) held by Datang International (Hong Kong) Limited. As at the Latest Practicable Date, the above 18,031,100 Shares represented 11.06% of the H Shares in issue.

4. Poseidon Sports Limited holds 20,017,000 Shares (long position) of the Company. Harvest Luck Development Limited holds 100% interest in Poseidon Sports Limited while Harvest Luck Development Limited is wholly owned by Chen Yihong. Pursuant to the SFO, Chen Yihong and Harvest Luck Development Limited are deemed to be interested in the 20,017,000 Shares (long position) held by Poseidon Sports Limited.
5. According to the Articles of Association, the Company has two classes of Shares, namely (i) “non-overseas listed foreign Shares” which include domestic Shares and B Shares; and (ii) H Shares.
6. The percentage of shareholdings is rounded down to the two decimal places.

Save as disclosed above, as at the Latest Practicable Date, no person, other than the Directors and supervisors of the Company whose interests are set out in the section headed “Interests of Directors, Supervisors and Chief Executive” above, had any interest or short position in the Shares or underlying Shares of the Company that are required to be recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

Competing Interests

As at the Latest Practicable Date, save as disclosed below, none of the Directors or their associates has any competing interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group:

Name of Director	Position in the Company	Position in Yitai Investment	Position in Yitai Group
Mr. Zhang Jingquan	Chairman	Director	Director and Vice President of Yitai Group
Mr. Liu Chunlin	Executive Director	Director and Chief Accountant	Director, Chief Accountant and Vice President of Yitai Group
Mr. Ge Yaoyong	Executive Director	Director	Director and Vice President of Yitai Group
Mr. Zhang Dongsheng	Executive Director	Director	Director and Vice President of Yitai Group

Qualification of Experts and Consents

The following is the qualification of the expert who has provided their opinions or advice, which are contained in this circular:

Name	Qualification	Nature of opinion or advice
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO	Letter from the Independent Financial Adviser

- (a) As at the Latest Practicable Date, Gram Capital did not have any shareholding in any member of the Group and it did not have rights (whether legally enforceable or not) to subscribe for or to nominate others to subscribe for the securities in any member of the Group.
- (b) As at the Latest Practicable Date, Gram Capital has given and has not withdrawn its written consents to the issue of this circular with the inclusion herein of its letter and the reference to its name in the form and context in which they respectively appear.
- (c) As at the Latest Practicable Date, Gram Capital did not have any interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021 (being the date to which the latest published audited annual financial statements of the Company were made up).

Material Adverse Change

As at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

Material Litigation

As at the Latest Practicable Date, to the best knowledge and information of the Directors, none of the members of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance were known to the Directors to be pending or threatened against any member of the Group.

Material Contract

From 1 April 2020, the Group started to entrust the safe production and technical management business of the six coal mines owned by it to Inner Mongolia Zhongtai Energy Co., Ltd. (內蒙古仲泰能源有限公司), and the specific scope of entrusted management includes certain assets and safety production systems within relevant scope and area of safety production in both surface and underground mines of the six coal mines owned by the Group, and the office and living areas of the entrusted party. The entrusted assets under the agreement involved an amount of RMB2,208,104,692.01.

3. GENERAL INFORMATION

- (1) Mr. Wong Wai Chiu of SWCS Corporate Services Group (Hong Kong) Limited has been engaged by the Company as one of its joint company secretaries. Its primary contact person at the Company is Mr. He Peixun, another joint company secretary of the Company. Mr. Wong Wai Chiu has obtained the legal professional qualification, intermediate accountant qualification, board secretary qualification, securities practice qualification and fund practice qualification. Mr. Wong Wai Chiu is a fellow of The Hong Kong Institute of Chartered Secretaries, a fellow of the Chartered Governance Institute, a member of CPA Australia, a member of the Hong Kong Trustee Association and a certified trust practitioner.
- (2) The registered office of the Company is located at Yitai Building, Tianjiao North Road, Dongsheng District, Ordos City, Inner Mongolia Autonomous Region, the PRC. The principal place of business in Hong Kong of the Company is 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong. The Group is principally engaged in the production and sale of coal, the provision of railway and road transportation services, the production and sale of coal related chemicals.
- (3) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (4) The English text of this circular shall prevail over the Chinese text.

4. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.yitaicoal.com) for display within 14 days from the date of this circular:

- (a) the Revised Financial Services Framework Agreement;
- (b) the letter from the Independent Financial Adviser, the text of which is set out on pages 27 to 36 of this circular; and
- (c) the written consents from the expert mentioned in paragraph headed "Qualification of Experts and Consents" in this appendix.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2019, 2020 and 2021 as well as for the six months ended 30 June 2022 are disclosed in the following annual reports of the Company for the years ended 31 December 2019, 2020 and 2021, as well as the interim report for the six months ended 30 June 2022 respectively, which have been published and are available on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<http://www.yitaicoal.com/>):

- The Interim Report 2022 of the Company for the six months ended 30 June 2022 published on 7 September 2022 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0907/2022090701116.pdf>), please refer to pages 79 to 332 for details.
- The Annual Report 2021 of the Company for the year ended 31 December 2021 published on 20 April 2022 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0420/2022042001162.pdf>), please refer to pages 161 to 448 for details.
- The Annual Report 2020 of the Company for the year ended 31 December 2020 published on 15 April 2021 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0415/2021041501135.pdf>), please refer to pages 170 to 432 for details.
- The Annual Report 2019 of the Company for the year ended 31 December 2019 published on 16 April 2020 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0416/2020041600715.pdf>), please refer to pages 158 to 408 for details.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2022, the Group had unaudited outstanding interest-bearing debts of approximately RMB18,036,675,630, comprising borrowings from financial institutions of RMB17,727,675,630 and bonds repayable of RMB309,000,000 and financial lease costs repayable of RMB0, of which (1) for borrowings from financial institutions, the guaranteed borrowings amounted to RMB10,110,675,630, the secured borrowings amounted to RMB0, and the unsecured and unguaranteed borrowings amounted to RMB7,617,000,000; (2) for bonds repayable, all are unsecured and unguaranteed bonds; (3) for financial lease costs repayable, all are secured financial lease.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptances credits, or any guarantees, or any other contingent liabilities outstanding as at the close of business on 31 October 2022.

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since the close of business on 31 October 2022.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS**(I) Industry Development Trend**

Factors such as the evolution of the global pandemic, restrictions on imported supplies and winter coal storage will lead to periodic fluctuations in coal demand in the second half of 2022. Environmental protection and safety inspections will put pressure on the release of production capacity of coal. Besides, supported by the heating supply and storage of coal in the North China and the decline in hydropower, coal supply and demand have reached an overall balance, and coal prices fluctuated within a reasonable range.

The Company will closely monitor the market dynamics and timely follow and understand the changes in the national regulation policies on the coal industry and mining resources management to build up its ability in coal market analysis. The Company will positively improve its own strengths through expansion and enhancement of the Company's business segments including coal production, railway and coal-related chemical operation, to maximize the returns to its shareholders.

(II) Development Strategies of the Company

In 2022, in response to the opportunities and challenges brought about by the new development pattern, while unswervingly promoting the high-quality development of the principal coal business, the Company will actively explore low-carbon transformation and development, accelerate industrial upgrading and structural adjustment, and strive to build a new pattern of diversified development with complementary industries, complementary benefits and complementary markets. On the basis of consolidating the principal coal industry, the Company will accelerate the low-carbon transformation and promote the high-quality development of various businesses.

Firstly, the Company will unswervingly improve and strengthen the coal industry. The first is to improve the development efficiency of existing resources and the ability to create of resources efficiency, and continue to promote the construction of intelligent coal mines; the second is to attach great importance to coal quality management, strengthen the whole-process management and control through information-based means such as coal quality intelligent evaluation system, and strive to create better benefits; the third is to plan for high quality resource reserves in advance from the perspective of industrial structure adjustment and transformation and upgrading under the guidance of the national market-oriented resource allocation policy, integrate internal and external high quality coal resources and make sure the continuity of resources to enrich the strategic reserves of the Company.

Secondly, on the basis of consolidating relationship with key long-term customers, the Company will speed up the structural adjustment of downstream target customers in light of the policy and market changes to improve the ability to deal with market risks. It will also pay close attention to the adjustment of the medium and longterm coal contract mechanism, broadly absorb social coal into the line for delivery, and increase the railway delivery volume.

Thirdly, the Company will develop clean coal technology, drive the growth of new driving forces, and explore high quality development. We will firmly extend the industry chain, improve added value of products, and with a focus on scientific transformation and development, build a coal-based industry platform with flexible and changeable products based on market demand.

Fourthly, taking the opportunity of building an enabling safety management system, the Company will establish a long-term safety management standardization system that adapts to the entire industry and industry chain, further deepen the safety classification management and graded evaluation of production and business units, and promote evaluation-based and physical-based inspections.

Fifthly, the Company will continue to deepen the management reform, continue to promote the reform of “delegating, regulating and serving” in response to the new tasks and new models emerging in the transformation and development, continue to explore and implement the benefit sharing mechanism, and complete the construction of the corresponding performance evaluation system, achieve effective operation of the “strategy-plan-budget-performance” closed-loop management system, and maximize the vitality of the organization. It will also establish a high-quality and efficient functional service mechanism, further improve the construction of talent force, and strive to create a team with vitality and strong professional skills and management standards.

Sixthly, the Company will adhere to innovation-driven and provide assistance for its low-carbon transformation. With the help of the innovative achievements of Yitai Group Coal-based New Materials Research Institute, Technology Center and other institutions, and the preferential policies of the autonomous region to encourage new material technology research and provide special financial support, it will strengthen innovation cooperation with domestic and foreign scientific research institutions, colleges and universities, and technology-based enterprises.

Seventhly, the Company will strengthen investment and financing and capital operation management, and optimize the capital structure. It will strengthen the awareness of capital cost, and rationally arrange capital expenditures for operation and investment; improve the scientific, reasonable and accurate assessment of operating working capital, and further strengthen asset management with the goal of enhancing asset profitability. It will build a capital sector and gradually achieve the new industrial pattern driven by both industry and capital, so as to break the constraints of traditional industries and regions, enter emerging industries, and fully integrate surrounding resources. It aims to achieve the development model

driven by industry and capital, gradually reduce the cyclical risks of the Company's relatively concentrated industrial sector, and ensure the Company's long-term and sustainable development.

5. FINANCIAL IMPACT OF ENTERING INTO CONTINUING CONNECTED TRANSACTIONS

The Transaction was entered into to meet the needs of the Company and its holding subsidiaries for daily normal business development. The related parties in the Transaction have good business reputation and financial status, which can reduce the Company's operating risks, facilitate the continuous development of the Company's normal business, and will not cause significant adverse effects on the Company's financial status and operating results, and will not affect the independence of the Company.

Original Article	Amended Article
<p>Article 3.15</p> <p>In the event that any of the Company's directors, supervisors, and senior management as well as its shareholders each holding more than 5% ordinary shares in the Company sell their shares or other equity securities within six months after the purchase of such shares, or purchase shares within six months after the sale of such shares, all proceeds obtained therefrom shall be vested in the Company, and the Board of Directors will forfeit such proceeds. However, for a securities company that holds more than 5% ordinary shares due to its underwriting of unsold shares, the sale of such shares shall not be subject to the six-month period restriction. If the transfer restriction involves H shares, then the relevant provisions of the Listing Rules of the Stock Exchange of Hong Kong shall apply.</p> <p>.....</p>	<p>Article 3.15</p> <p>In the event that any of the Company's directors, supervisors, and senior management as well as its shareholders each holding more than 5% ordinary shares in the Company sell their shares or other equity securities within six months after the purchase of such shares, or purchase shares within six months after the sale of such shares, all proceeds obtained therefrom shall be vested in the Company, and the Board of Directors will forfeit such proceeds. However, for a securities company that holds more than 5% ordinary shares due to its underwriting of unsold shares, <u>or under other circumstances as stipulated by the CSRC,</u> the sale of such shares shall not be subject to the six-month period restriction. If the transfer restriction involves H shares, then the relevant provisions of the Listing Rules of the Stock Exchange of Hong Kong shall apply.</p> <p>.....</p>
<p>Article 6.08</p> <p>When the Company is to convene a shareholders' general meeting, distribute dividends, be liquidated, or to carry out other acts requiring confirming of equity interests, the Board of Directors or the Board of Directors meeting convener shall decide a date for the record date. Shareholders whose names appear on the register at the end of the record date shall be the shareholders of the Company.</p>	<p>Article 6.08</p> <p>When the Company is to convene a shareholders' general meeting, distribute dividends, be liquidated, or to carry out other acts requiring confirming of equity interests, the Board of Directors or the Board of Directors meeting convener shall decide a date for the record date. Shareholders whose names appear on the register at the end of the record date shall be the shareholders of the Company <u>the Board of Directors or the convener of the shareholders' general meeting shall determine the record date. The shareholders included in the register of shareholders at the close of business on record date shall be shareholders who enjoy the relevant rights and interests.</u></p>

Original Article	Amended Article
<p>Article 7.02</p> <p>The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>.....</p> <p>(7) a copy of the latest annual review report, which shall be submitted to the State Administration for Industry and Commerce of the PRC or other authorities for inspection; and</p> <p>(8) Minutes of shareholders’ general meetings.</p> <p>The Company shall lodge documents (1) to (8) excluding (2) 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 ((8) aforementioned is for shareholders’ inspection only);</p> <p>.....</p>	<p>Article 7.02</p> <p>The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>.....</p> <p>(7) a copy of the latest annual review report, which shall be submitted to the State Administration for Industry andCommerce of the PRC or other authorities for inspection; and</p> <p>(8) Minutes of shareholders’ general meetings- <u>resolutions of meetings of the Board of Directors, resolutions of meetings of the Supervisory Committee; and</u></p> <p><u>(9) Corporate bonds stub.</u></p> <p>The Company shall lodge documents (1) to (8)(9) excluding (2) aforementioned and any other applicable documents with the Company’s Hong Kong address <u>information disclosure department and principal place of business in Hong Kong</u> under the requirements of the <u>Hong Kong Listing Rules</u> listing rules, for the purpose of inspection by the public and holders of overseas listed foreign shares free of charge ((8) aforementioned is for shareholders’ inspection only);</p> <p>.....</p>

Original Article	Amended Article
<p>Article 8.02</p> <p>The shareholders’ general meeting shall exercise the functions and powers to:</p> <p>.....</p> <p>(16) deliberate the external guarantee listed in Article 8.03 of the Articles of Association;</p> <p>(17) deliberate the stock option incentive plan;</p> <p>.....</p>	<p>Article 8.02</p> <p>The shareholders’ general meeting shall exercise the functions and powers to:</p> <p>.....</p> <p>(16) deliberate the external guarantee matters listed in Article 8.03 of the Articles of Association;</p> <p>(17) deliberate the stock option incentive plan <u>and employee stock ownership plan;</u></p> <p>.....</p>
<p>Article 8.03</p> <p>Any of the external guarantees shall be deliberated and approved by the shareholders’ general meeting, shall be subject to the deliberation and approval of the Board of Directors before presenting the proposal to the shareholders’ general meeting, including but not limited in the cases set below:</p> <p>(1) any subsequent guarantee of the Company and its holding subsidiaries after the total amount of external guarantees reaches or exceeds 50% of the latest audited net assets;</p> <p>(2) any guarantee provided with a gearing ratio of over 70%;</p> <p>(3) any single guarantee exceeding 10% of the latest audited net assets;</p> <p>(4) any guarantee provided to shareholders, actual controllers of the Company, and their respective connected parties;</p> <p>(5) any external guarantee provided after reaching or exceeding 30% of the latest audited total assets value for 12 consecutive months;(6) any external</p>	<p>Article 8.03</p> <p><u>The following matters shall be submitted to the shareholders’ general meeting of the Company for approval:</u></p> <p><u>(1) The material non-connected transactions of the Company, such as external investment, asset acquisition or disposal, entrusted wealth management and external donations, meeting any of the following standards:</u></p> <p><u>1. Total assets (book value or appraised value, whichever is higher if both exist) involved in the transaction exceed 50% of the latest audited total assets of the Company;</u></p> <p><u>2. Net assets (book value or appraised value, whichever is higher if both exist) of the target of the transaction (such as share equity) exceed 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;</u></p> <p><u>3. The consideration of the transaction (including liabilities and expenses incurred)</u></p>

Original Article	Amended Article
<p>guarantee provided after reaching or exceeding 50% of the latest audited net assets value for 12 consecutive months and the absolute amount exceeds RMB50 million;</p> <p>(7) other guarantees to be considered by the shareholders' general meeting in accordance with the listing rules of the stock exchange where the Company's shares were listed.</p> <p>In particular, the guarantee in provision (5) of the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. In provision (4) above, the shareholders or the shareholders controlled by the actual controllers shall refrain from the voting, and this voting shall be passed by more than half of other shareholders attending the shareholders' general meeting.</p> <p>References to "external guarantees" in the Articles of Association are to guarantees provided by the Company in favour of other persons, including guarantees provided by the Company in favour of its holding subsidiaries. References to "the aggregate amount of external guarantees provided by the Company and its holding subsidiaries" are to the sum of the aggregate amount of external guarantees provided by the Company, including those in favour of its holding subsidiaries, and the aggregate amount of external guarantees provided by holding subsidiaries of the Company.</p>	<p><u>exceed 50% of the latest audited net assets of the Company and the absolute amount exceeds RMB50 million;</u></p> <p><u>4. The profit of the transaction exceeds 50% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB5 million;</u></p> <p><u>5. The operating revenue generated by the target of the transaction (such as share equity) for the most recent accounting year exceeds 50% of the audited operating revenue of the Company for the most recent accounting year, and the absolute amount exceeds RMB50 million;</u></p> <p><u>6. The net profit generated by the target of the transaction (such as equity) for the most recent accounting year exceeds 50% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB5 million.</u></p> <p><u>(2) Connected transactions</u></p> <p><u>The connected transactions (excluding the provision of guarantee, acceptance of monetary assets as gift and undertaking of liability solely for the reduction or exemption of obligations of the Company) between the Company and connected persons with an amount of over RMB30 million (including liabilities and expenses incurred) and accounting for over 5% of the absolute value of the latest audited net assets of the Company shall be submitted to the shareholders' general meeting for consideration after being submitted to the Board of Directors for approval.</u></p> <p><u>The transactions of the Company entered into with the same connected person and the transactions related to subjects under the same category of transactions entered into with</u></p>

Original Article	Amended Article
	<p><u>different connected person that take place within 12 consecutive months shall be subject to the aforesaid provisions separately in accordance with the principle of cumulative calculation.</u></p> <p>(3) Any of the external guarantees shall be deliberated and approved by the shareholders' general meeting, shall be subject to the deliberation and approval of the Board of Directors before presenting the proposal to the shareholders' general meeting, including but not limited in the cases set below:</p> <p>(1) any subsequent guarantee of the Company and its holding subsidiaries after the total amount of external guarantees reaches or exceeds 50% of the latest audited net assets;</p> <p>(2) any guarantee provided with a gearing ratio of over 70%;</p> <p>(3) any single guarantee exceeding 10% of the latest audited net assets;</p> <p>(4) any guarantee provided to shareholders, actual controllers of the Company, and their respective connected parties;</p> <p>(5) any external guarantee provided after reaching or exceeding 30% of the latest audited total assets value for 12 consecutive months;</p> <p>(6) any external guarantee provided after reaching or exceeding 50% of the latest audited net assets value for 12 consecutive months and the absolute amount exceeds RMB50 million;</p> <p>(7) other guarantees to be considered by the shareholders' general meeting in accordance with the listing rules of the stock exchange where the Company's shares were listed.</p>

Original Article	Amended Article
	<p>In particular, the guarantee in provision (5) of the preceding paragraph shall be passed by more than two thirds of the voting rights held by the shareholders present at the meeting. In provision (4) above, the shareholders or the shareholders controlled by the actual controllers shall refrain from the voting, and this voting shall be passed by more than half of other shareholders attending the shareholders' general meeting.</p> <p>References to "external guarantees" in the Articles of Association are to guarantees provided by the Company in favour of other persons, including guarantees provided by the Company in favour of its holding subsidiaries. References to "the aggregate amount of external guarantees provided by the Company and its holding subsidiaries" are to the sum of the aggregate amount of external guarantees provided by the Company, including those in favour of its holding subsidiaries, and the aggregate amount of external guarantees provided by holding subsidiaries of the Company.</p> <p><u>1. any single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;</u></p> <p><u>2. any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceeding 50% of the latest audited net assets of the Company;</u></p> <p><u>3. any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceeding 30% of the latest audited total assets of the Company;</u></p> <p><u>4. any guarantee exceeding 30% of the latest audited total assets of the Company when being aggregated with the amount of guarantees</u></p>

Original Article	Amended Article
	<p><u>incurred in the preceding 12 consecutive months;</u></p> <p><u>5. any guarantee provided to those with a gearing ratio of over 70%;</u></p> <p><u>6. any guarantee provided to shareholders, actual controllers of the Company, and their respective connected parties;</u></p> <p><u>7. other guarantees subject to the consideration at the shareholders' general meeting in accordance with the provisions of the listing rules of the stock exchange where the Company's shares were listed.</u></p> <p><u>In particular, the guarantee in provision 4 of the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. In provision 6 above, the shareholders or the shareholders controlled by the actual controllers shall refrain from the voting, and the voting shall be passed by more than half of other shareholders present at the shareholders' general meeting.</u></p> <p><u>(4) If the financial assistance matter falls under any of the following circumstances, it shall also be submitted to the shareholders' general meeting for consideration and approval after being reviewed and approved by the Board of Directors:</u></p> <p><u>1. the amount of a single financial assistance exceeds 10% of the latest audited net assets of the listed company;</u></p> <p><u>2. the latest financial statement data of the funded target shows that the gearing ratio exceeds 70%;</u></p>

Original Article	Amended Article
	<p><u>3. the cumulative amount of financial assistance in the last 12 months exceeds 10% of the latest audited net assets of the Company;</u></p> <p><u>4. other circumstances as stipulated by the Shanghai Stock Exchange or the Articles of Association.</u></p> <p><u>If the funded target is a holding subsidiary within the scope of the Company's consolidated financial statements, and other shareholders of such holding subsidiary do not include the controlling shareholder, actual controller of the Company and their respective connected parties, the provisions of the preceding two paragraphs may be exempted.</u></p> <p><u>The Company shall not provide financial assistance to the connected parties of the Company, except for the provision of financial assistance to an connected joint-stock company which is not controlled by the controlling shareholder or the actual controller of the Company, provided that other shareholders of such connected joint-stock company shall provide financial assistance on the same conditions in proportion to their capital contributions.</u></p> <p><u>Where the Company provides financial assistance to any connected joint-stock company as defined under the preceding paragraph, in addition to the consideration and approval by more than half of all non-related directors, it is also subject to consideration and approval by more than two-thirds of the non-related directors present at the Board meeting, and shall be submitted to the shareholders' general meeting for consideration.</u></p> <p><u>If financial assistance violates any approval rights or consideration procedures stipulated in laws, administrative regulations, or the Articles</u></p>

Original Article	Amended Article
	<p><u>of Association, and causes losses to the Company, the Company has the right to pursue the liability of the relevant personnel accountable.</u></p> <p><u>Except for matters specifically stipulated in relevant laws, administrative regulations, departmental rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, such matters shall be implemented in accordance with relevant special provisions.</u></p> <p><u>If any data involved in the indicators calculation above is negative, the absolute value shall apply.</u></p> <p><u>The permission of the shareholders' general meeting to the above transactions shall also comply with the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</u></p>
<p>Article 8.06</p> <p>Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board of Directors shall, according to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.</p>	<p>Article 8.06</p> <p>Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, <u>which shall be subject to the approval by more than half of all independent directors.</u> Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board of Directors shall, according to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether to</p>

Original Article	Amended Article
.....	convene the extraordinary general meeting within 10 days after receipt of the proposal.
<p>Article 8.09</p> <p>In the event that the Supervisory Committee or shareholders at the sole discretion decide to convene a shareholders’ general meeting, it shall notify the Board of Directors of the same in writing, as well as file with the branches of the China securities regulatory authority in the place where the Company is located and related securities exchanges.</p> <p>Prior to the publication of the resolutions of the shareholders’ general meeting, the shareholdings, either individually or jointly, of shareholders that intend to convene the meeting shall not fall below 10% of the total number of ordinary shares.</p> <p>Whilst publishing the notice and resolutions of the shareholders’ general meeting, the shareholders that intend to convene the meeting shall provide related validation materials to the branches of the China securities regulatory authority in the place where the Company is located and related securities exchanges.</p>	<p>Article 8.09</p> <p>In the event that the Supervisory Committee or shareholders at the sole discretion decide to convene a shareholders’ general meeting, it shall notify the Board of Directors of the same in writing, as well as file with the branches of the China securities regulatory authority in the place where the Company is located and related securities exchanges <u>stock exchanges where the shares of the Company are listed.</u></p> <p>Prior to the publication of the resolutions of the shareholders’ general meeting, the shareholdings, either individually or jointly, of ordinary shareholders that intend to convene the meeting shall not fall below 10% of the total number of ordinary shares. Whilst publishing the notice and resolutions of the shareholders’ general meeting, <u>the Supervisory Committee and</u> the shareholders that intend to convene the meeting shall provide related validation materials to the branches of the China securities regulatory authority in the place where the Company is located and related securities exchanges <u>stock exchanges where the shares of the Company are listed.</u></p> <p><u>The shareholders that intend to convene the meeting shall disclose an announcement no later than the issuance of the notice of the shareholders’ general meeting, and undertake that their shareholding shall not be less than 10% of the total share capital of the Company during the period from the date of proposing to convene the shareholders’ general meeting to the date of convening the shareholders’ general meeting.</u></p>

Original Article	Amended Article
<p>Article 8.10</p> <p>The Board of Directors and the Secretary of the Board of Directors shall provide cooperation for the shareholders’ general meetings convened by the Supervisory Committee or shareholders at the sole discretion. The Board of Directors shall provide the register of members as of the date of record.</p> <p>.....</p>	<p>Article 8.10</p> <p>The Board of Directors and the Secretary of the Board of Directors shall provide cooperation for the shareholders’ general meetings convened by the Supervisory Committee or shareholders at the sole discretion. The Board of Directors shall provide the register of members as of the date of record. <u>If the Board of Directors fails to provide the register of shareholders, the convener may apply with the securities registration and clearing authority with relevant announcement on the notice of convening the shareholders’ general meeting. The convener shall not use the register of shareholders for purposes other than convening the shareholders’ general meeting.</u></p> <p>.....</p>
<p>Article 8.12</p> <p>A notice of the shareholders’ general meeting shall:</p> <p>(1) be in writing;</p> <p>(2) specify the place, date and time of the meeting;</p> <p>(3) state the matters to be discussed at the meeting;</p> <p>(4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize the share capital structure of the Company or other restructuring, 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 such proposal shall be properly explained;</p>	<p>Article 8.12</p> <p>A notice of the shareholders’ general meeting shall:</p> <p>(1) be in writing;</p> <p>(2) specify the place, date and time of the meeting;</p> <p>(3) state the matters to be discussed at the meeting;</p> <p>(4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize the share capital structure of the Company or other restructuring, 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 such proposal shall be properly explained;</p>

Original Article	Amended Article
<p>(5) contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor or any senior management of the Company in the matters to be discussed and the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class;</p> <p>(6) contain the text of any special resolution proposed to be resolved at the meeting;</p> <p>(7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on behalf of him and that a proxy need not also be a shareholder;</p> <p>(8) state the time and place for delivery of power of attorney for use at the meeting;</p> <p>(9) state the record date for shareholders entitled to attend the meeting; and</p> <p>(10) state the name and telephone number of the contact person for the meeting.</p> <p>.....</p>	<p>(5) contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor or any senior management of the Company in the matters to be discussed and the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class;</p> <p>(6) contain the text of any special resolution proposed to be resolved at the meeting;</p> <p>(7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on behalf of him and that a proxy need not also be a shareholder;</p> <p>(8) state the time and place for delivery of power of attorney for use at the meeting;</p> <p>(9) state the record date for shareholders entitled to attend the meeting; and</p> <p>(10) state the name and telephone number of the contact person for the meeting.</p> <p><u>(1) specify the time, venue and duration of the meeting;</u></p> <p><u>(2) state the matters and proposals that shall be submitted to the meeting for consideration;</u></p> <p><u>(3) shall contain a clear written statement that all shareholders of ordinary shares are entitled to attend the shareholders’ general meeting, and may appoint proxies in writing to attend and vote at the meeting and that such proxies need not be shareholders of the Company;</u></p> <p><u>(4) specify the share record date of shareholders who are entitled to attend the shareholders’ general meeting;</u></p>

Original Article	Amended Article
	<p><u>(5) state the name and telephone number of the contact person for the meeting;</u></p> <p><u>(6) specify the time and procedures for voting online or by other means.</u></p> <p>.....</p>
<p>Article 8.13</p> <p>Notices and supplementary notices of a shareholders’ general meeting shall fully and completely disclose all detailed contents of all proposals. For matters to be discussed that require opinions from the independent directors, the opinions of the independent directors and reasons thereof shall be simultaneously disclosed with the notice or supplementary notice of the shareholders’ general meeting.</p> <p>For the shareholders’ general meetings that utilize website services, the voting time and procedures for such method shall be clearly stated in the notice of the shareholders’ general meeting.</p> <p>.....</p>	<p>Article 8.13</p> <p>Notices and supplementary notices of a shareholders’ general meeting shall fully and completely disclose all detailed contents of all proposals <u>and all information or explanations necessary to enable shareholders to make reasonable judgements on the matters to be discussed.</u> For matters to be discussed that require opinions from the independent directors, the opinions of the independent directors and reasons thereof shall be simultaneously disclosed with the notice or supplementary notice of the shareholders’ general meeting.</p> <p>For the shareholders’ general meetings that utilize website services, the voting time and procedures for such method shall be clearly stated in the notice of the shareholders’ general meeting.</p> <p>.....</p>

Original Article	Amended Article
<p>Article 8.17</p> <p>.....</p> <p>The announcement referred to in the preceding paragraph shall be published in the one or more national newspapers designated by the securities regulatory authority in China or in a manner as permitted by laws, administrative regulations, departmental rules, relevant regulations of the securities supervisory authority where the Company's shares are listed. Once the announcement is made, all domestic shareholders shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>	<p>Article 8.17</p> <p>.....</p> <p>The announcement referred to in the preceding paragraph shall be published in the one or more national newspapers designated by the securities regulatory authority in China <u>the media that complies with the requirements of the CSRC or in a manner as permitted by laws, administrative regulations, departmental rules, relevant regulations of the securities supervisory authority where the Company's shares are listed</u>. Once the announcement is made, all domestic shareholders shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>
<p>Article 8.19</p> <p>The venue of the meeting shall be at Yitai Building, North Tianjiao Road, Ordos, Inner Mongolia or other places decided by the Board. A conference hall will be set up for the convening of an on-site shareholders' general meeting. The Company shall also facilitate shareholders' attendance of the shareholders' general meeting by providing for the means of online voting. A Shareholder shall be deemed to have attended the meeting if he/she participates in the meeting by means of such method.</p> <p>Where the shareholders' general meeting is held virtually, the Company shall confirm the identification of the shareholders strictly in accordance with the relevant regulations of China securities regulatory authority, Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited.</p> <p>.....</p>	<p>Article 8.19</p> <p>The venue of the meeting shall be at Yitai Building, North Tianjiao Road, Ordos, Inner Mongolia or other places decided by the Board. A conference hall will be set up for the convening of an on-site shareholders' general meeting, <u>and a safe, economical and convenient internet or other means shall be used to enable shareholders to have access to the shareholders' general meeting in accordance with the provisions of the laws, administrative regulations, the CSRC or the Articles of Association</u>. A Shareholder shall be deemed to have attended the meeting if he/she participates in the meeting by means of such method.</p> <p>Where the shareholders' general meeting is held virtually, the Company shall confirm the identification of the shareholders strictly in accordance with the relevant regulations of China securities regulatory authority <u>the CSRC</u>, Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited.</p>

Original Article	Amended Article
	<p><u>The Company shall specify the time and procedures of the voting online or by any other means in the notice of the shareholders' general meeting.</u></p> <p>.....</p>
<p>Article 8.22</p> <p>.....</p> <p>Proposals that are not clearly listed in the notice of the shareholders' general meeting or are not in compliance with Article 8.22 of the Articles of Association shall not be voted on and decided at the shareholders' general meeting.</p>	<p>Article 8.22</p> <p>.....</p> <p>Proposals that are not clearly listed in the notice of the shareholders' general meeting or are not in compliance with Article 8.221 of the Articles of Association shall not be voted on and decided at the shareholders' general meeting.</p> <p><u>For the above extraordinary proposals of shareholders' general meeting, the convener shall conduct formal review on the proposals based on the following principles:</u></p> <p><u>(1) Relevancy. For the shareholders' proposals dealing with matters directly related to the Company and not beyond the scope of power of the shareholders' general meeting prescribed by laws, regulations and the Articles of Association, such proposals shall be submitted to the shareholders' general meeting for discussion. The proposals not complying with such requirement shall not be submitted to the shareholders' general meeting for discussion.</u></p> <p><u>(2) Procedure. The convener may decide on procedural issues relating to the shareholders' proposals.</u></p> <p><u>(3) Legality. Whether the contents of the shareholders' proposals violate the relevant provisions of laws, administrative regulations and the Articles of Association.</u></p>

Original Article	Amended Article
	<p><u>(4) Certainty. Whether the shareholders' proposals have clear topics and specific resolutions.</u></p> <p><u>If the convener decides not to include the shareholders' proposals in the agenda of the meeting, explanations and statements shall be given at the shareholders' general meeting. Any shareholder proposing a proposal who disagrees with the exclusion by the convener of his/her proposal from the agenda of the shareholders' general meeting may request to convene an extraordinary general meeting according to the Articles of Association.</u></p>
<p>Article 8.27</p> <p>.....</p> <p>(2) In the event that the Board of Directors fails to issue a notice to convene a meeting within 30 days of the date of the receipt of such request, the shareholders making the request may convene such a meeting, in a similar manner as to shareholders' meetings convened by the Board of Directors, within 4 months of the date of the receipt of such request.</p> <p>Where shareholders convene a meeting due to the failure by the Board of Directors to duly convene the same, all reasonable expenses so incurred shall be reimbursed by the Company, and any sum so reimbursed shall be set-off against such sums owed by the Company to the defaulting directors.</p>	<p>Article 8.27</p> <p>.....</p> <p>(2) In the event that the Board of Directors fails to issue a notice to convene a meeting within 30 days of the date of the receipt of such request, the shareholders making the request may convene such a meeting, in a similar manner as to shareholders' meetings convened by the Board of Directors, within 4 months of the date of the receipt of such request.</p> <p>Where shareholders convene a meeting due to the failure by the Board of Directors to duly convene the same, all reasonable expenses so incurred shall be reimbursed by the Company, and any sum so reimbursed shall be set-off against such sums owed by the Company to the defaulting directors.</p>

Original Article	Amended Article
<p>Article 8.31</p> <p>Shareholders with ordinary shares and whose names appeared in the register of members as of the record date or their proxies shall have the right to attend the general meeting and exercise voting rights pursuant to relevant laws, regulations and the Articles of Association.</p> <p>The shareholders may attend general shareholders’ meetings and exercise voting rights either in person or by proxy.</p>	<p>Article 8.31</p> <p>Shareholders with ordinary shares and All <u>ordinary shareholders</u> whose names appeared in the register of members as of the record date or their proxies shall have the right to attend the general meeting and exercise voting rights pursuant to relevant laws, regulations and the Articles of Association.</p> <p>The shareholders may attend general shareholders’ meetings and exercise voting rights in person, and <u>may appoint a proxy to attend and</u> exercise voting rights either in person or by proxy <u>within the scope of authorization.</u></p>
<p>Article 8.32</p> <p>An individual shareholder attending a general shareholders’ meeting in person shall produce his identity card or other valid identity certificate, share certificate and share account card; a proxy attending a shareholders’ general meeting on behalf of an individual shareholder shall produce his valid identity card and power of attorney from the shareholder and share account card.</p> <p>For a corporate shareholder, its legal representative, or a proxy appointed by its Board of Directors or approved by other governing body shall attend the meeting. The legal representative attending the meeting shall produce his own identity card, stock account card and any certificate that could prove his identity as a legal representative and the stock certificate; the appointed proxy attending the meeting shall produce his own identity card, the instrument of proxy issued by the legal representative of the Shareholder entity in writing in accordance with law, stock account card and the stock certificate.</p>	<p>Article 8.32</p> <p>An individual shareholder attending a general shareholders’ meeting in person shall produce his identity card or other valid identity certificate, share certificate and share account card; a proxy attending a shareholders’ general meeting on behalf of an individual shareholder shall <u>also submit the power of attorney and present his valid identity card</u>produce his valid identity card and power of attorney from the shareholder and share account card.</p> <p>For a corporate shareholder, its legal representative, or a proxy appointed by its Board of Directors or approved by other governing body shall attend the meeting. The legal representative attending the meeting shall produce his own identity card <u>and valid certificate</u>stock account card and any certificate that could prove his identity as a legal representative and the stock certificate; the appointed proxy attending the meeting shall produce his own identity card, the instrument of proxy issued by the legal representative of the Shareholder entity in writing in accordance with law, stock account card and the</p>

Original Article	Amended Article
	<p>stock certificate.</p> <p><u>For shareholders of the unincorporated organization, the person-in-charge of the organization or the proxy appointed by the person-in-charge shall attend the shareholders' general meeting. Where the person-in-charge attends the shareholders' general meeting, he/she shall present his/her identity card and valid certification certifying his/her qualification as the person-in-charge, stock account card and stock certificate; where a proxy is appointed to attend the shareholders' general meeting, the proxy shall also present his/her identity card and, the authorization instrument legally issued by the person-in-charge of the organization in writing.</u></p> <p><u>The eligibility of an attendee of the shareholders' general meeting shall be deemed invalid if the evidence produced involves one of the following conditions:</u></p> <p><u>(1) the identity card of principal or attendee of the shareholders' general meeting is forged, expired, altered, or the number of the identity card is incorrect, or does not comply with the provision of the Law of the People's Republic of China on the Identity Card of Residents;</u></p> <p><u>(2) the information on the identification card presented by the principal or attendee of the shareholders' general meeting is illegible;</u></p> <p><u>(3) where multiple proxies shall have been appointed by the shareholder with the signature on the authorization instrument being obviously inconsistent with the specimen signature;</u></p> <p><u>(4) lack of signature or seal on the authorization instrument;</u></p>

Original Article	Amended Article
	<p><u>(5) the relevant evidence presented by the principal or proxy attending the shareholders' general meeting contravenes the relevant provisions of laws, regulations, regulatory documents and the Articles of Association.</u></p> <p><u>Where the principal or his/her proxy is ineligible for attending the shareholders' general meeting as a result of irregularities of the principal's authorization or the fact that documents evidencing the legitimate identity of the principal or the authorization do not comply with the laws, regulations, regulatory documents and the Articles of Association, the legal consequences so arising shall be borne by the principal or his/her proxy.</u></p>
<p>Article 8.33</p> <p>Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote for and on his behalf. Such proxy may exercise the following rights according to the entrustment by the shareholder:</p> <p>(1) having the same right as the shareholder to speak at the shareholders' general meeting;</p> <p>(2) individually demanding or joining in demanding a poll;</p> <p>(3) voting by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.</p>	<p>Article 8.33</p> <p>Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote for and on his behalf. Such proxy may exercise the following rights according to the entrustment by the shareholder:</p> <p>(1) having the same right as the shareholder to speak at the shareholders' general meeting;</p> <p>(2) individually demanding or joining in demanding voting on a poll;</p> <p>(3) voting by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.</p>

Original Article	Amended Article
<p>Article 8.35</p> <p>.....</p> <p>If the shareholders’ general meeting is held virtually, all holders of shares with voting rights attached thereto who appear on the register of members as of the record date shall have the rights to vote through the shareholders’ general meeting network voting system, but only one of the means including onsite at the venue, virtual access or any other means shall be selected to the same share. When the shareholders’ general meeting is held virtually, it is deemed as the shareholder exercises his voting rights personally no matter the voting has been acted personally by the shareholder or his proxy.</p>	<p>Article 8.35</p> <p>.....</p> <p>If the shareholders’ general meeting is held virtually, all holders of shares with voting rights attached thereto who appear on the register of members as of the record date shall have the rights to vote through the shareholders’ general meeting network voting system, but only one of the means including onsite at the venue, virtual access or any other means shall be selected to the same share. When the shareholders’ general meeting is held virtually, it is deemed as the shareholder exercises his voting rights personally no matter the voting has been acted personally by the shareholder or his proxy.</p> <p><u>If a Shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not be counted in the total number of voting shares at the shareholders’ general meeting.</u></p>
<p>Article 8.36</p> <p>Any instrument issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that, in the absence of instructions by the shareholder, the proxy may vote as it thinks fit.</p>	<p>Article 8.36</p> <p>Any instrument issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that <u>whether</u>, in the absence of instructions by the shareholder, the proxy may vote as it thinks fit.</p>

Original Article	Amended Article
<p>Article 8.42</p> <p>Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders’ general meetings.</p>	<p>Article 8.42</p> <p>Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders’ general meetings.</p> <p><u>In case of any of the following, directors, supervisors and senior management may refuse to answer but shall explain the reasons to the questioner:</u></p> <p><u>(1) inquiries are irrelevant to the subject topic;</u></p> <p><u>(2) the matters inquired are under investigation;</u></p> <p><u>(3) answering inquiries will reveal the Company’s trade secrets or significantly damage the common interests of shareholders;</u></p> <p><u>(4) other important reasons.</u></p>
<p>Article 8.44</p> <p>.....</p> <p>The shares of the Company held by itself has no voting rights, and the above shares shall be excluded from the total voting votes at shareholders’ general meetings. The Board of Directors, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the State Council may, as the solicitor, by themselves or entrusting securities company, securities service agency, publicly request the shareholders of the Company to entrust them to attend the shareholders’ general meeting and to exercise the shareholders’ rights such as proposal right and voting rights on their behalf. And the detailed information shall be fully disclosed to shareholders. It is prohibited to solicit</p>	<p>Article 8.44</p> <p>.....</p> <p>The shares of the Company held by itself has no voting rights, and the above shares shall be excluded from the total voting votes at shareholders’ general meetings. <u>If a Shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not be counted in the total number of voting shares at the shareholders’ general meeting.</u></p> <p>The Board of Directors, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory</p>

Original Article	Amended Article
<p>voting rights from shareholders by offering consideration or consideration in disguised form. The Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.</p> <p>.....</p>	<p>authority of the State Council CSRC may, as the solicitor, by themselves or entrusting securities company, securities service agency, publicly collect voting rights from the Company's Shareholders request the shareholders of the Company to entrust them to attend the shareholders' general meeting and to exercise the shareholders' rights such as proposal right and voting rights on their behalf. And when soliciting voting rights from shareholders, the detailed information such as specific voting intentions shall be fully disclosed to shareholders. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. Apart from statutory conditions, tThe Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.</p> <p>.....</p>
<p>Article 8.45</p> <p>Unless otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, or a poll is demanded before or after any vote by show of hands by the following persons, a resolution shall be decided on a show of hands at any shareholders' general meeting:</p> <p>(1) the chairman of the meeting;</p> <p>(2) at least two shareholders entitled to vote in person or by proxy; or</p> <p>(3) one or more shareholders (including their proxies) representing, either calculated separately or in aggregate, 10% or more of all shares carrying the right to vote at the meeting.</p> <p>Unless a poll is so demanded or unless as otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, a declaration by the chairman of the</p>	<p>Deleted</p>

Original Article	Amended Article
<p>meeting that a resolution has on a show of hands been passed or rejected and any entry to that effect in the minutes book shall be the conclusive evidence of the fact; there is no need for proof of the number or proportion of the votes recorded in favour and against the resolution.</p> <p>The demand for a poll may be withdrawn by the person who makes such demand.</p>	
<p>Article 8.46</p> <p>A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may be proceed with first. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.</p>	<p>Deleted</p>

Original Article	Amended Article
<p>Article 8.47</p> <p>Shareholders present at the shareholders’ general meeting should express their opinions on the motion put forward for voting in one of the following options: For, Against, or Abstain.</p> <p>.....</p>	<p>Article 8.475</p> <p>Shareholders present at the shareholders’ general meeting should express their opinions on the motion put forward for voting in one of the following options: For, Against, or Abstain, <u>save for the circumstance under which the securities registration and clearing authority, acting as the nominal holder of shares under the Stock Connect between Mainland and Hong Kong, makes reporting in accordance with the instruction of the de facto holders of relevant shares.</u></p> <p>.....</p>
<p>Article 8.48</p> <p>In case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.</p>	<p>Article 8.486</p> <p>In case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.</p>
<p>Article 8.50</p> <p>.....</p> <p>The “cumulative voting system” as mentioned in the preceding paragraphs means that, where there are two or more candidates for the election of a director or supervisor at a general meeting, each of the ordinary shares shall have the voting rights equal to the total number of elected directors (including independent directors) and supervisors specified in the Articles of Association. The voting rights can be concentrated on electing one person, or be separated on electing several persons. The director or supervisor shall be elected according to the number of votes. The “cumulative voting system” could also be used for election of independent directors.</p> <p>.....</p>	<p>Article 8.5048</p> <p>.....</p> <p>The “cumulative voting system” as mentioned in the preceding paragraphs means that, where there are two or more candidates for the election of a director or supervisor at a general meeting, each of the ordinary shares shall have the voting rights equal to the total number of directors (including independent directors) and supervisors <u>to be elected</u> specified in the Articles of Association. The voting rights can be concentrated on electing one person, or be separated on electing several persons. The director or supervisor shall be elected according to the number of votes. The “cumulative voting system” could also be used for election of independent directors.</p> <p>.....</p>

Original Article	Amended Article
<p>(6) the shares representing the voting rights have the voting rights equal to the total number of the elected directors and supervisors specified in the Articles of Association; shareholders can either vote to any of the candidates or disperse to several candidates or all the candidates (for example, a shareholder owns 100 shares of stock, and the company prepares to elect 11 directors, the shareholder’s voting rights accumulated to 100 × 11 = 1100 votes);</p> <p>.....</p>	<p>(6) the <u>ordinary</u> shares representing the voting rights <u>shall</u> have the voting rights equal to the total number of the elected directors and supervisors specified in the Articles of Association; shareholders can either vote to any of the candidates or disperse to several candidates or all the candidates (for example, a shareholder owns 100 shares of stock, and the company prepares to elect 11 directors, the shareholder’s voting rights accumulated to 100 × 11 = 1100 votes);</p> <p>.....</p>
<p>Article 8.56</p> <p>Resolutions of general meeting are divided into ordinary resolutions and special resolutions.</p> <p>To adopt an ordinary resolution at a general meeting, votes representing more than half of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.</p> <p>.....</p>	<p>Article 8.564</p> <p>Resolutions of general meeting are divided into ordinary resolutions and special resolutions.</p> <p>To adopt an ordinary resolution at a general meeting, votes representing more than half of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.</p> <p>.....</p>
<p>Article 8.58</p> <p>.....</p> <p>(5) the prices or amount of the transactions cumulated within 12 continuous months in relation to purchase or sale of the Company’s assets that reach 30% of the total assets shown in the latest audit;</p> <p>.....</p>	<p>Article 8.5856</p> <p>.....</p> <p>(5) the prices or amount of the transactions <u>or guarantee amount</u> cumulated within 12 continuous months in relation to purchase or sale of the Company’s assets that reach 30% of the total assets shown in the latest audit;</p> <p>.....</p>

Original Article	Amended Article
<p>In reviewing and considering matters relevant to connected transactions at a shareholders’ general meeting, the resolutions could be passed with more than half of favorable votes representing non-connected shareholders present in the meeting. However, when connected transactions matters adopted as special resolution, the resolutions could be passed with more than more than 2/3 of favorable votes representing non-connected shareholders present in the meeting.</p> <p>.....</p>	<p>In reviewing and considering matters relevant to connected transactions at a shareholders’ general meeting, the resolutions could be passed with more than half of favorable votes representing non-connected shareholders present in the meeting. However, when connected transactions matters adopted as special resolution, the resolutions could be passed with more than more than 2/3 of favorable votes representing non-connected shareholders present in the meeting.</p> <p>.....</p>
<p>Article 10.11</p> <p>The Board of Directors shall exercise the following functions and powers:</p> <p>.....</p> <p>(9) to decide on the matters in relation to the Company’s external investment, asset acquisition or disposal, asset mortgage, entrusted wealth management and connected transactions, but within the scope authorized by the shareholders’ general meeting;</p> <p>.....</p> <p>(11) to appoint or remove the manager and the secretary to the Board of Directors of the Company, and to appoint and remove the deputy managers, financial director, chief engineer and other senior management of the Company as nominated by the manager, and to determine their remuneration, reward and penalty;</p> <p>.....</p> <p>(20) to determine the facility for the capital required for the daily operation and project construction of the Company;</p> <p>(21) such other functions and powers as are stipulated by laws, regulations, rules, the listing</p>	<p>Article 10.11</p> <p>The Board of Directors shall exercise the following functions and powers:</p> <p>.....</p> <p>(9) to decide on the matters in relation to the Company’s external investment, asset acquisition or disposal, asset mortgage, entrusted wealth management, and <u>external donations and financial assistance, etc.</u>, but within the scope authorized by the shareholders’ general meeting;</p> <p>.....</p> <p>(11) to <u>resolve to</u> appoint or remove the manager, and the secretary to the Board of Directors <u>and other senior management members</u> of the Company, <u>and to determine their remuneration, reward and penalty;</u> and to <u>resolve to</u> appoint and remove the deputy managers, financial director, chief engineer and other senior management of the Company as nominated by the manager, and to determine their remuneration, reward and penalty;</p> <p>.....</p>

Original Article	Amended Article
<p>rules of the exchange where the shares of the Company are listed or the Articles of Association and delegated by the shareholders' general meeting.</p>	<p><u>(20) to formulate and review the shareholders' communication policies and its implementation;</u></p> <p><u>(21) to delegate certain powers and rights of the Board of Directors to the management, and to define the scope of authorization, especially the scope of matters to be reported by the management to and subject to prior approval by the Board of Directors;</u></p> <p><u>(22) to regularly evaluate and continuously improve the corporate governance, and regularly evaluate the performance of the Board of Directors, including:</u></p> <ol style="list-style-type: none"> <u>1. to formulate and review the corporate governance policies and its implementation;</u> <u>2. to review and monitor the directors and senior management's training and continuing professional capability development;</u> <u>3. to review and monitor the Company's compliance with the laws and regulatory provisions and its implementation;</u> <u>4. to formulate, review and monitor the code of conduct and code of compliance applicable to the Company's employees and directors;</u> <u>5. to regularly review the directors' contribution for performance of responsibilities, and to monitor the time contributed by the directors for performance of responsibilities;</u> <u>6. to review the Company's compliance with the Corporate Governance Code set out in Appendix 14 of the Listing Rules of the Stock Exchange;</u>

Original Article	Amended Article
	<p>(203) to determine the facility for the capital required for the daily operation and project construction of the Company;</p> <p>(244) such other functions and powers as are stipulated by laws, regulations, rules, the listing rules of the exchange where the shares of the Company are listed or the Articles of Association and delegated by the shareholders' general meeting.</p>
<p>Article 10.13</p> <p>The Board of Directors shall formulate its rules of procedure to ensure its implementation of the resolutions of the shareholders' general meeting, improve its work efficiency and ensure scientific decision-making.</p>	<p>Article 10.13</p> <p>The Board of Directors shall formulate its rules of procedure to ensure its implementation of the resolutions of the shareholders' general meeting, improve its work efficiency and ensure scientific decision-making.</p> <p><u>As the appendix to the Articles of Association, the Rules of Procedures for the Board Meeting shall be prepared by the Board of Directors and subject to approval at the shareholders' general meeting.</u></p>
<p>Article 10.14</p> <p>The Board of Directors shall define the authority to make venture capital investment with the assets of the Company and formulate strict procedures of examination and decision-making in relation thereto. For any major investment projects, the Board of Directors shall organize relevant experts and professionals to make an assessment and report it to the shareholders' general meeting for approval.</p>	<p>Article 10.14</p> <p>The Board of Directors shall define the authority <u>with respect to make venture capital investment with the assets of the Company the external investment, asset acquisition or disposal, asset mortgage, external guarantee, entrusted wealth management, connected transactions, external donations and financial assistance, etc.,</u> and formulate strict procedures of examination and decision-making in relation thereto. For any major investment projects, the Board of Directors shall organize relevant experts and professionals to make an assessment and report it to the shareholders' general meeting for approval.</p> <p><u>(1) The material non-connected transactions of the Company, such as external investment, asset acquisition or disposal, entrusted wealth</u></p>

Original Article	Amended Article
	<p><u>management and external donations, etc., and meeting any of the following standards, shall be reported to the Board of Directors for approval.</u></p> <p><u>1. total assets (book value or appraised value, whichever is higher if both exist) involved in the transaction exceed 10% of the latest audited total assets of the Company;</u></p> <p><u>2. net assets (book value or appraised value, whichever is higher if both exist) of the target of the transaction (such as share equity) exceed 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;</u></p> <p><u>3. the consideration of the transaction (including liabilities and expenses incurred) exceeds 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;</u></p> <p><u>4. the profit of the transaction exceeds 10% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB1 million;</u></p> <p><u>5. the operating revenue generated by the target of the transaction (such as share equity) for the most recent accounting year exceeds 10% of the audited operating revenue of the Company for the most recent accounting year, and the absolute amount exceeds RMB10 million;</u></p> <p><u>6. the net profit generated by the target of the transaction (such as equity) for the most recent accounting year exceeds 10% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB1 million.</u></p>

Original Article	Amended Article
	<p data-bbox="810 336 1134 363"><u>(2) Connected transactions</u></p> <p data-bbox="810 412 1390 1076"><u>The connected transactions between the Company and connected persons with an amount of over RMB3 million and accounting for over 0.5% of the absolute value of the latest audited net assets of the Company (excluding the provision of guarantee), and the connected transactions between the Company and connected natural person with an amount of over RMB0.3 million shall be submitted to the Board of Directors for approval. The transactions of the Company entered into with the same connected person and the transactions related to subjects under the same category of transactions entered into with different connected person that take place within 12 consecutive months shall be subject to the aforesaid provisions in accordance with the principle of cumulative calculation.</u></p> <p data-bbox="810 1125 1390 1491"><u>(3) The Company's provision of external guarantee shall be subject to the consideration by the Board of Directors. When considering the external guarantee by the Board of Directors, it shall obtain approval from more than two-thirds of the directors present at the meeting. When considering the provision of guarantee for shareholders, actual controllers and their related parties by the Board of Directors, connected directors shall abstained from voting.</u></p> <p data-bbox="810 1540 1390 1938"><u>Where a holding subsidiary of the Company provides guarantees for legal persons or other organizations within the scope of the Company's consolidated statements, the Company shall disclose the same in a timely manner after the holding subsidiary has fulfilled the consideration procedures, guarantee matters which should be submitted to the shareholders' general meeting of the Company for consideration according to the Articles of Association are excluded.</u></p>

Original Article	Amended Article
	<p><u>If a holding subsidiary of the Company provides a guarantee for an entity other than the one specified in the preceding paragraph, it shall be deemed to be a guarantee provided by the Company.</u></p> <p><u>(4) The Company’s financial assistance shall be subject to the consideration by the Board of Directors. When considering the financial assistance by the Board of Directors, it shall obtain approval from more than two-thirds of the directors present at the meeting.</u></p> <p><u>Except for matters specifically stipulated in relevant laws, administrative regulations, departmental rules, the Listing Rules of the Shanghai Stock Exchange and the Articles of Association, such matters shall be implemented in accordance with relevant special provisions.</u></p> <p><u>If any data involved in the calculation above is negative, the absolute value shall apply.</u></p> <p><u>The permission of the Board of Directors to the above transactions shall also comply with the relevant provisions of the Listing Rules of the Stock Exchange.</u></p>
<p>Article 10.18</p> <p>.....</p> <p>For any guarantee to be provided by the Company for any external party, the Company must request a counter-guarantee from such party, which shall be provided by a party that is actually able to do so. This provision shall not apply to the case where the Company provides guarantee for any of its holding subsidiaries in proportion with its equity interest in such subsidiary.</p> <p>.....</p>	<p>Article 10.18</p> <p>.....</p> <p>For any guarantee to be provided by the Company for any external party, the Company must <u>for controlling shareholder, actual controller and their connected parties, the controlling shareholder, actual controller and their respective connected parties shall provide a counter-guarantee. For any other external guarantee to be provided by the Company, the Company may</u> request a counter-guarantee from such party, which shall be provided by a party that is actually able to do so. This provision shall not apply to the case where the Company provides</p>

Original Article	Amended Article
	<p>guarantee for any of its holding subsidiaries in proportion with its equity interest in such subsidiary.</p> <p>.....</p>
<p>Article 10.21</p> <p>The meeting of the Board of Directors shall be convened by the chairman at least 4 times a year before the publication of the quarterly reports, interim report and annual report of the Company. Written notice shall be delivered to all directors 10 business days prior to date of the meeting.</p>	<p>Article 10.21</p> <p>The meeting of the Board of Directors shall be convened regularly by the chairman at least twice 4 times a year before the publication of the quarterly reports, interim report and annual report of the Company. Written notice shall be delivered to all directors 10 business days prior to date of the meeting.</p>
<p>Article 11.03</p> <p>The following persons shall not serve as independent directors:</p> <p>(1) any person who hold a position in the listed company or any of its subsidiaries and his directly-related family members and main associates. Directly-related family members mean spouse, parents and children, and main associates mean siblings, parents-in-law, children-in-law, spouses of siblings and siblings of spouse;</p> <p>.....</p>	<p>Article 11.03</p> <p>The following persons shall not serve as independent directors:</p> <p>(1) any person who hold a position in the listed company or any of its subsidiaries and his directly-related family members and main associates. Directly-related family members mean spouse, parents and children, and main associates mean siblings, parents-in-law, children-in-law, parents of the spouse, spouses of children, spouses of siblings and siblings of spouse;</p> <p>.....</p>
<p>Article 11.04</p> <p>.....</p> <p>(3) Prior to the shareholders' general meeting for election of independent directors, the Company shall submit relevant information on all nominees to the Shanghai Stock Exchange, which shall review the qualification and independence of such nominees. A nominee to whom the Shanghai Stock Exchange has raised an objection may serve as a</p>	<p>Article 11.04</p> <p>.....</p> <p>(3) Prior to the shareholders' general meeting for election of independent directors, the Company shall submit relevant information on all nominees to the Shanghai Stock Exchange, which shall review the qualification and independence of such nominees. A nominee to whom the Shanghai Stock Exchange has raised an objection may serve as a</p>

Original Article	Amended Article
<p>candidate for director, but not as a candidate for independent director. At the shareholders’ general meeting for election of independent directors, the Board of Directors shall make a statement of any objection raised by the Shanghai Stock Exchange against any candidate for independent director.</p> <p>.....</p> <p>(5) If an independent director fails to attend the meeting of the Board of Directors for 3 consecutive times, the Board of Directors shall propose to the shareholders’ general meeting to remove such independent director. Except in that case or any other cases specified by the Company Law for removal of independent directors, an independent director shall not be removed without good reason prior to the expiration of his term of office. In the case of any early removal, the Company shall make a special disclosure thereof. Any removed independent director who thinks that the Company has not any proper reason to remove him may make public statement.</p> <p>.....</p>	<p>candidate for director, but not as a candidate for independent director. <u>The Company shall submit relevant materials of candidates of independent directors (including the Statement of Candidate of Independent Director, Statement of Nominator of Independent Director, Curriculum Vitae of Independent Directors of Listed Companies and other written documents) to the Shanghai Stock Exchange no later than the time when the announcement on the notice of the shareholders’ general meeting convening by the Company for election of independent directors.</u></p> <p><u>If the Board of Directors of the Company disputes the particulars pertaining to the nominee, its written opinions shall also be submitted.</u> At the shareholders’ general meeting for election of independent directors, the Board of Directors shall make a statement of any objection raised by the Shanghai Stock Exchange against any candidate for independent director. <u>Any candidate of independent director for whom the Shanghai Stock Exchange disputes shall not be proposed to the shareholders’ general meeting for electing as an independent director by the Company, and such shareholders’ general meeting shall be extended or canceled, or relevant proposal shall be withdrawn at the shareholders’ general meeting.</u></p> <p>.....</p> <p>(5) If an independent director fails to attend the meeting of the Board of Directors for 3 consecutive times, the Board of Directors shall propose to the shareholders’ general meeting to remove such independent director. Except in that case or any other cases specified by the Company Law for removal of independent directors, an independent director shall not be removed without good reason prior to the expiration of his term of office. In the case of any early removal, the Company shall make</p>

Original Article	Amended Article
	<p>a special disclosure thereof. Any removed independent director who thinks that the Company has not any proper reason to remove him may make public statement. The Company may dismiss any independent director through statutory procedures prior to the expiration of his/her term of office. The Company shall disclose any early dismissal as a special disclosure.</p> <p>.....</p>
<p>Article 11.05</p> <p>In addition to the duties and powers granted to a director by the Company Law and other relevant laws and regulations, independent directors shall have the following special duties and powers:</p> <p>(1) to approve any major connected transaction (i.e., any connected transaction entered into by and between the Company and a connected person with a total amount exceeding 0.5% of the last audited net assets of the Company) before submitting it to the Board of Directors for discussion, and to engage an intermediary agency to issue an independent financial advisory report as the basis for his judgment before making judgment;</p> <p>.....</p> <p>(6) to appoint external auditing and consulting agencies independently to provide auditing or consulting services on any specific matter of the Company at the expense of the Company.</p> <p>.....</p>	<p>Article 11.05</p> <p>In addition to the duties and powers granted to a director by the Company Law and other relevant laws and regulations, independent directors shall have the following special duties and powers:</p> <p>(1) to <u>propose prior approval opinions on</u> approve any major connected transaction <u>which shall be submitted to the shareholders' general meeting for consideration</u> (i.e., any connected transaction entered into by and between the Company and a connected person with a total amount exceeding 0.5% of the last audited net assets of the Company) before submitting it to the Board of Directors for <u>consideration</u> discussion, and to engage an intermediary agency to issue an independent financial advisory <u>a specific</u> report as the basis for his judgment before making judgment;</p> <p>.....</p> <p>(6) to appoint external auditing and consulting agencies <u>intermediaries</u> independently to provide auditing, <u>review or express professional opinions</u> or consulting services on any specific matter of the Company at the expense of the Company;</p>

Original Article	Amended Article
	<p><u>(7) other duties and powers specified in laws, regulations, the CSRC and the stock exchange of the place where the shares of the Company are listed and the Articles of Association.</u></p> <p>.....</p>
<p>Article 11.07</p> <p>In addition to their duties set out above, independent directors shall express independent opinions on the following matters to the Board of Directors or the shareholders’ general meeting:</p> <p>.....</p> <p>(4) failure of the Board of Directors to prepare a preliminary cash profit distribution plan;</p> <p>(5) existing or new borrowing or other fund transactions of the Company to or with the shareholders, actual controller of the Company and their respective connected persons, the total amount of which exceeds 0.5% of the latest audited net capital of the Company, and whether or not the Company has adopted effective measures to recover these arrears;</p> <p>(6) to make a special explanation of, and express an independent opinion on, the accumulative or current guarantees provided by the Company to external parties and the implementation of CSRC’s provisions on guarantees in the annual report;</p> <p>(7) any plan of any affiliate of the Company to settle debts with assets;</p> <p>(8) matters which independent directors think may harm the rights and interests of minority shareholders;</p>	<p>Article 11.07</p> <p>In addition to their duties set out above, independent directors shall express independent opinions on the following matters to the Board of Directors or the shareholders’ general meeting:</p> <p>.....</p> <p>(4) failure of the Board of Directors to prepare a preliminary cash profit distribution plan;</p> <p>(5) existing or new borrowing or other fund transactions of the Company to or with the shareholders, actual controller of the Company and their respective connected persons, the total amount of which exceeds 0.5% of the latest audited net capital of the Company, and whether or not the Company has adopted effective measures to recover these arrears;</p> <p>(6) to make a special explanation of, and express an independent opinion on, the accumulative or current guarantees provided by the Company to external parties and the implementation of CSRC’s provisions on guarantees in the annual report;</p> <p>(7) any plan of any affiliate of the Company to settle debts with assets;</p> <p>(8) matters which independent directors think may harm the rights and interests of minority shareholders;</p>

Original Article	Amended Article
<p>(9) other matters stipulated in the Articles of Association or the listing rules of the Stock Exchange of Hong Kong.</p>	<p>(9) other matters stipulated in the Articles of Association or the listing rules of the Stock Exchange of Hong Kong.</p> <p>(4) the appointment or removal of the accounting firm;</p> <p><u>(5) changes in accounting policies and accounting estimates or correction of significant accounting errors resulting from reasons other than changes in accounting standards;</u></p> <p><u>(6) the non-standard unqualified audit opinions issued by the accounting firm on the financial reports of the Company and internal control;</u></p> <p><u>(7) the appraisal report on internal control;</u></p> <p><u>(8) the proposal for change of commitments by counterparties;</u></p> <p><u>(9) the impacts of issuance of preference shares on the equities of each class of shareholders of the Company;</u></p> <p><u>(10) the formulation of profit distribution policies, profit distribution plans and cash dividend plans;</u></p> <p><u>(11) material matters that need to be disclosed such as connected transactions, provision of guarantees (excluding guarantees provided for subsidiaries within the scope of consolidated statements), entrusted financial management, provision of financial assistance, use of proceeds, and investment in stocks and their derivatives;</u></p> <p><u>(12) material assets reorganization proposal, acquisition of management, share incentive scheme, employee share ownership plan, share repurchase plan, the scheme of repaying debts</u></p>

Original Article	Amended Article
	<p><u>with assets by the connected parties of the Company;</u></p> <p><u>(13) the Company intending to decide that its shares will no longer be traded on the stock exchange of the place where the Company's shares are listed;</u></p> <p><u>(14) matters that may jeopardize the legitimate interests of minority shareholders in the opinion of independent directors;</u></p> <p><u>(15) other matters required by laws, regulations and relevant regulations of the stock exchange of the place where the Company's shares are listed.</u></p>
<p>Article 12.01</p> <p>The Company shall have one manager, who is to be appointed or removed by the Board of Directors.</p>	<p>Article 12.01</p> <p>The Company shall have one manager and four deputy managers, who is to shall be appointed or removed by the Board of Directors.</p> <p><u>The manager, deputy manager, chief financial officer and Secretary of the Board of Directors are senior management of the Company and shall be appointed or removed by the Board of Directors.</u></p>
<p>Article 12.04</p> <p>The manager shall report to the Board of Directors and have the following duties and powers:</p> <p>.....</p> <p>(6) to make proposals regarding the appointment or removal of the deputy manager, financial director, chief engineer of the Company;</p> <p>(7) to appoint or remove managerial personnel other than those to be appointed or removed by the Board of Directors;</p>	<p>Article 12.04</p> <p>The manager shall report to the Board of Directors and have the following duties and powers:</p> <p>.....</p> <p>(6) to make proposals to the Board of Directors regarding the appointment or removal of the deputy manager, financial director chief financial officer, chief engineer of the Company;</p>

Original Article	Amended Article
<p>(8) to formulate plans for the wages, benefits, awards and punishments of the employees of the Company and determine the employment and dismissal of such employees;</p> <p>(9) to propose to convene an interim meeting of the Board of Directors;</p> <p>(10) such other duties and powers as are granted by the Articles of Association and the Board of Directors.</p> <p>The manager should attend the meetings of the Board of Directors. The manager who is not a director has no voting rights on the meetings of the Board of Directors.</p> <p>The above operating decisions involving external investment, asset acquisition or disposal, asset mortgage, entrusted wealth management and connected transactions shall be handled in accordance with the securities regulatory authorities and the listing rules of the stock exchange where the Company’s shares listed.</p>	<p>(7) to <u>decide on the appointment or removal of</u> appoint or remove managerial personnel other than those to be appointed or removed by the Board of Directors;</p> <p>(8) to formulate plans for the wages, benefits, awards and punishments of the employees of the Company and determine the employment and dismissal of such employees;</p> <p>(9) to propose to convene an interim meeting of the Board of Directors;</p> <p>(10) such other duties and powers as are granted by the Articles of Association and the Board of Directors.</p> <p>The manager should attend the meetings of the Board of Directors. The manager who is not a director has no voting rights on the meetings of the Board of Directors.</p> <p>The above operating decisions involving external investment, asset acquisition or disposal, asset mortgage, entrusted wealth management and, connected transactions <u>and external donations</u> shall be handled in accordance with the <u>Company Law</u> securities regulatory authorities and the listing rules of the stock exchange where the Company’s shares listed.</p>
<p>Article 12.06</p> <p>The senior management of the Company shall not hold any executive position other than director or supervisor in a controlling shareholder.</p>	<p>Article 12.06</p> <p>The senior management of the Company shall not hold any executive position other than director or supervisor in at the controlling shareholder. <u>The senior management of the Company shall only receive salary from the Company and shall not be paid by the controlling shareholder on behalf of the Company.</u></p>

Original Article	Amended Article
<p>Article 12.12</p> <p>The senior management shall be liable for any losses caused to the Company by their breach of any law, regulation, rule or the Articles of Association in performing their duties for the Company.</p>	<p>Article 12.12</p> <p>The senior management shall be liable for any losses caused to the Company by their breach of any law, regulation, rule or the Articles of Association in performing their duties for the Company.</p> <p><u>The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If the senior management of the Company fails to faithfully perform their duties or violates their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.</u></p>
<p>Article 13.01</p> <p>The Company shall have one secretary to the Board of Directors, who shall be a senior management of the Company.</p> <p>.....</p>	<p>Article 13.01</p> <p>The Company shall have one Secretary to the Board of Directors, <u>who is responsible for the preparation and maintenance of documents of shareholders’ general meetings and meetings of the Board of Directors, the management of the shareholders’ information of the Company and the handling of information disclosure matters, etc. The Secretary of the Board of Directors</u> who shall be a senior management of the Company.</p> <p>.....</p>
<p>Article 13.02</p> <p>The secretary to the Board of Directors shall be a natural person who has necessary professional knowledge and experience, and shall be appointed by the Board of Directors. The qualification of the secretary to the Board of Directors shall be as follows:</p> <p>(1) having good professional ethics and personal qualities;</p>	<p>Article 13.02</p> <p>The Secretary to the Board of Directors shall be a natural person who has necessary professional knowledge and experience, <u>have the necessary financial, management and legal expertise to perform his or her duties, good professional ethics and personal qualities</u> and shall be appointed by the Board of Directors. The qualification of the secretary to the Board of Directors shall be as follows:</p>

Original Article	Amended Article
<p>(2) having financial, managerial, legal and other professional knowledge required for performing his duties;</p> <p>(3) having experience required for performing his duties;</p> <p>(4) Having the qualification training for board secretary held by the Shanghai Stock Exchange.</p> <p>A natural person who falls within any of the following circumstances shall not serve as the secretary to the Board of Directors:</p> <p>(1) any of the circumstances specified in Article 146 of the Company Law;</p> <p>(2) has been subject to any administrative penalty by CSRC in the most recent 3 years;</p> <p>(3) has been publicly declared by any stock exchange to be unsuitable for serving as the secretary to the Board of Directors of any listed company;</p> <p>(4) has been publicly reprimanded or criticized 3 or more times in circulars by any stock exchange in the most recent 3 years;</p> <p>(5) in the most recent 3 years when he serves as the secretary to the Board of Directors of a listed company, has failed to pass the annual appraisal by the stock exchange for more than 2 times;</p> <p>(6) is a supervisor of the Company;</p> <p>(7) any other circumstances of being unsuitable to serve as the secretary to the Board of Directors as determined by the Shanghai Stock Exchange.</p>	<p>(1) having good professional ethics and personal qualities;</p> <p>(2) having financial, managerial, legal and other professional knowledge required for performing his duties;</p> <p>(3) having experience required for performing his duties;</p> <p>(4) Having the qualification training for board secretary held by Shanghai Stock Exchange.</p> <p>A natural person who falls within any of the following circumstances shall not serve as the secretary to the Board of Directors:</p> <p>(1) any of the circumstances specified in Article 146 of the Company Law <u>any circumstance under which the person shall not be a director, supervisor or senior management of a listed company as stipulated in the Listing Rules of the Shanghai Stock Exchange;</u></p> <p>(2) has been subject to any administrative penalty by CSRC in the most recent 3 years;</p> <p>(3) has been publicly declared by any stock exchange to be unsuitable for serving as the secretary to the Board of Directors of any listed company;</p> <p>(4) has been publicly reprimanded or criticized 3 or more times in circulars by any stock exchange in the most recent 3 years;</p> <p>(5) in the most recent 3 years when he serves as the secretary to the Board of Directors of a listed company, has failed to pass the annual appraisal by the stock exchange for more than 2 times;</p> <p>(6) is a supervisor of the Company;</p>

Original Article	Amended Article
	(75) any other circumstances of being unsuitable to serve as the secretary to the Board of Directors as determined by the Shanghai Stock Exchange.
<p>Article 13.03</p> <p>The main duties of the secretary to the Board of Directors shall be:</p> <p>(1) to assist directors in handling daily work of the Board of Directors, continually provide directors with, or remind them of, and ensure that directors understand, the regulations, policies and requirements of relevant domestic and foreign regulatory authorities in relation to the Company's operation, and assist directors and the manager in observing domestic and foreign laws, regulations, the Articles of Association and other relevant provisions during the performance of their duties;</p> <p>(2) to organize and prepare documents of the shareholders' general meeting and the meetings of the Board of Directors, keep proper minutes of such meetings, ensure that decisions made at such meetings are in compliance with statutory procedures, and know the implementation of resolutions of the Board of Directors;</p> <p>(3) to organize and co-ordinate information disclosure to establish a good relationship with investors and enhance the transparency of the Company;</p> <p>(4) to participate in organizing any financing in the capital market;</p> <p>(5) to handle relations with intermediaries, domestic and foreign regulatory authorities and media, and do a good job with public relations.</p> <p>The duties of the secretary to the Board of Directors shall be:</p>	<p>Article 13.03</p> <p>The main duties of the secretary to the Board of Directors shall be:</p> <p>(1) to assist directors in handling daily work of the Board of Directors, continually provide directors with, or remind them of, and ensure that directors understand, the regulations, policies and requirements of relevant domestic and foreign regulatory authorities in relation to the Company's operation, and assist directors and the manager in observing domestic and foreign laws, regulations, the Articles of Association and other relevant provisions during the performance of their duties;</p> <p>(2) to organize and prepare documents of the shareholders' general meeting and the meetings of the Board of Directors, keep proper minutes of such meetings, ensure that decisions made at such meetings are in compliance with statutory procedures, and know the implementation of resolutions of the Board of Directors;</p> <p>(3) to organize and co-ordinate information disclosure to establish a good relationship with investors and enhance the transparency of the Company;</p> <p>(4) to participate in organizing any financing in the capital market;</p> <p>(5) to handle relations with intermediaries, domestic and foreign regulatory authorities and media, and do a good job with public relations.</p> <p>The duties of the secretary to the Board of Directors shall be:</p>

Original Article	Amended Article
<p>(1) to organize and make preparations for meetings of the Board of Directors and the shareholders' general meeting, prepare documents for such meetings, make relevant arrangements for such meetings, take minutes of meetings and ensure the accuracy of such minutes, keep documents and minutes of such meetings, keep an eye on the implementation of relevant resolutions on his own initiative, report and make recommendations to the Board of Directors on any material issue arising in such implementation, and ensure that the Company possess complete constitutional documents and records;</p>	<p>(1) to organize and make preparations for meetings of the Board of Directors and the shareholders' general meeting, prepare documents for such meetings, make relevant arrangements for such meetings, take minutes of meetings and ensure the accuracy of such minutes, keep documents and minutes of such meetings, keep an eye on the implementation of relevant resolutions on his own initiative, report and make recommendations to the Board of Directors on any material issue arising in such implementation, and ensure that the Company possess complete constitutional documents and records;</p>
<p>(2) to ensure that any material matter to be decided by the Board of Directors be carried out strictly in accordance with the prescribed procedures and, at the request of the Board of Directors, take part in procuring advice and analysis of matters to be decided by the Board of Directors and give opinions and recommendations in relation hereto, and handle such routine work of the Board of Directors and its committees as are entrusted to him;</p>	<p>(2) to ensure that any material matter to be decided by the Board of Directors be carried out strictly in accordance with the prescribed procedures and, at the request of the Board of Directors, take part in procuring advice and analysis of matters to be decided by the Board of Directors and give opinions and recommendations in relation hereto, and handle such routine work of the Board of Directors and its committees as are entrusted to him;</p>
<p>(3) as the liaison person between the Company and foreign and domestic regulatory authorities, to ensure that the Company prepare and submit such reports and documents as are required by the competent authorities in accordance with the law, and organize the relevant departments of the Company to complete matters in relation to securities regulation;</p>	<p>(3) as the liaison person between the Company and foreign and domestic regulatory authorities, to ensure that the Company prepare and submit such reports and documents as are required by the competent authorities in accordance with the law, and organize the relevant departments of the Company to complete matters in relation to securities regulation;</p>
<p>(4) to co-ordinate and organize the information disclosure of the Company, establish a sound information disclosure system, attend all the meetings of the Company involving any information disclosure, and become aware of material operating decisions of the Company and related information in a timely manner;</p>	<p>(4) to co ordinate and organize the information disclosure of the Company, establish a sound information disclosure system, attend all the meetings of the Company involving any information disclosure, and become aware of material operating decisions of the Company and related information in a timely manner;</p>

Original Article	Amended Article
<p>(5) to be responsible for maintaining the secrecy and confidentiality of the price-sensitive information of the Company, formulate practicable systems and measures of confidentiality, and take necessary remedial actions, make a timely explanation or clarification and give notice to the relevant foreign and domestic regulatory authorities in respect of any leakage of price-sensitive information of the Company;</p>	<p>(5) to be responsible for maintaining the secrecy and confidentiality of the price sensitive information of the Company, formulate practicable systems and measures of confidentiality, and take necessary remedial actions, make a timely explanation or clarification and give notice to the relevant foreign and domestic regulatory authorities in respect of any leakage of price sensitive information of the Company;</p>
<p>(6) to organize marketing and promotion, receive visitors, handle relations with investors, keep in contact with investors, intermediaries and news media, answer public questions, ensure that investors be provided with any information disclosed by the Company in a timely manner, organize on-shore and off-shore promotion activities of the Company, prepare summary reports on marketing activities and important visits, and organize the submission of reports on relevant matters to the domestic and foreign regulatory authorities;</p>	<p>(6) to organize marketing and promotion, receive visitors, handle relations with investors, keep in contact with investors, intermediaries and news media, answer public questions, ensure that investors be provided with any information disclosed by the Company in a timely manner, organize on shore and off shore promotion activities of the Company, prepare summary reports on marketing activities and important visits, and organize the submission of reports on relevant matters to the domestic and foreign regulatory authorities;</p>
<p>(7) to manage and keep the registers of shareholders and directors of the Company, records of shareholdings by major shareholders and directors and the list of beneficiary holders of the issued and outstanding bonds of the Company, and ensure that any person entitled to obtain any record or document of the Company be provided with such record or document in a timely manner;</p>	<p>(7) to manage and keep the registers of shareholders and directors of the Company, records of shareholdings by major shareholders and directors and the list of beneficiary holders of the issued and outstanding bonds of the Company, and ensure that any person entitled to obtain any record or document of the Company be provided with such record or document in a timely manner;</p>
<p>(8) to assist directors and the manager in observing domestic and foreign laws and regulations, the Articles of Association and other relevant provisions during the course of exercising their duties and powers, remind the Company about any non-compliant decision made or likely to be made by Company which has come to his attention and report the case as it is to the domestic and foreign regulatory authorities in his own right;</p>	<p>(8) to assist directors and the manager in observing domestic and foreign laws and regulations, the Articles of Association and other relevant provisions during the course of exercising their duties and powers, remind the Company about any non-compliant decision made or likely to be made by Company which has come to his attention and report the case as it is to the domestic and foreign regulatory authorities in his own right;</p>

Original Article	Amended Article
<p>(9) to co-ordinate the provision of necessary information and data to Supervisory Committee of the Company or any other examination authority for the purposes of exercising supervisory functions, and assist in any investigation of the observance by the financial director, directors and manager of the Company of the obligation of good faith;</p> <p>(10) to exercise such other duties and powers as may be delegated by the Board of Directors or stipulated by the relevant laws and regulations of the place where the shares of the Company are listed or the relevant stock exchanges.</p>	<p>(9) to co ordinate the provision of necessary information and data to Supervisory Committee of the Company or any other examination authority for the purposes of exercising supervisory functions, and assist in any investigation of the observance by the financial director, directors and manager of the Company of the obligation of good faith;</p> <p>(10) to exercise such other duties and powers as may be delegated by the Board of Directors or stipulated by the relevant laws and regulations of the place where the shares of the Company are listed or the relevant stock exchanges.</p> <p><u>(1) to be responsible for the information disclosure matters of the Company, coordinating the information disclosure of the Company, organizing the formulation of the information disclosure management system, and urging the Company and relevant persons responsible for information disclosure to abide by the relevant provisions on information disclosure;</u></p> <p><u>(2) to be responsible for the management of investor relationship, and coordinating the information communication among the Company and securities regulators, investors, de facto controllers, intermediaries and media;</u></p> <p><u>(3) to prepare for the organization of meetings of the Board of Directors and shareholders' general meetings, participate in shareholders' general meetings, meetings of the Board of Directors and Supervisory Committee and relevant meetings of senior management, record minutes of the meetings of the Board of Directors and affix signatures;</u></p>

Original Article	Amended Article
	<p><u>(4) to be responsible for the confidentiality of the information disclosure, and reporting to the Shanghai Stock Exchange and making disclosure when undisclosed significant information is divulged;</u></p> <p><u>(5) to follow media coverage and seek for confirmation, and urge relevant entities including the Company to make prompt replies to the Shanghai Stock Exchange;</u></p> <p><u>(6) to organize the trainings on relevant laws, regulations and relevant provisions of the Shanghai Stock Exchange for directors, supervisors and senior management of the Company, and provide assistance for aforesaid personnel in understanding their duties in the information disclosure;</u></p> <p><u>(7) to urge and supervise the directors, supervisors and senior management to abide by laws, regulations, relevant provisions of the Shanghai Stock Exchange and the Articles of Association, and faithfully fulfill their commitments; to remind the Company, the directors, supervisors and senior management of their existing or possible resolutions in violation of relevant provisions, and report to the Shanghai Stock Exchange in a faithful manner;</u></p> <p><u>(8) to manage the change of the Company's shares and their derived varieties;</u></p> <p><u>(9) other duties required by laws and regulations and the Shanghai Stock Exchange.</u></p>

Original Article	Amended Article
<p>Article 14.01</p> <p>The Company shall have a Supervisory Committee.</p> <p>The Supervisory Committee shall consist of three or more supervisors. The supervisors shall serve for a term of 3 years and may serve consecutive terms if re-elected. The Supervisory Committee shall have one chairman, whose appointment and removal shall be subject to affirmative votes by half or more of all the supervisors.</p>	<p>Article 14.01</p> <p>The Company shall have a Supervisory Committee.</p> <p>The Supervisory Committee shall consist of three or more <u>six</u> supervisors. The supervisors shall serve for a term of 3 years and <u>are eligible for re-election upon the expiration of their term of office</u> may serve consecutive terms if re-elected. The Supervisory Committee shall have one chairman, whose appointment and removal shall be subject to affirmative votes by half or more <u>more than a half</u> of all the supervisors.</p>
<p>Article 14.05</p> <p>.....</p> <p>Notice of a meeting of Supervisory Committee shall contain the following contents:</p> <p>(1) date and venue of the meeting;</p> <p>(2) matters to be discussed (proposals);</p> <p>(3) person convening and presiding over the meeting, person proposing to convene the interim meeting and his written proposal;</p> <p>(4) materials and information required by supervisors for voting;</p> <p>(5) request that supervisors attend the meeting in person;</p> <p>(6) contact person and contact information.</p> <p>The notice of a meeting shall at least include the contents set out in provisions (1) and (2) above and an explanation why an interim meeting should be convened as soon as possible in any emergency.</p>	<p>Article 14.05</p> <p>.....</p> <p>Notice of a meeting of Supervisory Committee shall contain the following contents:</p> <p>(1) date and venue of the meeting <u>the date, place and duration of the meeting;</u></p> <p>(2) matters to be discussed (proposals);</p> <p>(3) person convening and presiding over the meeting, person proposing to convene the interim meeting and his written proposal;</p> <p>(4) materials and information required by supervisors for voting;</p> <p>(5) request that supervisors attend the meeting in person;</p> <p>(6) contact person and contact information.</p> <p>The notice of a meeting shall at least include the contents set out in provisions (1) and (2) above and an explanation why an interim meeting should be convened as soon as possible in any emergency.</p>

Original Article	Amended Article
	<p><u>(2) the matters and subjects;</u></p> <p><u>(3) the date of issuing the notice.</u></p>
<p>Article 14.11</p> <p>The Supervisory Committee shall be responsible for the shareholders’ general meeting and exercise the following duties and powers in accordance with legal provisions:</p> <p>.....</p> <p>(8) to attend the meetings of the Board of Directors as observers and make enquiries or recommendations in respect of any matter to be resolved by the Board of Directors;</p> <p>(9) to verify the financial reports, business reports, profit distribution plans and other financial information to be submitted by the Board of Directors to the shareholders’ general meeting and, if discovering any problem, commission, in the name of the Company, a registered accountant or licensed auditor to review such reports.</p> <p>.....</p>	<p>Article 14.11</p> <p>The Supervisory Committee shall be responsible for the shareholders’ general meeting and exercise the following duties and powers in accordance with legal provisions:</p> <p>.....</p> <p>(8) to attend the meetings of the Board of Directors as observers and make enquiries or recommendations in respect of any matter to be resolved by the Board of Directors;</p> <p>(9) to verify the financial reports, business reports, profit distribution plans and other financial information to be submitted by the Board of Directors to the shareholders’ general meeting and, if discovering any problem, commission, in the name of the Company, a registered accountant or licensed auditor to review such reports;</p> <p><u>(8) to demand for remedies of any damage to the interests of the Company caused by directors and senior management;</u></p> <p><u>(9) in case of any irregularity identified in the operations of the Company, to make investigations and if necessary, to engage professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company.</u></p> <p>.....</p>

Original Article	Amended Article
<p>Article 14.15</p> <p>In any of the following circumstances, Supervisory Committee shall convene an interim meeting within 10 days:</p> <p>(1) Any supervisor proposes to do so;</p> <p>(2) The shareholders' general meeting or the meeting of the Board of Directors adopts any resolution that violates any law, regulation, rule, various provisions and requirements of the regulatory authorities, the Articles of Association, any resolution of the shareholders' general meeting and any other relevant provisions;</p> <p>(3) cause any material harm to the Company or exert any bad influence in the market;</p> <p>(4) Any shareholder brings a legal action against the Company or any of its directors, supervisors or senior management;</p> <p>(5) The Company or any of its directors, supervisors or senior management is punished by the securities regulatory authority or publicly reprimanded by the Shanghai Stock Exchange;</p> <p>(6) The securities regulatory authority requires Supervisory Committee to do so; and</p> <p>(7) Other circumstances specified in the Articles of Association.</p> <p>If any supervisor requests to convene an interim meeting of Supervisory Committee, he should explain the reasons and purposes for doing so.</p>	<p>Deleted</p>

Original Article	Amended Article
<p>Article 16.07</p> <p>The Company shall announce its interim financial report within two months after the end of the first six months of each financial year, and announce the annual financial report within four months after the end of each financial year, and announce the quarterly financial report within one month from the date of the end of the first three months and the first nine months of each financial year respectively.</p>	<p>Article 16.07</p> <p>The Company shall announce its interim financial report within two months after the end of the first six months of each financial year, and announce the annual financial report within four months after the end of each financial year<u>report and disclose its annual report to the CSRC and the stock exchange within four months from the end of each financial year; and report and disclose its interim report to the CSRC authority and the stock exchange within two months from the end of the first half of each financial year,</u> and announce <u>disclose</u> the quarterly financial report within one month from the date of the end of the first three months and the first nine months of each financial year respectively.</p> <p><u>The aforementioned annual reports and interim reports shall be prepared in accordance with laws, administrative regulations and regulations of CSRC and the stock exchange.</u></p>
<p>Article 17.01</p> <p>.....</p> <p>The company shall engage accounting firms qualified for “securities-related businesses” to render services such as the auditing of accounting statements, verification of net assets and other relevant consulting matters. The term such engagement will be one year and may be renewed.</p>	<p>Article 17.01</p> <p>.....</p> <p>The company shall engage accounting firms qualified for “securities related businesses” <u>that meets the requirements of the Securities Law</u> to render services such as the auditing of accounting statements, verification of net assets and other relevant consulting matters. The term such engagement will be one year and may be renewed.</p>

Note: Due to deletion of articles, the numbering of the existing articles of the Articles of Association and their cross references will be adjusted correspondingly without separate indication.

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Original Article	Amended Article
None	<p><u>Chapter 2 Nature and Functions and Powers of the Shareholders' General Meetings</u></p> <p><u>Article 6 The shareholders' general meeting shall be the authoritative organization of the Company and shall exercise the functions and powers in accordance with laws.</u></p> <p><u>Article 7 The shareholders' general meeting shall exercise the following functions and powers to:</u></p> <p><u>(1) decide on the business policies and investment plans of the Company;</u></p> <p><u>(2) elect and replace Directors and decide on the matters relating to the remuneration of Director;</u></p> <p><u>(3) elect and replace non-employee supervisors, and decide on the matters relating to the remuneration of supervisors;</u></p> <p><u>(4) consider and approve reports of the Board of Directors;</u></p> <p><u>(5) consider and approve reports of the Supervisory Committee;</u></p> <p><u>(6) consider and approve the annual financial budget and final account proposals of the Company;</u></p> <p><u>(7) consider and approve the Company's plans for profit distribution and making up losses;</u></p> <p><u>(8) resolve on the increase or reduction of the Company's registered capital;</u></p> <p><u>(9) resolve on matters such as the mergers, divisions, changes in corporate form, dissolution and liquidation of the Company;</u></p>

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	<p><u>(10) resolve on the issuance of bonds by the Company;</u></p> <p><u>(11) resolve on the engagement, dismissal and non-reappointment of the Company's accounting firm;</u></p> <p><u>(12) amend the Articles of Association;</u></p> <p><u>(13) consider the resolution in relation to the changes in the use of the proceeds;</u></p> <p><u>(14) consider the proposals from the Supervisory Committee or Shareholders that meet the requirements set forth in the Articles of Association;</u></p> <p><u>(15) consider any purchase or sale of material assets by the Company within one year that exceeds 30% of the Company's latest audited total assets;</u></p> <p><u>(16) consider the matters listed in Article 8.03 of the Articles of Association;</u></p> <p><u>(17) consider the stock option incentive plan and employee stock ownership plan;</u></p> <p><u>(18) adjust the profit distribution policy as stipulated in the Articles of Association;</u></p> <p><u>(19) consider other relevant matters as required to be resolved by the shareholders' general meetings as stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.</u></p> <p><u>Article 8 The following matters shall be submitted to the shareholders' general meeting of the Company for approval:</u></p>

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	<p><u>(1) The material non-connected transactions of the Company, such as external investment, asset acquisition or disposal, entrusted wealth management and external donations etc., which meet any of the following standards:</u></p> <p><u>1. Total assets (book value or appraised value, whichever is higher if both exist) involved in the transaction exceed 50% of the latest audited total assets of the Company;</u></p> <p><u>2. Net assets (book value or appraised value, whichever is higher if both exist) of the target of the transaction (such as share equity) exceed 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;</u></p> <p><u>3. The consideration of the transaction (including liabilities and expenses incurred) exceeds 50% of the latest audited net assets of the Company and the absolute amount exceeds RMB50 million;</u></p> <p><u>4. The profit of the transaction incurred exceeds 50% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB5 million;</u></p> <p><u>5. The operating revenue generated by the target of the transaction (such as share equity) for the most recent accounting year exceeds 50% of the audited operating revenue of the Company for the most recent accounting year, and the absolute amount exceeds RMB50 million;</u></p> <p><u>6. The net profit generated by the target of the transaction (such as equity) for the most recent accounting year exceeds 50% of the audited net profit of the Company for the most recent</u></p>

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	<p><u>accounting year, and the absolute amount exceeds RMB5 million.</u></p> <p><u>(2) Connected transactions</u></p> <p><u>The connected transactions (excluding the provision of guarantee, acceptance of monetary assets as gift and undertaking of liability solely for the reduction or exemption of obligations of the Company) between the Company and the connected persons with an amount of over RMB30 million (including liabilities and expenses incurred) and accounting for over 5% of the absolute value of the latest audited net assets of the Company shall be submitted to the shareholders' general meeting for consideration after being submitted to the Board of Directors for approval.</u></p> <p><u>The transactions of the Company entered into with the same connected persons and the transactions related to subjects under the same category of transactions entered into with different connected persons that take place within 12 consecutive months shall be subject to the aforesaid provisions separately in accordance with the principle of cumulative calculation.</u></p> <p><u>(3) Any of the external guarantees required to be deliberated and approved by the shareholders' general meeting, shall be subject to the deliberation and approval of the Board of Directors before presenting the proposal to the shareholders' general meeting, including but not limited to the cases set below:</u></p> <p><u>1. any single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;</u></p>

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	<p><u>2. any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets of the Company;</u></p> <p><u>3. any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceeds 30% of the latest audited total assets of the Company;</u></p> <p><u>4. any guarantee exceeding 30% of the latest audited total assets of the Company when being aggregated with the amount of guarantees incurred in the preceding 12 consecutive months;</u></p> <p><u>5. any guarantee provided to those with a gearing ratio of over 70%;</u></p> <p><u>6. any guarantee provided to shareholders, actual controllers of the Company, and their respective connected parties;</u></p> <p><u>7. other guarantees subject to the consideration at the shareholders' general meeting in accordance with the provisions of the listing rules of the stock exchange where the Company's shares were listed.</u></p> <p><u>In particular, the guarantee in provision 4 of the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. As for the voting of the guarantee in provision 6 above, the shareholders or the shareholders controlled by the actual controllers shall refrain from the voting, and the voting shall be passed by more than half of other shareholders present at the shareholders' general meeting.</u></p>

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	<p><u>(4) If the financial assistance matter falls under any of the following circumstances, it shall also be submitted to the shareholders' general meeting for consideration and approval after being reviewed and approved by the Board of Directors:</u></p> <ol style="list-style-type: none"> <u>1. the amount of a single financial assistance exceeds 10% of the latest audited net assets of the listed company;</u> <u>2. the latest financial statement data of the funded target shows that the gearing ratio exceeds 70%;</u> <u>3. the cumulative amount of financial assistance in the last 12 months exceeds 10% of the latest audited net assets of the Company;</u> <u>4. other circumstances as stipulated by the Shanghai Stock Exchange or the Articles of Association.</u> <p><u>If the funded target is a holding subsidiary within the scope of the Company's consolidated financial statements, and other shareholders of such holding subsidiary do not include the controlling shareholder, actual controller of the Company and their respective connected parties, the provisions of the preceding two paragraphs may be exempted.</u></p> <p><u>The Company shall not provide financial assistance to the connected parties of the Company, except for the provision of financial assistance to a connected joint-stock company which is not controlled by the controlling shareholder or the actual controller of the Company, provided that other shareholders of such connected joint-stock company shall provide financial assistance on the same</u></p>

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	<p><u>conditions in proportion to their capital contributions.</u></p> <p><u>Where the Company provides financial assistance to any connected joint-stock company as defined under the preceding paragraph, in addition to the consideration and approval by more than half of all non-related directors, it is also subject to consideration and approval by more than two-thirds of the non-related directors present at the Board meeting, and shall be submitted to the shareholders' general meeting for consideration.</u></p> <p><u>If financial assistance violates any approval rights or consideration procedures stipulated in laws, administrative regulations, or the Articles of Association, and causes losses to the Company, the Company has the right to pursue the liability of the relevant personnel accountable.</u></p> <p><u>Except for matters specifically stipulated in relevant laws, administrative regulations, departmental rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, such matters shall be implemented in accordance with relevant special provisions.</u></p> <p><u>If any data involved in the indicators calculation above is negative, the absolute value shall apply.</u></p> <p><u>The permission of the shareholders' general meeting to the above transactions shall also comply with the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</u></p>

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<p>Article 7 Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board of Directors shall, according to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.</p> <p>.....</p>	<p>Article 710 Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, <u>which shall be subject to the approval by more than half of all independent directors</u>. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board of Directors shall, according to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.</p> <p>.....</p>
<p>Article 10 In the event that the Supervisory Committee or shareholders at the sole discretion decide to convene a shareholders' general meeting, it shall notify the Board of Directors of the same in writing, as well as file with China Securities Regulatory Commission in the place where the Company is located and the Shanghai Stock Exchange.</p> <p>Prior to the publication of the resolutions of the shareholders' general meeting, the shareholdings, either individually or jointly, of shareholders that intend to convene the meeting shall not fall below 10% of the total number of ordinary shares. Whilst publishing the notice of the shareholders' general meeting and issuing the announcement of resolutions of the shareholders' general meeting, the shareholders that intend to convene the meeting shall provide related validation materials to China Securities Regulatory Commission in the place</p>	<p>Article 103 In the event that the Supervisory Committee or shareholders at the sole discretion decide to convene a shareholders' general meeting, it shall notify the Board of Directors of the same in writing, as well as file with China Securities Regulatory Commission in the place where the Company is located and the Shanghai Stock Exchange.</p> <p>Prior to the publication of the resolutions of the shareholders' general meeting, the shareholdings, either individually or jointly, of <u>ordinary</u> shareholders that intend to convene the meeting shall not fall below 10% of the total number of ordinary shares. Whilst publishing the notice of the shareholders' general meeting and issuing the announcement of resolutions of the shareholders' general meeting, <u>the Supervisory Committee and</u> the shareholders that intend to convene the meeting shall provide related validation materials to China</p>

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<p>where the Company is located and the Shanghai Stock Exchange.</p>	<p>Securities Regulatory Commission in the place where the Company is located and the Shanghai Stock Exchange.</p> <p><u>The shareholders that intend to convene the meeting shall disclose an announcement no later than the issuance of notice of the shareholders' general meeting, and undertake that their shareholding shall not be less than 10% of the total share capital of the Company during the period from the date of proposing to convene the shareholders' general meeting to the date of convening the shareholders' general meeting.</u></p>
<p>Article 11 The Board of Directors and the Secretary of the Board of Directors shall provide cooperation for the shareholders' general meetings convened by the Supervisory Committee or shareholders at the sole discretion. The Board of Directors shall provide the register of members as of the date of record.</p>	<p>Article 114 The Board of Directors and the Secretary of the Board of Directors shall provide cooperation for the shareholders' general meetings convened by the Supervisory Committee or shareholders at the sole discretion. The Board of Directors shall provide the register of members as of the date of record. <u>If the Board of Directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing authority with relevant announcement on the notice of convening the shareholders' general meeting. The convener shall not use the register of shareholders for other purposes other than convening the shareholders' general meeting.</u></p>
<p>Article 14</p> <p>.....</p> <p>Proposals that are not clearly listed in the notice of the shareholders' general meeting or are not in compliance with Article 13 of the Rules shall not be voted on and decided at the shareholders' general meeting.</p>	<p>Article 147</p> <p>.....</p> <p>Proposals that are not clearly listed in the notice of the shareholders' general meeting or are not in compliance with Article 136 of the Rules shall not be voted on and decided at the shareholders' general meeting.</p> <p><u>For the above extraordinary proposals of shareholders' general meeting, the convener shall conduct formal review on the proposals based on the following principles:</u></p>

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	<p><u>(1) Relevancy. For the shareholders’ proposals dealing with matters directly related to the Company and not beyond the scope of power of the shareholders’ general meeting prescribed by laws, regulations and the Articles of Association, such proposals shall be submitted to the shareholders’ general meeting for discussion. The proposals not complying with such requirement shall not be submitted to the shareholders’ general meeting for discussion.</u></p> <p><u>(2) Procedure. The convener may decide on procedural issues relating to the shareholders’ proposals.</u></p> <p><u>(3) Legality. Whether the contents of the shareholders’ proposals violate the relevant provisions of laws, administrative regulations and the Articles of Association.</u></p> <p><u>(4) Certainty. Whether the shareholders’ proposals have clear topics and specific resolutions.</u></p> <p><u>If the convener decides not to include the shareholders’ proposals in the agenda of the meeting, explanations and statements shall be given at the shareholders’ general meeting. Any shareholder proposing a proposal who disagrees with the exclusion by the convener of his/her proposal from the agenda of the shareholders’ general meeting may request to convene an extraordinary general meeting according to the requirements of the Articles of Association and the Rules.</u></p>

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<p>Article 16 A notice of the shareholders' general meeting shall:</p> <p>(1) be in writing;</p> <p>(2) specify the place, date and time of the meeting;</p> <p>(3) state the matters to be discussed at the meeting;</p> <p>(4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize the share capital structure of the Company or other restructuring, 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 such proposal shall be properly explained;</p> <p>(5) contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor or any senior management of the Company in the matters to be discussed and the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class;</p> <p>(6) contain the text of any special resolution proposed to be resolved at the meeting;</p> <p>(7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on behalf of him and that a proxy need not also be a shareholder;</p> <p>(8) state the time and place for delivery of power of attorney for use at the meeting;</p>	<p>Article 169 A notice of the shareholders' general meeting shall:</p> <p>(1) be in writing;</p> <p>(2) specify the place, date and time of the meeting;</p> <p>(3) state the matters to be discussed at the meeting;</p> <p>(4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize the share capital structure of the Company or other restructuring, 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 such proposal shall be properly explained;</p> <p>(5) contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor or any senior management of the Company in the matters to be discussed and the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class;</p> <p>(6) contain the text of any special resolution proposed to be resolved at the meeting;</p> <p>(7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on behalf of him and that a proxy need not also be a shareholder;</p> <p>(8) state the time and place for delivery of power of attorney for use at the meeting;</p>

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<p>(9) state the record date for shareholders entitled to attend the meeting; and</p> <p>(10) state the name and telephone number of the contact person for the meeting.</p> <p>The requirements under this article are applicable to the notices of shareholders’ general meetings convened independently by the Supervisory Committee or the shareholders in accordance with the Articles of Association.</p>	<p>(9) state the record date for shareholders entitled to attend the meeting; and</p> <p>(10) state the name and telephone number of the contact person for the meeting.</p> <p>The requirements under this article are applicable to the notices of shareholders’ general meetings convened independently by the Supervisory Committee or the shareholders in accordance with the Articles of Association.</p> <p><u>(1) specify the time, venue and duration of the meeting;</u></p> <p><u>(2) state the matters and proposals that shall be submitted to the meeting for consideration;</u></p> <p><u>(3) shall contain a clear written statement that all shareholders of ordinary shares are entitled to attend the shareholders’ general meeting, and may appoint proxies in writing to attend and vote at the meeting and that such proxies need not be shareholders of the Company;</u></p> <p><u>(4) specify the share record date of shareholders who are entitled to attend the shareholders’ general meeting;</u></p> <p><u>(5) state the name and telephone number of the contact person for the meeting;</u></p> <p><u>(6) specify the time and procedures for voting online or by other means.</u></p>
<p>Article 17 Notices and supplementary notices of a shareholders’ general meeting shall fully and completely disclose all detailed contents of all proposals. For matters to be discussed that require opinions from the independent directors, the opinions of the independent directors and reasons thereof shall be simultaneously disclosed with the</p>	<p>Article 1720 Notices and supplementary notices of a shareholders’ general meeting shall fully and completely disclose all detailed contents of all proposals <u>and all information or explanations necessary to enable shareholders to make reasonable judgements on the matters to be discussed.</u> For matters to be discussed that require opinions from the independent directors, the opinions of the independent directors and reasons</p>

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<p>notice or supplementary notice of the shareholders' general meeting.</p> <p>For the shareholders' general meetings that utilize website services, the voting time and procedures for such method shall be clearly stated in the notice of the shareholders' general meeting.</p> <p>It is unchangeable once the record date has been confirmed.</p>	<p>thereof shall be simultaneously disclosed with the notice or supplementary notice of the shareholders' general meeting.</p> <p>For the shareholders' general meetings that utilize website services, the voting time and procedures for such method shall be clearly stated in the notice of the shareholders' general meeting. <u>The interval between the record date and the date of the meeting shall not exceed 7 working days.</u></p> <p>It is unchangeable once the record date has been confirmed.</p>
<p>Article 19</p> <p>.....</p> <p>The announcement referred to in the preceding paragraph shall be published in the one or more national newspapers designated by the securities regulatory authority in China or in a manner as permitted by laws, administrative regulations, departmental rules, relevant regulations of the securities supervisory authority where the Company's shares are listed. Once the announcement is made, all domestic shareholders shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>	<p>Article 1922</p> <p>.....</p> <p>The announcement referred to in the preceding paragraph shall be published in the one or more national newspapers designated by the securities regulatory authority in China <u>the media that complies with the requirements of the CSRC</u> or in a manner as permitted by laws, administrative regulations, departmental rules, relevant regulations of the securities supervisory authority where the Company's shares are listed. Once the announcement is made, all domestic shareholders shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>

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<p>Article 21</p> <p>.....</p> <p>A conference hall will be set up for the convening of an on-site shareholders' general meeting.</p> <p>The Company shall make it convenient for shareholders to attend shareholders' general meetings by whatever means including the use of virtual online voting platform, provided that the shareholders' general meeting can be held legally and validly through such means. Shareholders participating in the general shareholders' meetings by virtual access means shall be deemed as having attended the meetings. If a shareholders' general meeting is held virtually or through other means, the notice of shareholders' general meeting shall specify how the meeting is to be held, that is whether virtually or by other means, and for each of the means, the voting time and voting procedure.</p>	<p>Article 21</p> <p>.....</p> <p>A conference hall will be set up for the convening of an on-site shareholders' general meeting, <u>and a safe, economical and convenient internet or other means shall be used to enable shareholders to have access to the shareholders' general meeting in accordance with the provisions of the laws, administrative regulations, the CSRC or the Articles of Association. A Shareholder shall be deemed to have attended the meeting if he/she participates in the meeting by means of such method.</u></p> <p>The Company shall make it convenient for shareholders to attend shareholders' general meetings by whatever means including the use of virtual online voting platform, provided that the shareholders' general meeting can be held legally and validly through such means. Shareholders participating in the general shareholders' meetings by virtual access means shall be deemed as having attended the meetings. If a shareholders' general meeting is held virtually or through other means, the notice of shareholders' general meeting shall specify how the meeting is to be held, that is whether virtually or by other means, and for each of the means, the voting time and voting procedure.</p>

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Original Article	Amended Article
<p>Article 22</p> <p>.....</p> <p>The time to start voting at a shareholders’ general meeting held over network or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite shareholders’ general meeting or later than 9:30 a.m. of the date of the onsite shareholders’ general meeting, and shall not conclude earlier than 3:00 p.m. of the conclusion date of the onsite shareholders’ general meeting.</p>	<p>Article 225</p> <p>.....</p> <p><u>The Company shall specify the time and procedures of the voting online or by any other means in the notice of the shareholders’ general meeting.</u> The time to start voting at a shareholders’ general meeting held over network or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite shareholders’ general meeting or later than 9:30 a.m. of the date of the onsite shareholders’ general meeting, and shall not conclude earlier than 3:00 p.m. of the conclusion date of the onsite shareholders’ general meeting.</p>
<p>Article 24 Shareholders with ordinary shares and whose names appeared in the register of members as of the record date or their proxies shall have the right to attend the general meeting and exercise voting rights pursuant to relevant laws, regulations and the Articles of Association. Neither the Company nor the convener may refuse it for any reason.</p>	<p>Article 247 Shareholders with ordinary shares and <u>All ordinary shareholders</u> whose names appeared in the register of members as of the record date or their proxies shall have the right to attend the general meeting and exercise voting rights pursuant to relevant laws, regulations and the Articles of Association. Neither the Company nor the convener may refuse it for any reason.</p>
<p>Article 25 The shareholders may attend general shareholders’ meetings and exercise voting rights either in person or by proxy.</p> <p>An individual shareholder attending a general shareholders’ meeting in person shall produce his identity card or other valid identity certificate, share certificate and share account card; a proxy attending a shareholders’ general meeting on behalf of an individual shareholder shall produce his valid identity card and power of attorney from the shareholder and share account card.</p> <p>For a corporate shareholder, its legal representative, or a proxy appointed by its Board of Directors or approved by other governing body shall attend the meeting. The legal representative attending the meeting shall produce his own</p>	<p>Article 258 The shareholders may attend general shareholders’ meetings and exercise voting rights either in person or by proxy <u>and exercise voting rights in person, and may appoint a proxy to attend and exercise voting rights within the scope of authorization.</u></p> <p>An individual shareholder attending a general shareholders’ meeting in person shall produce his identity card or other valid identity certificate, share certificate <u>and share account card</u>; a proxy attending a shareholders’ general meeting on behalf of an individual shareholder shall produce his valid identity card and power of attorney from the shareholder and share account card <u>also submit the power of attorney and present his valid identity card.</u></p>

**APPENDIX IV COMPARISON TABLE OF AMENDMENTS TO THE RULES OF
PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

Original Article	Amended Article
<p>identity card, stock account card and any certificate that could prove his identity as a legal representative and the stock certificate; the appointed proxy attending the meeting shall produce his own identity card, the instrument of proxy issued by the legal representative of the Shareholder entity in writing in accordance with law, stock account card and the stock certificate.</p>	<p>For a corporate shareholder, its legal representative, or a proxy appointed by its Board of Directors or approved by other governing body shall attend the meeting. The legal representative attending the meeting shall produce his own identity card and valid certificate, stock account card and any certificate that could prove his identity as a legal representative and the stock certificate; the appointed proxy attending the meeting shall also produce his own identity card, the instrument of proxy issued by the legal representative of the Shareholder entity in writing in accordance with law, stock account card and the stock certificate.</p> <p><u>For shareholders of the unincorporated organization, the person-in-charge of the organization or the proxy appointed by the person-in-charge shall attend the shareholders' general meeting. Where the person-in-charge attends the shareholders' general meeting, he/she shall present his/her identity card and valid certification certifying his/her qualification as the person-in-charge, stock account card and stock certificate; where a proxy is appointed to attend the shareholders' general meeting, the proxy shall also present his/her identity card and, the authorization instrument legally issued by the person-in-charge of the organization in writing.</u></p> <p><u>The eligibility of an attendee of the shareholders' general meeting shall be deemed invalid if the evidence produced involves one of the following conditions:</u></p> <p><u>(1) the identity card of principal or attendee of the shareholders' general meeting is forged, expired, altered, or the number of the identity card is incorrect, or does not comply with the provision of the Law of the People's Republic of China on the Identity Card of Residents;</u></p>

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PROCEDURES FOR THE SHAREHOLDERS’ GENERAL MEETING**

Original Article	Amended Article
	<p><u>(2) the information on the identification card presented by the principal or attendee of the shareholders’ general meeting is illegible;</u></p> <p><u>(3) where multiple proxies shall have been appointed by the shareholder with the signature on the authorization instrument being obviously inconsistent with the specimen signature;</u></p> <p><u>(4) lack of signature or seal on the authorization instrument;</u></p> <p><u>(5) the relevant evidence presented by the principal or proxy attending the shareholders’ general meeting contravenes the relevant provisions of laws, regulations, regulatory documents and the Articles of Association.</u></p> <p><u>Where the principal or his/her proxy is ineligible for attending the shareholders’ general meeting as a result of irregularities of the principal’s authorization or the fact that documents evidencing the legitimate identity of the principal or the authorization do not comply with the laws, regulations, regulatory documents and the Articles of Association, the legal consequences so arising shall be borne by the principal or his/her proxy.</u></p>
<p>Article 26 Any shareholder entitled to attend and vote at a shareholders’ general meeting shall have the right to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote for and on his behalf. Such proxy may exercise the following rights according to the entrustment by the shareholder:</p> <p>(1) having the same right as the shareholder to speak at the shareholders’ general meeting;</p> <p>(2) individually demanding or joining in demanding a poll;</p>	<p>Article 269 Any shareholder entitled to attend and vote at a shareholders’ general meeting shall have the right to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote for and on his behalf. Such proxy may exercise the following rights according to the entrustment by the shareholder:</p> <p>(1) having the same right as the shareholder to speak at the shareholders’ general meeting;</p> <p>(2) individually demanding or joining in demanding a poll;</p>

**APPENDIX IV COMPARISON TABLE OF AMENDMENTS TO THE RULES OF
PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

Original Article	Amended Article
<p>(3) voting by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.</p>	<p>(3) voting by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.</p> <p><u>(2) voting on a poll.</u></p>
<p>Article 28 Any instrument issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that, in the absence of instructions by the shareholder, the proxy may vote as it thinks fit.</p>	<p>Article 28<u>31</u> Any instrument issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that <u>whether</u>, in the absence of instructions by the shareholder, the proxy may vote as it thinks fit.</p>
<p>Article 33 All directors and supervisors and the secretary to the Board of Directors shall attend the shareholders' general meeting, whereas the chief executive officer and other senior management shall be present at the meeting.</p> <p>The Board of Directors, independent directors and shareholders of the Company who meet the relevant requirements may solicit the voting rights at general meetings from other shareholders. The solicitation of the voting rights shall be done without any payment and information shall be fully disclosed to the shareholders from whom voting rights are solicited.</p>	<p>Article 33<u>36</u> All directors and supervisors and the secretary to the Board of Directors shall attend the shareholders' general meeting, whereas the chief executive officer and other senior management shall be present at the meeting.</p> <p>The Board of Directors, independent directors and shareholders of the Company who meet the relevant requirements may solicit voting rights at general meetings from other shareholders. The solicitation of the voting rights shall be done without any payment and information shall be fully disclosed to the shareholders from whom voting rights are solicited.</p>

**APPENDIX IV COMPARISON TABLE OF AMENDMENTS TO THE RULES OF
PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

Original Article	Amended Article
<p>Article 37 Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders' general meetings.</p>	<p>Article 3740 Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders' general meetings.</p> <p><u>In case of any of the following, directors, supervisors and senior management may refuse to answer but shall explain the reasons to the questioner:</u></p> <p><u>(1) inquiries are irrelevant to the subject topic;</u></p> <p><u>(2) the matters inquired are under investigation;</u></p> <p><u>(3) answering inquiries will reveal the Company's trade secrets or significantly damage the common interests of shareholders;</u></p> <p><u>(4) other important reasons.</u></p>

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PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

Original Article	Amended Article
<p>Article 38</p> <p>.....</p> <p>The Board of Directors, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the State Council may, as the solicitor, by themselves or entrusting securities company, securities service agency, publicly request the shareholders of the Company to entrust them to attend the shareholders' general meeting and to exercise the shareholders' rights such as proposal right and voting rights on their behalf. And the detailed information such as specific voting intentions shall be fully disclosed to shareholders from whom voting rights are solicited when soliciting voting rights from shareholders. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. The Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.</p> <p>.....</p>	<p>Article 3841</p> <p>.....</p> <p><u>If a Shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not be counted in the total number of voting shares at the shareholders' general meeting.</u></p> <p>The Board of Directors, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the State Council <u>CSRC</u> may, as the solicitor, by themselves or entrusting securities company, securities service agency, publicly <u>collect voting rights from the Company's Shareholders</u> request the shareholders of the Company to entrust them to attend the shareholders' general meeting and to exercise the shareholders' rights such as proposal right and voting rights on their behalf. <u>And</u> the detailed information such as specific voting intentions shall be fully disclosed to shareholders from whom voting rights are solicited when soliciting voting rights from shareholders. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. <u>Apart from statutory conditions,</u> tThe Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.</p> <p>.....</p>

**APPENDIX IV COMPARISON TABLE OF AMENDMENTS TO THE RULES OF
PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

Original Article	Amended Article
<p>Article 40 Unless otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, or a poll is demanded before or after any vote by show of hands by the following persons, a resolution shall be decided on a show of hands at any shareholders' general meeting:</p> <p>(1) the chairman of the meeting;</p> <p>(2) at least two shareholders entitled to vote in person or by proxy; or</p> <p>(3) one or more shareholders (including their proxies) representing, either calculated separately or in aggregate, 10% or more of all shares carrying the right to vote at the meeting.</p> <p>Unless a poll is so demanded or unless as otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, a declaration by the chairman of the meeting that a resolution has on a show of hands been passed or rejected and any entry to that effect in the minutes book shall be the conclusive evidence of the fact; there is no need for proof of the number or proportion of the votes recorded in favour and against the resolution.</p> <p>The demand for a poll may be withdrawn by the person who makes such demand.</p>	Deleted
<p>Article 41 A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may be proceed with first. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.</p>	Deleted

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Original Article	Amended Article
<p>Article 42 Shareholders present at the shareholders' general meeting should express their opinions on the motion put forward for voting in one of the following options: For, Against, or Abstain.</p> <p>.....</p>	<p>Article 423 Shareholders present at the shareholders' general meeting should express their opinions on the motion put forward for voting in one of the following options: For, Against, or Abstain, <u>save for the circumstance under which the securities registration and clearing authority, acting as the nominal holder of shares under the Stock Connect between Mainland and Hong Kong, makes reporting in accordance with the instruction of the de facto holders of relevant shares.</u></p> <p>.....</p>
<p>Article 43 In case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.</p>	<p>Article 434 In case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.</p>
<p>Article 45 When a voting is made on the election of directors or supervisors at a shareholders' general meeting, the cumulative voting system may be adopted to reflect the opinions of minority shareholders. The "cumulative voting system" as mentioned in the preceding paragraphs means that, where there are two or more candidates for the election of a director or supervisor at a general meeting, each of the ordinary shares shall have the voting rights equal to the total number of elected directors (including independent directors) and supervisors as specified in the Articles of Association. The voting rights can be concentrated on electing one person, or be separated on electing several persons. The director or supervisor shall be elected according to the number of votes. The "cumulative voting system" could also be used for election of independent directors.</p>	<p>Article 456 When a voting is made on the election of directors or supervisors at a shareholders' general meeting, the cumulative voting system may be adopted to reflect the opinions of minority shareholders.</p> <p>The "cumulative voting system" as mentioned in the preceding paragraphs means that, where there are two or more candidates for the election of a director or supervisor at a general meeting, each of the ordinary shares shall have the voting rights equal to the total number of elected directors (including independent directors) and supervisors <u>to be elected as specified in the Articles of Association of the Company.</u> The voting rights can be concentrated on electing one person, or be separated on electing several persons. The director or supervisor shall be elected according to the number of votes. The "cumulative voting system" could also be used for election of independent directors.</p>

**APPENDIX IV COMPARISON TABLE OF AMENDMENTS TO THE RULES OF
PROCEDURES FOR THE SHAREHOLDERS’ GENERAL MEETING**

Original Article	Amended Article
<p>Article 48 Resolutions of general meeting are divided into ordinary resolutions and special resolutions. To adopt an ordinary resolution at a general meeting, votes representing more than half of the voting rights represented by the shareholders (including the proxies) present at the meeting shall be exercised in favour of the resolution in order for it to be passed. To adopt a special resolution at a general meeting, votes representing more than two thirds of the voting rights represented by the shareholders (including the proxies) present at the meeting shall be exercised in favour of the resolution in order for it to be passed. The scope of relevant ordinary resolutions and special resolutions shall be subject to the provisions of laws and regulations and the Articles of Association.</p>	<p>Article 489 Resolutions of general meeting are divided into ordinary resolutions and special resolutions. To adopt an ordinary resolution at a general meeting, votes representing more than half of the voting rights represented by the shareholders (including the proxies) present at the meeting shall be exercised in favour of the resolution in order for it to be passed. To adopt a special resolution at a general meeting, votes representing more than two thirds of the voting rights represented by the shareholders (including the proxies) present at the meeting shall be exercised in favour of the resolution in order for it to be passed. The scope of relevant ordinary resolutions and special resolutions shall be subject to the provisions of laws and regulations and the Articles of Association.</p>
<p>Article 59 Shareholders have the right to apply to the people’s court for contents of resolutions of shareholders’ general meetings that is in violation of laws and administrative regulations to be found invalid.</p> <p>The controlling shareholder or actual controller of the Company shall not restrict or hinder medium and small investors from exercising their right to vote according to law, or harm the legitimate interests of the Company or the medium and small investors.</p> <p>In the event that the convening procedures and voting methods of shareholders’ general meetings are in violation of laws, administrative regulations, or the Articles of Association, or the contents of resolutions are in violation of the Articles of Association, shareholders may apply to the people’s court for rescission of the resolutions within 60 days from the date of resolutions.</p>	<p>Article 5960 Shareholders have the right to apply to the people’s court for contents of resolutions of shareholders’ general meetings that is in violation of laws and administrative regulations to be found invalid. <u>Resolutions of shareholders’ general meetings of the Company in violation of laws and administrative regulations shall be invalid.</u></p> <p>The controlling shareholder or actual controller of the Company shall not restrict or hinder medium and small investors from exercising their right to vote according to law, or harm the legitimate interests of the Company or the medium and small investors.</p> <p>In the event that the convening procedures and voting methods of shareholders’ general meetings are in violation of laws, administrative regulations, or the Articles of Association, or the contents of resolutions are in violation of the Articles of Association, shareholders may apply to the people’s court for rescission of the resolutions within 60 days from the date of resolutions.</p>

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Original Article	Amended Article
None	<u>Article 71</u> The announcements, notices or supplemental notices of the shareholder's general meeting referred to herein refer to the relevant information disclosures published on the media that meets the conditions stipulated by the China Securities Regulatory Commission and websites of the stock exchanges.
Article 70 The figure itself shall be included if the Rules refer to any such words as "or more"; the figure itself shall not be included if the Rules refer to any such words as "less than".	Article 702 The figure itself shall be included if the Rules refer to any such words as "or more" <u>or "within"</u> ; the figure itself shall not be included if the Rules refer to any such words as "less than", <u>"below", "exceed" or "more than"</u> .

Note: Due to addition of Chapter II and deletion of several articles in the Rules of Procedures for the Shareholders' General Meeting, the numbering of the existing chapter and articles of the Rules of Procedures for the Shareholders' General Meeting and their cross references will be adjusted correspondingly without separate indication.

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
<p style="text-align: center;">Article 2 Powers and Responsibilities</p> <p>.....</p> <p>(8) to decide on the matters in relation to the Company’s external investment, asset acquisition or disposal, asset mortgage, entrusted wealth management and connected transactions, but within the scope authorized by the shareholders’ general meeting;</p> <p>.....</p> <p>(10) to appoint or remove the manager and the secretary to the Board of Directors of the Company, and to appoint and remove the deputy managers, financial director, chief engineer and other senior management of the Company as nominated by the manager, and to determine their remuneration, reward and penalty;</p> <p>.....</p>	<p style="text-align: center;">Article 2 Powers and Responsibilities</p> <p>.....</p> <p>(8) to decide on the matters in relation to the Company’s external investment, asset acquisition or disposal, asset mortgage, entrusted wealth management, and <u>connected transactions and external donations, etc.</u>, but within the scope authorized by the shareholders’ general meeting;</p> <p>.....</p> <p>(10) to <u>resolve to</u> appoint or remove the manager, and the secretary to the Board of Directors <u>and other senior management members</u> of the Company, <u>and to determine their remuneration, reward and penalty;</u> and to <u>resolve to</u> appoint and remove the deputy managers, financial director, chief engineer and other senior management of the Company as nominated by the manager, and to determine their remuneration, reward and penalty;</p> <p>.....</p>
<p style="text-align: center;">Article 3 Composition of the Board</p> <p>(1) The Board of Directors shall consist of five to nineteen directors, of which the proportion of independent directors shall be no less than one third. The Board of Directors shall have one chairman. The chairman and the vice chairmen (if any) shall be elected and removed by a simple majority of the whole Board of Directors and shall serve for a term of 3 years and may serve consecutive terms if re-elected.</p> <p>.....</p>	<p style="text-align: center;">Article 3 Composition of the Board</p> <p>(1) The Board of Directors shall consist of five to nineteen directors, of which the proportion of independent directors shall be no less than one third. The Board of Directors shall have one chairman. The chairman and the vice chairmen (if any) shall be elected and removed by a simple majority of the whole Board of Directors and shall serve for a term of 3 years and may serve consecutive terms if re-elected.</p> <p>.....</p>

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
<p>Article 4 Term of Office of Directors</p> <p>Directors shall be elected or replaced at shareholders’ general meetings and shall serve a term of three years. A director may serve consecutive terms if re-elected upon expiry of the said term. A director, before his term of office expires, shall not be dismissed by the general meeting without any reason.</p> <p>.....</p> <p>Subject to the relevant laws, regulations and the regulatory rules of the jurisdiction in which the Company is listed, if the Board of Directors appoints a new director to fill a vacancy or as an additional director, the tenure of the appointed director shall expire at the next shareholders’ general meeting of the Company. Upon expiry of term of office, the director shall be eligible for re-election.</p>	<p>Article 4 Term of Office of Directors</p> <p>Directors shall be elected or replaced at shareholders’ general meetings and shall serve a term of three years. A director may serve consecutive terms if re-elected upon expiry of the said term. A director, before his term of office expires, shall not may be dismissed by the general meeting without any reason.</p> <p>.....</p> <p>Subject to the relevant laws, regulations and the regulatory rules of the jurisdiction in which the Company is listed, if the Board of Directors appoints a new director to fill a vacancy or as an additional director, the tenure of the appointed director shall expire at the next shareholders’ general meeting of the Company. Upon expiry of term of office, the director shall be eligible for re-election.</p>
<p>Article 6 Main Responsibilities of Independent Directors</p> <p>Independent directors have the following special powers in addition to the powers conferred on the directors by the Company Law, other laws, regulations and the listing rules of the stock exchange where the shares of the Company are listed:</p> <p>(1) major related party transactions (representing related party transactions proposed to be entered into between the Company and related persons with the aggregate value of more than 0.5% of the Company’s latest audited net assets) shall be approved by independent directors before being submitted to the Board of Directors for discussion. Independent directors may engage intermediaries to issue an independent financial advisor’s report as a reference before making a judgment;</p> <p>.....</p>	<p>Article 6 Main Responsibilities of Independent Directors</p> <p>Independent directors have the following special powers in addition to the powers conferred on the directors by the Company Law, other laws, regulations and the listing rules of the stock exchange where the shares of the Company are listed:</p> <p>(1) major related party transactions (representing related party transactions proposed to be entered into between the Company and related persons with the aggregate value of more than 0.5% of the Company’s latest audited net assets) <u>related party transactions which are required to be submitted to the shareholders’ general meeting for consideration</u> shall be approved by independent directors before being submitted to the Board of Directors for discussion <u>consideration after the independent directors propose their prior approval opinions.</u> Independent directors may</p>

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
<p>(6) independently engaging external auditing and consultancy firms with respect to the auditing and consulting of specific matters of the Company. The costs so incurred shall be borne by the Company.</p> <p>.....</p>	<p>engage intermediaries to issue an independent financial advisor's report <u>a special report</u> as a reference before making a judgment;</p> <p>.....</p> <p>(6) independently engaging external auditing and consultancy firms with respect to the auditing and consulting of specific matters of the Company <u>independently engaging an intermediary to audit, verify or express professional opinions.</u> The costs so incurred shall be borne by the Company.</p> <p>.....</p>
<p>Article 7 Special Committees under the Board of Directors</p> <p>The Board of Directors may set up such special committees as the Nomination Committee, the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee and the Production Committee. These special committees shall conduct research on specific matters and provide opinions and suggestions on these matters to the Board of Directors for the reference.</p> <p>All members of the special committees shall be directors. The majority of the members of the Remuneration and Appraisal Committee shall be independent non-executive directors. All members of the Audit Committee shall be non-executive directors, and a majority of them shall be independent non-executive directors and at least one of them shall have appropriate professional qualification or have appropriate accounting or relevant financial management expertise, as well as the chairman of the Audit Committee shall be an independent non-executive director; a majority of the members of the Nomination Committee shall be independent non-executive directors, and the</p>	<p>Article 7 Special Committees under the Board of Directors</p> <p>The Board of Directors may set up such special committees as the Nomination Committee, the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee and the Production Committee. <u>The Board of Directors shall set up the Audit Committee, and may set up such special committees as the Nomination Committee, the Strategy Committee, the Remuneration and Appraisal Committee and the Production Committee, etc., if necessary.</u> These special committees shall conduct research on specific matters and provide opinions and suggestions on these matters to the Board of Directors for the reference.</p> <p>All members of the special committees shall be directors. The majority of the members of the Remuneration and Appraisal Committee shall be independent non-executive directors, <u>and the convener of the Remuneration and Appraisal Committee shall be an independent non-executive director.</u> All members of the Audit Committee shall be non-executive directors, and a majority of them shall be independent non-</p>

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
<p>chairman of the Nomination Committee shall be an independent non-executive director or the chairman of the Board of Directors.</p>	<p>executive directors and at least one of them shall have appropriate professional qualification or have appropriate accounting or relevant financial management expertise, as well as the chairman convener of the Audit Committee shall be an independent non-executive director <u>who is an accounting professional</u>; a majority of the members of the Nomination Committee shall be independent non-executive directors, and the chairman convener of the Nomination Committee shall be an independent non-executive director or the chairman of the Board of Directors.</p>
<p>Article 10 Regular Meeting</p> <p>The meeting of the Board of Directors shall be convened by the chairman at least 4 times a year before the publication of the periodic report of the Company. Written notice shall be delivered to all directors 10 business days prior to date of the meeting.</p>	<p>Article 10 Regular Meeting</p> <p>The meeting of the Board of Directors shall be convened by the chairman at least 4 times <u>twice</u> a year before the publication of the periodic report of the Company. Written notice shall be delivered to all directors 10 business days prior to date of the meeting.</p>
<p>Article 19 Attending in Person and by Proxy</p> <p>The directors, in principle, shall attend the Board meeting in person. Any director who cannot attend the meeting due to some reasons shall review the meeting materials and form his/her definite opinions in advance and appoint another director to attend the meeting on his/her behalf in writing.</p> <p>The proxy form shall specify the name of the proxy, the matters for entrustment, the authorities and the validity and signed by the appointer.</p> <p>The appointer who authorizes another director to sign the written opinions for confirmation of the regular report shall make a special authorization in the instrument appointing the proxy.</p> <p>.....</p>	<p>Article 19 Attending in Person and by Proxy</p> <p>The directors, in principle, shall attend the Board meeting in person. Any director who cannot attend the meeting due to some reasons shall review the meeting materials and form his/her definite opinions in advance and appoint another director to attend the meeting on his/her behalf in writing.</p> <p>The proxy form shall specify the name of the proxy, the matters for entrustment, the authorities and the validity and signed by the appointer.</p> <p>The appointer who authorizes another director to sign the written opinions for confirmation of the regular report shall make a special authorization in the instrument appointing the proxy.</p> <p>.....</p>

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
<p>Article 22 Rules of Procedures of Meetings</p> <p>.....</p> <p>The chairman shall restrain any director who obstructs the normal conduct of the meeting or interrupts the speech of other directors in a timely manner.</p> <p>Unless it is unanimously agreed by all attending directors, the meeting of the Board of Directors shall not vote on any proposal not included in the notice of the meeting. Where a director accepts the appointment of any other director to attend the meeting of the Board of Directors on his/her behalf, he/she shall not vote on the proposal not included in the notice of the meeting on behalf of any other director.</p>	<p>Article 22 Rules of Procedures <u>and Standards of Meetings</u></p> <p>.....</p> <p>The chairman shall restrain any director who obstructs the normal conduct of the meeting or interrupts the speech of other directors in a timely manner.</p> <p>Unless it is unanimously agreed by all attending directors, the meeting of the Board of Directors shall not vote on any proposal not included in the notice of the meeting. Where a director accepts the appointment of any other director to attend the meeting of the Board of Directors on his/her behalf, he/she shall not vote on the proposal not included in the notice of the meeting on behalf of any other director.</p> <p><u>The Board of Directors shall define the authority with respect to the external investment, asset acquisition or disposal, asset mortgage, external guarantee, entrusted wealth management, connected transactions, external donations and financial assistance, etc., and formulate strict procedures of examination and decision-making in relation thereto. For any major investment projects, the Board of Directors shall organize relevant experts and professionals to make an assessment and report it to the shareholders' general meeting for approval.</u></p> <p><u>(1) The material non-connected transactions of the Company, such as external investment, asset acquisition or disposal, entrusted wealth management and external donations, etc., that meeting any of the following standards, shall be reported to the Board of Directors for approval.</u></p>

**APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES
OF PROCEDURES FOR THE BOARD OF DIRECTORS**

Original Article	Amended Article
	<p><u>1. Total assets (book value or appraised value, whichever is higher if both exist) involved in the transaction exceed 10% of the latest audited total assets of the Company:</u></p> <p><u>2. Net assets (book value or appraised value, whichever is higher if both exist) of the target of the transaction (such as share equity) exceed 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million:</u></p> <p><u>3. The consideration of the transaction (including liabilities and expenses incurred) exceeds 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million:</u></p> <p><u>4. The profit of the transaction exceeds 10% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB1 million:</u></p> <p><u>5. The operating revenue generated by the target of the transaction (such as share equity) for the most recent accounting year exceeds 10% of the audited operating revenue of the Company for the most recent accounting year, and the absolute amount exceeds RMB10 million:</u></p> <p><u>6. The net profit generated by the target of the transaction (such as equity) for the most recent accounting year exceeds 10% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB1 million.</u></p>

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
	<p><u>(2) Connected transactions:</u></p> <p><u>The connected transactions between the Company and connected persons with an amount of over RMB3 million (including liabilities and expenses incurred), and accounting for over 0.5% of the absolute value of the latest audited net assets of the Company (excluding the provision of guarantee), and the connected transactions between the Company and connected natural person with an amount of over RMB0.3 million (including liabilities and expenses incurred) shall be submitted to the Board of Directors for approval. The transactions of the Company entered into with the same connected person and the transactions related to subjects under the same category of transactions entered into with different connected persons that take place within 12 consecutive months shall be subject to the aforesaid provisions in accordance with the principle of cumulative calculation.</u></p> <p><u>(3) The Company’s provision of external guarantee shall be subject to the consideration by the Board of Directors. External guarantee considered by the Board of Directors shall obtain approval from more than two-thirds of the directors present at the meeting. When considering the proposal related to the provision of guarantee for shareholders, actual controllers and their related parties considering by the Board of Directors, connected directors shall abstain from voting.</u></p> <p><u>Where a holding subsidiary of the Company provides guarantees for legal persons or other organizations within the scope of the Company’s consolidated statements, the Company shall disclose the same in a timely manner after the holding subsidiary has fulfilled the consideration procedures, and guarantee matters which should be submitted to the shareholders’ general meeting of the Company</u></p>

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
	<p><u>for consideration according to the Articles of Association are excluded.</u></p> <p><u>If a holding subsidiary of the Company provides a guarantee for an entity other than the one specified in the preceding paragraph, it shall be deemed to be a guarantee provided by the Company.</u></p> <p><u>(4) The Company’s financial assistance shall be subject to the consideration by the Board of Directors. Financial assistance considered by the Board of Directors shall obtain approval from more than two-thirds of the directors present at the meeting.</u></p> <p><u>Except for matters specifically stipulated in relevant laws, administrative regulations, departmental rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, such matters shall be implemented in accordance with relevant special provisions.</u></p> <p><u>If any data involved in the calculation above is negative, the absolute value shall apply.</u></p> <p><u>The permission of the Board of Directors to the above transactions shall also comply with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.</u></p>
<p>Article 26 Forming of Resolutions</p> <p>.....</p> <p>Matter involving a connected transaction shall be subject to approval by more than two-thirds of all unrelated directors; matter not involving a connected transaction shall be subject to approval by more than two-thirds of all directors.</p> <p>.....</p>	<p>Article 26 Forming of Resolutions</p> <p>.....</p> <p>Matter involving a connected transaction shall be subject to approval by more than two-thirds of all unrelated directors; matter not involving a connected transaction shall be subject to approval by more than two-thirds of all directors. <u>Matters related to a connected transaction shall be subject to approval by more than two-thirds of all unrelated directors.</u></p>

APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Original Article	Amended Article
	<p><u>Matters of financial assistance and external guarantees shall be subject to consideration and approval by more than half of all directors, and shall also be subject to consideration and approval by more than two-thirds of directors present at the meeting, and shall be disclosed in a timely manner.</u></p> <p>.....</p>
<p>Article 30 Processing of Proposals not Passed</p> <p>Where any proposal is not passed, any Board meeting shall not consider again any proposal with the same contents within one month if the relevant conditions and factors have not changed significantly.</p>	<p>Deleted</p>
<p>Article 31 Suspension of Voting</p> <p>If more than one-fourth of the directors or more than two external directors consider that the information is insufficient or the elaboration is unclear, they may jointly propose to the Board of Directors to postpone the Board meeting or review certain matters at a later time, and the Board of Directors shall adopt such proposal.</p> <p>.....</p>	<p>Article 30 Suspension of Voting</p> <p>If more than one fourth of the directors or more than two or more external-independent directors consider that the information is insufficient or the elaboration is unclear, they may jointly propose to the Board of Directors to postpone the Board meeting or review certain matters at a later time, and the Board of Directors shall adopt such proposal they may jointly propose to the Board of Directors in writing for a postponement of convening the meeting or reviewing that matter. The Board of Directors shall adopt such proposal and the Company shall disclose the relevant information in a timely manner.</p> <p>.....</p>

**APPENDIX V COMPARISON TABLE OF AMENDMENTS TO THE RULES
OF PROCEDURES FOR THE BOARD OF DIRECTORS**

Original Article	Amended Article
<p>Article 36 Execution of Resolutions</p> <p>The chairman shall urge the relevant personnel to execute the resolutions of the Board, supervise such execution, and report on the implementation of resolutions adopted at future Board meetings.</p>	<p>Deleted</p>

Note: Due to deletion of several articles, the numbering of the existing articles of the Rules of Procedures for the Board Meeting and their cross references will be adjusted correspondingly without separate indication.

Original Article	Amended Article
<p>Article 1 Objectives</p> <p>In order to further regulate the discussion methods and decision-making procedures of the Supervisory Committee of the Company, procure the supervisors and the Supervisory Committee to effectively perform their supervisory duties, and enhance legal person governance structure of the Company, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and Articles of Association of Inner Mongolia Yitai Coal Co., Ltd. (the “Articles of Association”).</p>	<p>Article 1 Objectives</p> <p>In order to further regulate the discussion methods and decision-making procedures of the Supervisory Committee of the Company <u>Inner Mongolia Yitai Coal Co., Ltd. (the “Company”)</u>, procure the supervisors and the Supervisory Committee to effectively perform their supervisory duties, and enhance legal person governance structure of the Company, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, <u>the listing rules of the stock exchanges where the Company’s shares are listed, the Self-Regulatory Guidelines for Listed Companies No. 1 – Standardised Operation issued by the Shanghai Stock Exchange (上海證券交易所上市公司自律監管指引第1號－規範運作)</u>, and Articles of Association of Inner Mongolia Yitai Coal Co., Ltd. (the “Articles of Association”).</p>
<p>Article 2 Terms of Reference and Responsibilities</p> <p>The Supervisory Committee shall be responsible for the shareholders’ general meeting and exercise the following duties and powers in accordance with legal provisions:</p> <p>.....</p> <p>(3) to request any director or senior management to rectify his act that is harmful to the interest of the Company and, if necessary, report such act to the shareholders’ general meeting or the competent authority of the State;</p> <p>.....</p>	<p>Article 2 Terms of Reference and Responsibilities</p> <p>The Supervisory Committee shall be responsible for the shareholders’ general meeting and exercise the following duties and powers in accordance with legal provisions:</p> <p>.....</p> <p>(3) to request any director or senior management to rectify his act that is harmful to the interest of the Company and, if necessary, report such act to the shareholders’ general meeting or the competent authority of the State;</p> <p>.....</p>

Original Article	Amended Article
<p>(7) to bring a legal action against any director or senior management in accordance with Article 152 of the Company Law;</p> <p>(8) to attend the meetings of the Board of Directors as observers and make enquiries or recommendations in respect of any matter to be resolved by the Board of Directors;</p> <p>(9) to verify the financial reports, business reports, profit distribution plans and other financial information to be submitted by the Board of Directors to the shareholders' general meeting and, if discovering any problem, commission, in the name of the Company, a registered accountant or licensed auditor to review such reports.</p> <p>.....</p>	<p>(7) to bring a legal action against any director or senior management in accordance with Article 1521 of the Company Law;</p> <p>(8) to attend the meetings of the Board of Directors as observers and make enquiries or recommendations in respect of any matter to be resolved by the Board of Directors;</p> <p>(9) to verify the financial reports, business reports, profit distribution plans and other financial information to be submitted by the Board of Directors to the shareholders' general meeting and, if discovering any problem, commission, in the name of the Company, a registered accountant or licensed auditor to review such reports.</p> <p><u>(8) to conduct investigations whenever unusual conditions of operation 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 costs of the Company.</u></p> <p>.....</p>
<p>Article 3 Composition of the Supervisory Committee</p> <p>The Supervisory Committee shall consist of seven supervisors. The supervisors shall serve for a term of 3 years and may serve consecutive terms if re-elected.</p>	<p>Article 3 Composition of the Supervisory Committee</p> <p>The Supervisory Committee shall consist of seven <u>six</u> supervisors. The supervisors shall serve for a term of 3 years and may serve consecutive terms if re-elected <u>upon the expiration of their terms of office.</u></p> <p>The Supervisory Committee shall have one chairman, whose appointment and removal shall be subject to affirmative votes by two thirds or more of all the supervisors <u>who shall be elected by more than half of all supervisors. The number of supervisors who are employee representatives shall not be less than one-thirds of all the supervisors.</u></p>

Original Article	Amended Article
<p>The Supervisory Committee shall have one chairman, whose appointment and removal shall be subject to affirmative votes by two-thirds or more of all the supervisors.</p>	<p><u>The employee representatives of the Supervisory Committee shall be elected at the employee representatives' meeting, employees meeting or otherwise democratically.</u></p> <p><u>Directors and senior management shall not concurrently serve as supervisors.</u></p>
<p>Article 5 General meeting and extraordinary meeting of the Supervisory Committee</p> <p>The meetings of the Supervisory Committee are divided into general meeting and extraordinary meeting.</p> <p>The Supervisory Committee shall meet at least once every 6 months. The Supervisory Committee shall convene an extraordinary meeting within ten days in any of the following circumstances:</p> <p>(1) Any supervisor proposes to do so;</p> <p>(2) The shareholders' general meeting or the meeting of the Board of Directors approves any resolution that violates any law, regulation, ordinance, any provisions and requirements of the regulatory authorities, the Articles of Association, any resolution of the shareholders' general meeting and any other relevant provisions;</p> <p>(3) The misconduct of any director or senior management may cause material damage to the Company or impose negative influence to the market;</p> <p>(4) Any shareholder brings a legal action against the Company or any of its directors, supervisors or senior management;</p>	<p>Article 5 General meeting and extraordinary meeting of the Supervisory Committee</p> <p>The meetings of the Supervisory Committee are divided into general meeting and extraordinary meeting.</p> <p>The Supervisory Committee shall meet at least once every 6 months. The Supervisory Committee shall convene an extraordinary meeting within ten days in any of the following circumstances:</p> <p>(1) Any supervisor proposes to do so;</p> <p>(2) The shareholders' general meeting or the meeting of the Board of Directors approves any resolution that violates any law, regulation, ordinance, any provisions and requirements of the regulatory authorities, the Articles of Association, any resolution of the shareholders' general meeting and any other relevant provisions;</p> <p>(3) The misconduct of any director or senior management may cause material damage to the Company or impose negative influence to the market;</p> <p>(4) Any shareholder brings a legal action against the Company or any of its directors, supervisors or senior management;</p>

Original Article	Amended Article
<p>(5) The Company or any of its directors, supervisors or senior management is punished by the securities regulatory authority or publicly reprimanded by the Shanghai Stock Exchange;</p> <p>(6) The securities regulatory authority requires the Supervisory Committee to do so;</p> <p>(7) Other circumstances specified in the Articles of Association.</p>	<p>(5) The Company or any of its directors, supervisors or senior management is punished by the securities regulatory authority or publicly reprimanded by the Shanghai Stock Exchange;</p> <p>(6) The securities regulatory authority requires the Supervisory Committee to do so;</p> <p>(7) Other circumstances specified in the Articles of Association.</p>
<p>Article 7 Procedures of the Proposal of Interim Meeting</p> <p>.....</p> <p>(5) the contact information of the above supervisors and date of proposals.</p> <p>The Supervisory Committee shall issue the notice for the interim meeting of the Supervisory Committee within three days after the office of the Supervisory Committee or the chairman of the Supervisory Committee has received the supervisors' written proposal. If the office of the Supervisory Committee fails to issue such notice, the above supervisors shall report to the regulatory authorities timely.</p>	<p>Article 7 Procedures of the Proposal of Interim Meeting</p> <p>.....</p> <p>(5) the contact information of the above supervisors and date of proposals.</p> <p>The Supervisory Committee shall issue the notice for the interim meeting of the Supervisory Committee within three<u>ten</u> days after the office of the Supervisory Committee or the chairman of the Supervisory Committee has received the supervisors' written proposal. If the office of the Supervisory Committee fails to issue such notice, the above supervisors shall report to the regulatory authorities timely.</p>

Original Article	Amended Article
<p>Article 10 Content of the Notice</p> <p>A written notice of the meeting shall at least include the following:</p> <p>(1) time and location of the meeting;</p> <p>(2) the issues (resolutions) to be considered;</p> <p>(3) convener and presider of the meeting, or proposer of the extraordinary meeting and its written proposal;</p> <p>(4) the materials required by the supervisors to cast their vote;</p> <p>(5) the requirement for the supervisors to attend the meeting in person;</p> <p>(6) coordinator and the contact details for the meeting.</p> <p>A verbal notice of the meeting shall include at least the above item (I) and (II), as well as the explanation for the extraordinary meeting of the Supervisory Committee in the event of an emergency.</p>	<p>Article 10 Content of the Notice</p> <p>A written notice of the meeting shall at least include the following:</p> <p>(1) time and location of the meeting;</p> <p>(2) the issues (resolutions) to be considered;</p> <p>(3) convener and presider of the meeting, or proposer of the extraordinary meeting and its written proposal;</p> <p>(4) the materials required by the supervisors to cast their vote;</p> <p>(5) the requirement for the supervisors to attend the meeting in person;</p> <p>(6) coordinator and the contact details for the meeting.</p> <p>A verbal notice of the meeting shall include at least the above item (I) and (II), as well as the explanation for the extraordinary meeting of the Supervisory Committee in the event of an emergency.</p> <p><u>(1) the date, location and duration of the meeting;</u></p> <p><u>(2) the matters and subjects;</u></p> <p><u>(3) the date of issuing the notice.</u></p>
<p>Article 11 Convening Mode of the Meeting</p> <p>The meeting of the Supervisory Committee shall be held on site.</p>	<p>Article 11 Convening Mode of the Meeting</p> <p>The meeting of the Supervisory Committee shall be held on site.</p>

Original Article	Amended Article
<p>In case of an emergency, the vote by means of communication can be adopted for the meeting of the Supervisory Committee but the meeting convener (meeting presider) shall explain the specific emergency situation to the participating supervisors.</p> <p>In the communication vote, the supervisors shall fax their written opinions and voting intentions on the considered matters to the office of the Supervisory Committee after signing and confirming. The supervisors shall not just specify their vote opinions without expressing opinions or voting reasons.</p>	<p>In case of an emergency, the vote by means of communication can be adopted for the meeting of the Supervisory Committee but the meeting convener (meeting presider) shall explain the specific emergency situation to the participating supervisors.</p> <p><u>The meeting of the Supervisory Committee shall be held by way of physical meeting in principle.</u></p> <p><u>If necessary, in circumstances where opinions of supervisors are sufficiently conveyed, an extraordinary meeting of the Supervisory Committee may, with the approval of the convener (presider) and the proposer, adopt the forms of video conference or teleconference or fax conference or vote by email, and may also adopt the forms of physical meeting and other forms simultaneously.</u></p> <p>In the communication vote, the supervisors shall fax send their written opinions and voting intentions on the considered matters to the office of the Supervisory Committee after signing and confirming. The supervisors shall not just specify their vote opinions without expressing opinions or voting reasons.</p>
<p>Article 12 Convening of the Meeting</p> <p>.....</p> <p>The secretary of the Board of Directors and the securities representative shall attend the meeting of the Supervisory Committee.</p>	<p>Article 12 Convening of the Meeting</p> <p>.....</p> <p>The secretary of the Board of Directors and the securities representative shall attend the meeting of the Supervisory Committee.</p>
<p>Article 14 Resolutions of the Supervisory Committee</p> <p>Each supervisor shall have one vote in the meeting of the Supervisory Committee, to be exercised by way of a show of hands or by vote recognized by the Supervisory Committee.</p>	<p>Article 14 Resolutions of the Supervisory Committee</p> <p>Each supervisor shall have one vote in the meeting of the Supervisory Committee, to be exercised by way of a show of hands or by vote <u>in the manners recognized by the Supervisory Committee, such as open vote and written vote.</u></p>

Original Article	Amended Article
<p>.....</p> <p>Resolutions at the meeting of the Supervisory Committee shall be passed by more than two thirds of all supervisors' votes.</p>	<p>.....</p> <p>Resolutions at the meeting of the Supervisory Committee shall be passed by more than two thirds half of all supervisors' votes.</p>
<p>Article 16 Meeting Minutes</p> <p>The office staff of the Supervisory Committee shall keep the minutes of on-site meetings.</p> <p>.....</p>	<p>Article 16 Meeting Minutes</p> <p>The office staff of the Supervisory Committee shall keep the minutes of on-site meetings.</p> <p>.....</p> <p><u>The supervisors attending the meeting and the person taking minutes shall sign on the minutes of meeting. The supervisors are entitled to add explanatory descriptions to their representations made at the meeting.</u></p>
<p>Article 19 Implementation of the Resolutions</p> <p>The supervisors shall urge the relevant staff to implement the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall notify the implementation of the adopted resolutions at the next meetings of the Supervisory Committee.</p>	<p>Deleted</p>
<p>Article 21 Supplementary Provisions</p> <p>In the Rules, the term of "above" shall include the given figure.</p>	<p>Article 21 Supplementary Provisions</p> <p>In the Rules, the terms of "above" <u>and "less than"</u> shall include the given figure, <u>and the term of "more than" shall exclude the given figure.</u></p>

Original Article	Amended Article
<p>Article 1 To regulate the external guarantees of Inner Mongolia Yitai Coal Co., Ltd. (hereinafter referred to as “the Company”), effectively control the risks of the external guarantees of the Company, secure the safety of assets of the Company, protect the legitimate rights and interests of the Company, shareholders and other stakeholders, and promote the healthy and stable development of the Company, the System is formulated in accordance with the Company Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China, Notice of Certain Issues in Capital Transactions between Listed Companies and Connected Parties and External Guarantees of Listed Companies (Zheng Jian Fa [2003] No. 56), Notices on Regulating the External Guarantees of Listed Companies (Zheng Jian Fa [2005] No. 120) and other laws and regulations, regulatory documents and the Articles of Association of Inner Mongolia Yitai Coal Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>	<p>Article 1 To regulate the external guarantees of Inner Mongolia Yitai Coal Co., Ltd. (hereinafter referred to as “the Company”), effectively control the risks of the external guarantees of the Company, secure the safety of assets of the Company, protect the legitimate rights and interests of the Company, shareholders and other stakeholders, and promote the healthy and stable development of the Company, the System is formulated in accordance with <u>the Civil Code of the People’s Republic of China</u>, the Company Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China, Notice of Certain Issues in Capital Transactions between Listed Companies and Connected Parties and External Guarantees of Listed Companies (Zheng Jian Fa [2003] No. 56), Notices on Regulating the External Guarantees of Listed Companies (Zheng Jian Fa [2005] No. 120) <u>the Securities Law of the People’s Republic of China, the Regulatory Guidelines for Listed Companies No. 8 — Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies, the Self-regulatory Guidelines for Listed Companies No. 1 Standardized Operation issued by the Shanghai Stock Exchange, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</u> and other laws and regulations, regulatory documents and the Articles of Association of Inner Mongolia Yitai Coal Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>
<p>Article 7 In case that the Company provides external guarantee, it shall require the warrantee to provide a counter-guarantee or other measures which can effectively prevent the guarantee risks. A counter-guarantee provider shall have the actual ability to bear the debt, and the amount of the counter-guarantee provided must be equal to the amount guaranteed by the Company. This provision shall not apply to the case where the Company provides guarantee for any of its</p>	<p>Article 7 In case that the Company provides external guarantee, it shall <u>may</u> require the warrantee to provide a counter-guarantee or other measures which can effectively prevent the guarantee risks. A counter-guarantee provider shall have the actual ability to bear the debt, and the amount of the counter-guarantee provided must be equal to the amount guaranteed by the Company. This provision shall not apply to the case where the Company provides guarantee for</p>

Original Article	Amended Article
<p>controlled subsidiaries in proportion with its equity interest in such subsidiary. The counter-guarantee shall be approved by the Board of Directors or the shareholders' general meetings of the warrantee, and shall be signed by its legal representatives.</p>	<p>any of its controlled subsidiaries in proportion with its equity interest in such subsidiary. The counter-guarantee shall be approved by the Board of Directors or the shareholders' general meetings of the warrantee, and shall be signed by its legal representatives.</p>
<p>Article 16 Any of the external guarantees that shall be deliberated and approved by the shareholders' general meeting shall be subject to the deliberation and approval of the Board of Directors before presenting the proposal to the shareholders' general meeting. The following external guarantees of the Company shall be deliberated and approved by the shareholders' general meeting:</p> <p>(1) any subsequent guarantee of the Company and its holding subsidiaries after the total amount of external guarantees exceeds 50% of the latest audited net assets;</p> <p>(2) any guarantee provided to those with a gearing ratio of over 70%;</p> <p>(3) any single guarantee exceeding 10% of the latest audited net assets;</p> <p>(4) any guarantee provided to shareholders, actual controllers of the Company, and their respective connected parties;</p> <p>(5) any guarantee exceeding 30% of the latest audited total assets of the Company when being aggregated with the amount of guarantees incurred in the preceding 12 consecutive months;</p> <p>(6) any guarantee exceeding 50% of the latest audited net assets value of the Company when being aggregated with the amount of guarantees incurred in the preceding 12 consecutive months and the absolute amount exceeds RMB50 million;</p> <p>(7) other guarantees as specified by the Shanghai Stock Exchange and the Articles of Association.</p>	<p>Article 16 Any of the external guarantees that shall be deliberated and approved by the shareholders' general meeting shall be subject to the deliberation and approval of the Board of Directors before presenting the proposal to the shareholders' general meeting. The following external guarantees of the Company shall be deliberated and approved by the shareholders' general meeting:</p> <p>(1) any subsequent guarantee of the Company and its holding subsidiaries after the total amount of external guarantees exceeds 50% of the latest audited net assets;</p> <p>(2) any guarantee provided to those with a gearing ratio of over 70%;</p> <p>(3) any single guarantee exceeding 10% of the latest audited net assets;</p> <p>(4) any guarantee provided to shareholders, actual controllers of the Company, and their respective connected parties;</p> <p>(5) any guarantee exceeding 30% of the latest audited total assets of the Company when being aggregated with the amount of guarantees incurred in the preceding 12 consecutive months;</p> <p>(6) any guarantee exceeding 50% of the latest audited net assets value of the Company when being aggregated with the amount of guarantees incurred in the preceding 12 consecutive months and the absolute amount exceeds RMB50 million;</p> <p>(7) other guarantees as specified by the Shanghai Stock Exchange and the Articles of Association.</p>

Original Article	Amended Article
<p>The guarantee in provision (5) of the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. When considering the guarantee mentioned in provision (4) above at the shareholders' general meeting, the shareholders or the shareholders controlled by the actual controllers shall refrain from the voting, and this voting shall be passed by more than half of other shareholders present at the shareholders' general meeting.</p>	<p>The guarantee in provision (5) of the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. When considering the guarantee mentioned in provision (4) above at the shareholders' general meeting, the shareholders or the shareholders controlled by the actual controllers shall refrain from the voting, and this voting shall be passed by more than half of other shareholders present at the shareholders' general meeting.</p> <p><u>(1) any single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;</u></p> <p><u>(2) any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets of the Company;</u></p> <p><u>(3) any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceeds 30% of the latest audited total assets of the Company;</u></p> <p><u>(4) any guarantee exceeding 30% of the latest audited total assets of the Company when being aggregated with the amount of guarantees incurred in the preceding twelve consecutive months;</u></p> <p><u>(5) any guarantee provided to those with a gearing ratio of over 70%;</u></p> <p><u>(6) any guarantee provided to shareholders, actual controllers of the Company, and their respective connected parties;</u></p>

Original Article	Amended Article
	<p><u>(7) other guarantees as regulated in accordance with the provisions of the listing rules of the stock exchange where the Company's shares were listed and the Articles of Association.</u></p> <p><u>When considering the guarantee specified in provision (4) above at the shareholders' general meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.</u></p> <p><u>When considering the resolution of providing guarantees to shareholders, actual controllers and their connected parties at the shareholders' general meeting, such shareholders or shareholders controlled by such actual controllers shall not vote on such resolution. Such voting shall be passed by more than half of the voting rights held by other shareholders present at the shareholders' general meeting. For any guarantee to be provided by the Company to its controlling shareholder, actual controller and their respective connected parties, the controlling shareholder, actual controller and their respective connected parties shall provide a counter-guarantee. If the guarantee specified in the preceding paragraph fails to be approved by the Board of Directors or the shareholders' general meeting, the parties to the transaction shall take effective measures such as early termination of the guarantee.</u></p>
<p>Article 17 Except for the external guarantees listed in provisions (1) to (7) of Article 16 herein, which shall be deliberated and approved by the shareholders' general meeting, other external guarantees shall be decided by the Board of Directors.</p>	<p>Article 17 Except for the external guarantees listed in provisions (1) to (7) of Article 16 herein, which shall be deliberated and approved by the shareholders' general meeting, other external guarantees shall be decided by the Board of Directors.</p> <p>Guarantees within the authority power of the Board of Directors require not only the <u>consideration and</u> approval of more than half of all the directors, but also the <u>consideration and</u> approval of more</p>

Original Article	Amended Article
<p>Guarantees within the authority of the Board of Directors require not only the approval of more than half of all the directors, but also the approval of more than two-thirds of the directors present at the Board meeting.</p>	<p>than two-thirds of the directors present at the Board meeting, <u>and shall be disclosed in a timely manner. Where the Company provides guarantee to its connected persons, in addition to the consideration and approval of more than half of all the non-connected directors, it shall also be subject to the consideration and approval of more than two-thirds of the non-connected directors present at the Board meeting, and shall be submitted to the shareholders' general meeting for consideration.</u></p>
<p>Article 19 The Company must enter into a written guarantee contract and counter-guarantee contract for external guarantees. The guarantee contract and counter-guarantee contract shall include the contents required by the laws and regulations such as the Guarantee Law of the People's Republic of China and the Contract Law of the People's Republic of China.</p>	<p>Article 19 The Company must enter into a written guarantee contract and/or counter-guarantee contract for external guarantees. The guarantee contract and counter-guarantee contract shall include the contents required by the laws and regulations such as the Guarantee Law of the People's Republic of China and the Contract Law of the People's Republic of China <u>the Civil Code of the People's Republic of China.</u></p>
<p>Article 25 If the debt guaranteed by the Company requires extension upon maturity and continues to be guaranteed by the Company, it shall be treated as a new external guarantee, and the guarantee approval procedures shall be fulfilled again.</p>	<p>Article 25 If <u>the guarantee agreement entered into by the Company is modified or</u> the debt guaranteed by the Company requires extension upon maturity and continues to be guaranteed by the Company, it shall be treated as a new external guarantee, and the guarantee approval procedures <u>and information disclosure obligations</u> shall be fulfilled again.</p>
<p>None</p>	<p><u>Article 35</u> <u>Where the Company provides guarantees to its holding subsidiary, if there is a large number of transactions each year, and it is difficult to submit to the Board of Directors or the shareholders' general meeting for consideration due to the need of entering into guarantee agreements on a recurring basis, the Company may estimate the total amount of new guarantees for the next 12 months of the two types of subsidiaries with a gearing ratio of over 70% and that of below 70%, and submit the estimation to the shareholders' general meeting for consideration.</u></p>

Original Article	Amended Article
	<p><u>When the aforesaid guarantee actually takes place, the Company shall make disclosure in a timely manner. The balance of the guarantee at any time shall not exceed the amount of guarantee considered and approved at the shareholders' general meeting.</u></p> <p><u>Article 36 Where the Company provides guarantees for its joint ventures or associates, and the guaranteed party is not a connected person of a director, supervisor, senior management member, shareholder holding more than 5% of the shares, controlling shareholder or actual controller of the Company, if there is a large number of transactions each year, and it is difficult to submit to the Board or the shareholders' general meeting for consideration due to the need of entering into guarantee agreements on a recurring basis, the Company may reasonably estimate the specific objects to be guaranteed for the next 12 months and the corresponding amount of new guarantees, and submit the estimation to the shareholders' general meeting for consideration.</u></p> <p><u>When the aforesaid guarantee actually takes place, the Company shall make disclosures in a timely manner, and the balance of the guarantee at any time shall not exceed the amount of guarantee considered and approved at the shareholders' general meeting.</u></p>

Original Article	Amended Article
	<p><u>Article 37 When the Company predicts the amount of guarantees provided to its joint ventures or associates, it may adjust the amount of guarantees among such joint ventures or associates, provided that the following conditions are satisfied:</u></p> <p><u>(1) the amount of a single adjustment of the adjustment beneficiary does not exceed 10% of the latest audited net assets of the Company;</u></p> <p><u>(2) for any guaranteed object with a gearing ratio exceeding 70% at the time of adjustment, the amount of guarantees can only be obtained from the guaranteed objects with a gearing ratio exceeding 70% (when the shareholders' general meeting considers the amount of guarantees);</u></p> <p><u>(3) the adjustment beneficiary does not have overdue outstanding debts at the time of adjustment.</u></p> <p><u>When the aforesaid adjustment actually takes place, the Company shall make disclosures in a timely manner.</u></p> <p><u>Article 38 The Company shall continuously monitor the financial position and capability of debt repayment of the guaranteed party. The Board of the Company shall adopt effective measures in a timely manner to minimize the relevant loss once any significant issues such as serious deterioration in the operating conditions, dissolution or division of the guaranteed party are identified.</u></p>

Original Article	Amended Article
	<p><u>After the guaranteed debts come due, the Company shall urge the guaranteed party to repay its debts within a specified period. If the guaranteed party fails to perform its obligations on time, the Company shall take necessary countermeasures in a timely manner.</u></p>
<p>Article 35 The external guarantees considered and approved by the Board or the shareholders' general meeting of the Company shall be disclosed timely on the information disclosure newspapers and websites designated by the Company, the contents of the disclosures shall include the Board resolutions or shareholder resolutions and the total value of external guarantees provided by the Company and its subsidiaries as of the date of the information disclosure.</p> <p>.....</p>	<p>Article 359 The external guarantees considered and approved by the Board or the shareholders' general meeting of the Company shall be disclosed timely on the information disclosure newspapers and websites designated by the Company <u>meeting the requirements of the CSRC</u>; the contents of the disclosures shall include the Board resolutions or shareholder resolutions and the total value of external guarantees provided by the Company and its subsidiaries as of the date of the information disclosure.</p> <p>.....</p>
<p>Nil</p>	<p><u>Article 40</u> Where a holding subsidiary of the Company provides guarantees for legal persons or other organizations within the scope of the Company's consolidated statements, the Company shall disclose the same in a timely manner after the holding subsidiary has fulfilled the consideration procedures, except for the guarantee matters which should be submitted to the shareholders' general meeting of the Company for consideration according to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.</p> <p><u>If the holding subsidiary of the Company provides a guarantee for other entity other than the one specified in the preceding paragraph, it shall be deemed to be a guarantee provided by the Company.</u></p> <p><u>Article 41</u> The provision of counter-guarantee by the Company and its holding subsidiaries shall be implemented in accordance with the</p>

Original Article	Amended Article
	<u>relevant provisions of the guarantee, and shall fulfill corresponding consideration procedures and information disclosure obligations based on the amount of counter-guarantee provided by the Company, with the exception that the Company and its holding subsidiaries provide counter-guarantees for guarantees based on their own debts.</u>
Article 37 The Company shall notify all external guarantee matters to the certified public accountants of the audit institution engaged by the Company in accordance with the requirements.	Article 3742 The Company shall notify all external guarantee matters to the certified public accountants of the audit institution engaged by the Company in accordance with the requirements.
Article 45 The System shall come into force after being considered by the Board of the Company, submitted to and approved by the shareholders' general meeting.	Article 4550 The System shall come into force after being considered <u>and approved</u> by the Board of the Company, submitted to and approved by the shareholders' general meeting.

Note: Due to addition of several articles in the Management System for External Guarantees, the numbering of the existing articles of the Management System for External Guarantees and their references will be adjusted correspondingly without separate indication.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



内蒙古伊泰煤炭股份有限公司

INNER MONGOLIA YITAI COAL CO., LTD.*

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

(Stock Code: 3948)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third extraordinary general meeting (the “EGM”) of Inner Mongolia Yitai Coal Co., Ltd.* (the “Company”) in 2022 will be held at Conference Room 1, Conference Center, Yitai Building, North Tianjiao Road, Dongsheng District, Ordos, Inner Mongolia, the People’s Republic of China (the “PRC”) at 3:00 p.m. on Thursday, 29 December 2022 for the purpose of considering, and if thought fit, passing the following resolutions.

AS ORDINARY RESOLUTIONS

1. To consider and approve the resolution relating to the entering into of the Revised Financial Services Framework Agreement with Inner Mongolia Yitai Finance Co., Ltd. and new annual caps for the year ending 31 December 2023.
2. To consider and approve the resolution relating to the proposed amendments to the Rules of Procedures for the Shareholders’ General Meeting of the Company.
3. To consider and approve the resolution relating to the proposed amendments to the Rules of Procedures for the Board of Directors of the Company.
4. To consider and approve the resolution relating to the proposed amendments to the Rules of Procedures for the Supervisory Committee of the Company.
5. To consider and approve the resolution relating to the proposed amendments to the Management System for External Guarantees of the Company.

AS SPECIAL RESOLUTIONS

6. To consider and approve the resolution relating to the proposed issuance of super short-term commercial papers.
 - 6.1 Scale of registration of the super short-term commercial papers
 - 6.2 Validity period of registration and term of maturity
 - 6.3 Interest rate and method of determination

* *For identification purposes only*

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- 6.4 Issuance targets
 - 6.5 Use of proceeds
 - 6.6 Date of issuance
 - 6.7 Authorization related to the issuance
7. To consider and approve the resolution relating to the proposed amendments to the Articles of Association of the Company.

By order of the Board
Inner Mongolia Yitai Coal Co., Ltd.*
Zhang Jingquan
Chairman

Inner Mongolia, the PRC, 14 November 2022

As at the date of this notice, the executive directors of the Company are Mr. Zhang Jingquan, Mr. Liu Chunlin, Mr. Ge Yaoyong, Mr. Zhang Dongsheng, Mr. Liu Jian, Mr. Lv Junjie and Mr. Zhao Like; and the independent non-executive directors of the Company are Mr. Huang Sujian, Mr. Wong Hin Wing, Ms. Du Yingfen and Mr. E Erdun Tao Ketao.

Notes:

1. For further details on each of the proposed resolutions, please refer to the circular of the Company to be dispatched to the shareholders of the Company in due course.
2. The register of members of H shares of the Company will be closed from Tuesday, 29 November 2022 to Thursday, 29 December 2022 (both dates inclusive). Holders of H shares of the Company whose names appear on the register of members of H shares of the Company maintained at Computershare Hong Kong Investor Services Limited on Thursday, 29 December 2022 are entitled to attend and vote at the EGM upon completion of the registration procedures. In order to qualify for attending and voting at the EGM, all transfer documents of H shares of the Company, accompanied by the relevant share certificates, must be lodged by shareholders with the Company's H share registrar before 4:30 p.m. on Monday, 28 November 2022. The address of the H share registrar of the Company is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
3. Any holder of H shares entitled to attend and vote at the EGM may, by the form of proxy of the Company, appoint one or more person(s) as his proxy(ies) to attend and vote at the EGM on his behalf. A proxy needs not be a shareholder of the Company.
4. A proxy shall be appointed by a shareholder by a written instrument signed by the appointor or his attorney duly authorized in writing. If the shareholder is a corporation, the same must be either under its common seal or under hand of its legal representative(s) or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other authority of such attorney shall be notarially certified.

* For identification purpose only

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

5. To be valid, the form of proxy and the relevant notorially certified power of attorney (if any) and other relevant authority (if any) as mentioned in Notes 2 and 3 above must be served to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting should he so wishes.

6. A shareholder or his proxy should produce proof of identity when attending the EGM. Where a shareholder is a legal person, the legal representative(s) of such shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the resolution of the board of directors or other governing body of such legal person shareholder appointing such person to attend the meeting.

7. The EGM is expected to last for half a day. The travelling and accommodation expenses shall be at the own cost of the shareholders attending the EGM.