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

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

If you have sold or transferred all your Shares in Red Star Macalline Group Corporation Ltd., you should at once hand this circular together with the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Red Star Macalline Group Corporation Ltd.****紅星美凱龍家居集團股份有限公司**

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

**(Stock Code: 1528)**

**PROPOSED PROVISION OF GUARANTEES TO SUBSIDIARIES OF THE COMPANY  
THE ESTIMATED PROVISIONS OF FINANCIAL ASSISTANCE BY THE COMPANY  
PROPOSED ADOPTION TO THE WORKING SYSTEM FOR INDEPENDENT  
NON-EXECUTIVE DIRECTORS**

**PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF EXTERNAL  
GUARANTEES, THE RULES FOR THE MANAGEMENT OF THE RELATED PARTY  
TRANSACTIONS, THE RULES FOR THE MANAGEMENT OF THE PROCEEDS AND  
THE RULES FOR MANAGEMENT OF EXTERNAL INVESTMENTS**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
PROPOSED AMENDMENTS TO THE PROCEDURE RULES OF  
THE GENERAL MEETING**

**PROPOSED AMENDMENTS TO THE PROCEDURE RULES FOR THE BOARD  
PROPOSED AMENDMENTS TO THE PROCEDURE RULES OF  
THE SUPERVISORY COMMITTEE**

**NOTICE OF THE 2023 FIFTH EXTRAORDINARY  
GENERAL MEETING**

**AND**

**NOTICE OF THE 2023 FIRST H SHAREHOLDERS'  
CLASS MEETING**

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A letter from the Board is set out on pages 3 to 6 of this circular. A notice of the EGM of the Company to be held at 11:00 a.m. on Wednesday, 27 December 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, is being despatched to the Shareholders together with this circular. A notice of the H shareholders' class meeting ("H Shareholders' Class Meeting") of the Company to be held at 11:30 a.m. (or immediately after the conclusion of A Shareholders' Class Meeting, whichever is later) on Wednesday, 27 December 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC is being despatched to the Shareholders together with this circular.

Shareholders who intend to appoint a proxy to attend the EGM and/or H Shareholders' Class Meeting shall complete and return the proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorised in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorised to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarized.

In the case of joint holders of Shares of the Company, only the holder whose name stands first in the register of members of the Company shall alone be entitled to vote at the EGM and/or H Shareholders' Class Meeting, either in person or by proxy in respect of such Shares.

For H Share Shareholders, please return the proxy form together with any documents of authority to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM and/or H Shareholders' Class Meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM and/or H Shareholders' Class Meeting or any adjournment thereof should you so wish.

5 December 2023

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

“A Share(s)”	the ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, listed on the Shanghai Stock Exchange and traded in RMB
“A Share Shareholder(s)”	the holder(s) of the A Share(s)
“A Shareholders’ Class Meeting”	the A shareholders’ class meeting to be held on Wednesday, 27 December 2023 and any adjournment thereof, immediately after the conclusion of EGM
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“Board”	the board of directors of the Company
“Class Meetings”	the H Shareholders’ Class Meeting and the A Shareholders’ Class Meeting
“Company”	Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司), a sino-foreign joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the main board of the Stock Exchange (stock code: 1528)
“Director(s)”	the director(s) of the Company
“EGM”	the 2023 fifth extraordinary general meeting to be convened and held on Wednesday, 27 December 2023
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas-listed foreign invested ordinary share(s) with a nominal value of RMB1.0 each in the share capital of the Company, which is/are listed on the Stock Exchange and traded in Hong Kong dollars
“H Share Shareholder(s)”	the holder(s) of H Share(s)

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## DEFINITIONS

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“H Shareholders’ Class Meeting”	the H shareholders’ class meeting to be held at 11:30 a.m. (or immediately after the conclusion of A Shareholders’ Class Meeting, whichever is later) on Wednesday, 27 December 2023 or any adjournment thereof
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	1 December 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained 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, but for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	the A Share Shareholder(s) and the H Share Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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LETTER FROM THE BOARD

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**Red Star Macalline Group Corporation Ltd.**  
**紅星美凱龍家居集團股份有限公司**

*(A sino-foreign joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1528)**

*Executive Directors:*

Mr. CHE Jianxing  
Mr. SHI Yaofeng  
Mr. LI Jianhong  
Mr. YANG Yingwu

*Registered office in the PRC:*

Suite F801, 6/F  
No. 518, Linyu Road  
Pudong New District  
Shanghai  
PRC

*Non-executive Directors:*

Mr. ZHENG Yongda  
Mr. WANG Wenhui  
Mr. ZOU Shaorong  
Mr. SONG Guangbin  
Ms. XU Di

*Principal place of business  
in Hong Kong:*

31/F, Tower 2  
Times Square  
1 Matheson Street  
Causeway Bay, Hong Kong

*Independent non-executive Directors:*

Mr. XUE Wei  
Mr. HUANG Jianzhong  
Mr. CHEN Shanang  
Mr. WONG Chi Wai  
Mr. CAI Qinghui

5 December 2023

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED PROVISION OF GUARANTEES TO SUBSIDIARIES OF THE COMPANY  
THE ESTIMATED PROVISIONS OF FINANCIAL ASSISTANCE BY THE COMPANY  
PROPOSED ADOPTION TO THE WORKING SYSTEM FOR INDEPENDENT  
NON-EXECUTIVE DIRECTORS  
PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF EXTERNAL  
GUARANTEES, THE RULES FOR THE MANAGEMENT OF THE RELATED PARTY  
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THE GENERAL MEETING  
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PROPOSED AMENDMENTS TO THE PROCEDURE RULES OF  
THE SUPERVISORY COMMITTEE  
NOTICE OF THE 2023 FIFTH EXTRAORDINARY  
GENERAL MEETING  
AND  
NOTICE OF THE 2023 FIRST H SHAREHOLDERS'  
CLASS MEETING**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The purpose of this circular is to provide you with, among other things, the notice of the EGM/H Shareholders' Class Meeting and the information of the above-mentioned resolutions to be proposed for consideration at the EGM and/or the Class Meetings, in order to enable you to make informed decisions on whether to vote for or against the resolutions at the EGM and the Class Meetings, respectively.

Ordinary resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (1) proposed provision of a guarantee for the financing provided by the financial institution to a wholly-owned subsidiary of the Company; (2) proposed provision of a guarantee for the financing provided by the financial institution to a controlling subsidiary of the Company; (3) the estimated provisions of financial assistance by the Company (4) the proposed adoption to the working system for independent non-executive Directors; (5) the proposed amendments to the rules for management of external guarantees; (6) the proposed amendments to the rules for the management of the related party transactions; (7) the proposed amendments to the rules for the management of the proceeds; and (8) the proposed amendments to the rules for management of external investments.

Special resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (1) the proposed amendments to the Articles of Association; (2) the proposed amendments to the procedure rules of the general meeting; (3) the proposed amendments to the procedure rules for the Board; and (4) the proposed amendments to the procedure rules of the Supervisory Committee.

Special resolutions to be proposed at the Class Meetings for the Shareholders to consider and approve include: (1) the proposed amendments to the Articles of Association; (2) the proposed amendments to the procedure rules of the general meeting; (3) the proposed amendments to the procedure rules for the Board; and (4) the proposed amendments to the procedure rules of the Supervisory Committee.

Details of the matters to be considered at the EGM and the Class Meetings are set out on pages 7 to 11 in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the EGM and the Class Meetings and to make well-informed decisions, the Company has provided detailed information in this circular, including matters to be considered at the EGM and the Class Meetings (see Appendix I), proposed provision of a guarantee for the financing provided by the financial institution to a wholly-owned subsidiary of the company (see Appendix II), proposed provision of a guarantee for the financing provided by the financial institution to a controlling subsidiary of the company (see Appendix III), the estimated provisions of financial assistance by the Company (see Appendix IV), the proposed adoption to the working system for independent non-executive Directors (see Appendix V), the proposed amendments to the rules for management of external guarantees (see Appendix VI), the proposed amendments to the rules for the management of the related party transactions (see Appendix VII), the proposed amendments to the rules for the management of the proceeds (see Appendix VIII), the proposed amendments to the rules for management of external investments

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## LETTER FROM THE BOARD

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(see Appendix IX), the comparative table of the amendments to the Articles of Association (see Appendix X), the comparative table of the amendments to the procedure rules of the general meeting (see Appendix XI), the comparative table of the amendments to the procedure rules for the Board (see Appendix XII) and the comparative table of the amendments to the procedure rules of the Supervisory Committee (see Appendix XIII).

### **II. THE 2023 FIFTH EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS**

The notice of the EGM to be held at 11:00 a.m. on Wednesday, 27 December 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, is set out on pages 195 to 197 of this circular. The notice of the H Shareholders' Class Meeting to be held at 11:30 a.m. (or immediately after the conclusion of A Shareholders' Class Meeting, whichever is later) on Wednesday, 27 December 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC is set out on pages 198 to 199 of this circular.

The proxy form for the EGM and the H Shareholders' Class Meeting also enclosed herein and published on the website of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)). The Shareholders who intend to appoint (a) proxy/proxies to attend the EGM shall complete, sign and return the proxy form in accordance with the instructions printed thereon.

For H Share Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM/H Shareholders' Class Meeting in order for such documents to be valid.

Pursuant to the Articles of Association, for the purpose of holding the EGM/H Shareholders' Class Meeting, the register of members of H Shares will be closed from Wednesday, 20 December 2023 to Wednesday, 27 December 2023 (both days inclusive), during this period no transfer of H Shares will be registered. H Share Shareholders whose names appear on the register of members of the Company on Wednesday, 20 December 2023 are entitled to attend and vote at the EGM/H Shareholders' Class Meeting.

In order to ascertain the entitlements to attend and vote at the EGM/H Shareholders' Class Meeting, H Share Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 19 December 2023 for registration.



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## LETTER FROM THE BOARD

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Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions proposed at the EGM/H Shareholders' Class Meeting will be voted by poll.

### III. RECOMMENDATION

The Directors consider that all resolutions as set out in the notice of the EGM/H Shareholders' Class Meeting for the Shareholders to consider and approve are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of all resolutions to be proposed at the EGM/H Shareholders' Class Meeting.

By order of the Board

**Red Star Macalline Group Corporation Ltd.**

**QIU Zhe**

*Secretary of the Board and Joint Company Secretary*

**I. THE RESOLUTION ON PROPOSED PROVISION OF A GUARANTEE FOR THE FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

The resolution on proposed provision of a guarantee for the financing provided by the financial institution to a wholly-owned subsidiary of the Company has been considered and approved by the Board and is hereby proposed at the EGM for Shareholders' consideration and approval, details of which are set out in Appendix II to this circular.

**II. THE RESOLUTION ON PROPOSED PROVISION OF A GUARANTEE FOR THE FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO A CONTROLLING SUBSIDIARY OF THE COMPANY**

The resolution on proposed provision of a guarantee for the financing provided by the financial institution to a controlling subsidiary of the Company has been considered and approved by the Board and is hereby proposed at the EGM for Shareholders' consideration and approval, details of which are set out in Appendix III to this circular.

**III. THE RESOLUTION ON THE ESTIMATED PROVISIONS OF FINANCIAL ASSISTANCE BY THE COMPANY**

The resolution on the estimated provisions of financial assistance by the Company has been considered and approved by the Board and is hereby proposed at the EGM for Shareholders' consideration and approval, details of which are set out in Appendix IV to this circular.

**IV. THE RESOLUTION ON THE PROPOSED ADOPTION TO THE WORKING SYSTEM FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**

In order to further optimize the Company's internal management system, the Company has formulated the Working System for Independent Non-executive Directors of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China, details of which are set out in Appendix V to this circular. The Working System for Independent Non-executive Directors of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM for Shareholders' consideration and approval.

**V. THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF EXTERNAL GUARANTEES**

In order to further optimize the Company's internal management system, the Company has amended relevant contents of the Rules for Management of External Guarantees of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China, details of which are set out in Appendix VI to this circular. The amended Rules for Management of External Guarantees of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM for Shareholders' consideration and approval.

**VI. THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF THE RELATED PARTY TRANSACTIONS**

In order to further optimize the Company's internal management system, the Company has amended relevant contents of the Rules for the Management of the Related Party Transactions of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China, details of which are set out in Appendix VII to this circular. The amended Rules for the Management of the Related Party Transactions of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM for Shareholders' consideration and approval.

**VII. THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF THE PROCEEDS**

In order to further optimize the Company's internal management system, the Company has amended relevant contents of the Rules for the Management of the Proceeds of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China, details of which are set out in Appendix VIII to this circular. The amended Rules for the Management of the Proceeds of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM for Shareholders' consideration and approval.

**VIII. THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF EXTERNAL INVESTMENTS**

In order to further optimize the Company's internal management system, the Company has amended relevant contents of the rules for Management of External Investments of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China, details of which are set out in Appendix IX to this circular. The amended Rules for Management of External Investments of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM for Shareholders' consideration and approval.

**IX. TO CONSIDER AND APPROVE THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Company announces that, on 1 December 2023, the Board proposed to make certain amendments to the Articles of Association. On 14 February 2023, the State Council issued the Decision of the State Council on Annuling Certain Administrative Regulations and Documents, pursuant to which, the Special Provisions of the State Council on the Offshore Offering and Listing of Companies Limited By Shares (the "**Special Provisions**") was rescinded. On 17 February 2023, as approved by the State Council, the China Securities Regulatory Commission (the "**CSRC**") issued Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, which came into effect on 31 March 2023, pursuant to which, Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the "**Mandatory Provisions**") was abolished. The Stock Exchange has amended the Listing Rules with effect from 1 August 2023 in accordance with the aforesaid new regulatory regulations. Based on the amendments of the aforesaid rules and the actual operational and management needs of the Company, the Company intends to amend its Articles of Association.

In light of the above, the Board proposes to amend the existing Articles of Association to ensure compliance with the core standards, remove obsolete clauses as a result of the repeal of Mandatory Provisions and Special Provisions, bring the Articles of Association in line with the Guidelines on Articles of Association of the PRC, and to incorporate other corresponding and internal management amendments (the "**Proposed Amendments to the Articles of Association**").

The Board is of view that the proposed amendments to the Articles of Association (including the removal of the class meeting requirement from the Articles of Association following the repeal of the Mandatory Provisions) will not compromise protection of the Shareholders and will not have material impact on measures relating to the Shareholders'

protection, as H shares and A shares are regarded as the same class of ordinary shares under the PRC laws, and the substantive rights attached to these two types of shares (including voting rights, dividends and asset allocation upon liquidation) are the same.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM and the Class Meetings for Shareholders' consideration and approval.

**X. TO CONSIDER AND APPROVE THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE PROCEDURE RULES OF THE GENERAL MEETING**

In order to further optimize the Company's internal management system, the Company has amended relevant contents of the Procedure Rules of the General Meeting of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China, details of which are set out in Appendix XI to this circular. The amended Procedure Rules of the General Meeting of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM and the Class Meetings for Shareholders' consideration and approval.

**XI. TO CONSIDER AND APPROVE THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE PROCEDURE RULES FOR THE BOARD**

In order to further optimize the Company's internal management system, the Company has amended relevant contents of the Procedure Rules for the Board of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China, details of which are set out in Appendix XII to this circular. The amended Procedure Rules for the Board of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM and the Class Meetings for Shareholders' consideration and approval.

**XII. TO CONSIDER AND APPROVE THE RESOLUTION ON THE PROPOSED AMENDMENTS TO THE PROCEDURE RULES OF THE SUPERVISORY COMMITTEE**

In order to further optimize the Company's internal management system, the Company has amended relevant contents of the Procedure Rules of the Supervisory Committee of Red Star Macalline Group Corporation Ltd. in accordance with the laws and regulations in China,

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**APPENDIX I            MATTERS TO BE CONSIDERED AT THE EGM AND CLASS MEETINGS**

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details of which are set out in Appendix XIII to this circular. The amended Procedure Rules of the Supervisory Committee of Red Star Macalline Group Corporation Ltd. shall come into effect from the date of approval upon consideration at the EGM.

The above-mentioned resolution was considered and approved at the eighth extraordinary meeting of the fifth session of the Board and is hereby proposed at the EGM and the Class Meetings for Shareholders' consideration and approval.

**RESOLUTION ON PROPOSED PROVISION OF A GUARANTEE FOR THE  
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO A WHOLLY-  
OWNED SUBSIDIARY OF THE COMPANY**

**I. Brief Description of the Guarantee**

In order to ensure the daily operation requirements, Chongqing Red Star Macalline International Home Furnishing Plaza Company Limited (重慶紅星美凱龍國際家居生活廣場有限公司) (“**Chongqing Chayuan**”), a wholly-owned subsidiary of the Company, has entered into a fixed assets syndicated loan contract (“**Master Contract I**”) with the Bank of Communications Co., Ltd. Chongqing Branch (“**Bank of Communications**”) and Red Star Macalline Group Finance Company Limited (紅星美凱龍家居集團財務有限公司) (“**Finance Company**”) with a loan amount of RMB360 million (hereinafter collectively referred to as the “**Financing I**”), for which Chongqing Chayuan has provided its real estate located at No. 5 Yuma Road, Nan’an District, Chongqing, as the mortgaged collateral for the Financing I.

Due to the adjustment of the financing plan, the Company intends to provide a joint liability guarantee for the Financing (the “**Guarantee I**”).

The Board hereby proposes to the EGM to authorize, within the scope of its resolution, the Board’s authorization to the management of the Company to handle specific matters relating to the adjustment of the Guarantee based on market conditions, including but not limited to entering into relevant contracts, agreements and other legal documents, and adjusting the period, amount and other conditions of the Guarantee.

**II. Information on the Guaranteed Party**

1. Name of company: Chongqing Chayuan
2. Unified social credit code: 91500108MA5UTE3M9N
3. Legal representative: Wu Youning (吳幼寧)
4. Registered address: No. 5 Yuma Road, Nan’an District, Chongqing
5. Registered capital: RMB121 million
6. Scope of business: General items: Sales: furniture, building materials and decoration materials (excluding hazardous chemicals), hardware and electric materials, metal materials (excluding rare and precious metals), chemical products (excluding hazardous chemicals and precursor chemicals), general merchandise, and computers; leasing of self-owned counters; market management; and property management. (Except for items subject to approval according to the law, business activities set forth in the business license may be conducted independently in accordance with law).

The following sets forth the relevant financial data of Chongqing Chayuan:

According to the audit report issued by Wuhan Liguang Accountant Affairs Limited Company (武漢蒞光會計師事務所有限公司), as at 31 December 2022, Chongqing Chayuan's total assets were RMB448,133,388.68; total liabilities were RMB381,238,504.93; net assets were RMB66,894,883.75; and the gearing ratio was 85.07%. In 2022, Chongqing Chayuan's revenue was RMB44,917,823.99 and net profit of was RMB883,014.84.

According to the latest financial statement of Chongqing Chayuan (unaudited), as at 31 October 2023, Chongqing Chayuan's total assets were RMB420,732,764.99; total liabilities were RMB391,600,396.05; net assets were RMB29,132,368.94, and the gearing ratio was 93.08%. For the ten months ended 31 October 2023, the revenue of Chongqing Chayuan was RMB27,518,790.53 and net profit of Chongqing Chayuan was RMB-20,425,900.08<sup>1</sup>.

Chongqing Chayuan is a wholly-owned subsidiary of the Company and is not a dishonest person subject to enforcement. It is not a related party of the Company as defined in the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

### **III. Principal Terms of the Guarantee Contract**

Guarantor: The Company;

Creditor: Bank of Communications and Finance Company;

Debtor: Chongqing Chayuan;

Principal of Guarantee: RMB360 million;

Method of Guarantee: joint liability guarantee;

Scope of Guarantee: all debts under the loan contract and corresponding financing documents, including but not limited to the principal, interest (including compound interest and penalty interest), default penalties and compensations of all loans, other amounts payable by the borrower to the syndicate member (including but not limited to the relevant handling fee, telecommunication fee, and miscellaneous fee), and expenses incurred by the lender from the realization of debt and guarantee rights (including but not limited to litigation costs, arbitration costs, property security fees, travel expenses, execution fees, valuation fees, auction fees, notary fees, delivery fees, announcement fees, legal fees, etc.).

Term of Guarantee: three years after the date on which any and/or all debt performance periods under the Master Contract I expire.

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<sup>1</sup> Losses are shown with “-”



**IV. Necessity and Reasonableness of the Guarantee I**

The Guarantee I is to ensure the daily operation requirements of the Company and is in line with Company's actual needs of production and operation. Chongqing Chayuan is operating under normal condition. Although the gearing ratio in the latest period is higher than 70%, Chongqing Chayuan has a sound credit status and has no major contingencies which may affect its capability to repay debts. Therefore, the risks of the Guarantee I are controllable and the Guarantee I will not have an adverse impact on the production and operation of the Company. The Financing I is mainly to ensure the daily operation requirements of Chongqing Chayuan and is conducive to its stable operation and long-term development. The Board of the Company believes that Chongqing Chayuan is capable to repay debts and the risks of the Guarantee I are controllable.

**V. The Impact of the Guarantee I on the Company**

Chongqing Chayuan seeks for financing from the Bank of Communications and the Finance Company based on its own business development. Due to the adjustment of the financing plan, the Company will provide a joint liability guarantee for Chongqing Chayuan in relation to its repayment obligations to the Bank of Communications and the Finance Company, which is conducive to the sustainable development of the Company and its subsidiaries, further enhance their economic benefits, and is in line with the interests of the Company and Shareholder as a whole.

**VI. Cumulative External Guarantees of the Company**

Currently, the cumulative total guarantees provided by the Company and its controlling subsidiaries (approved) are RMB15,573.96 million (of which the guarantees provided by the Company to its controlling subsidiaries and between controlling subsidiaries are RMB15,573.96 million), and the total guarantees provided by the Company to its controlling subsidiaries are RMB11,302.86 million, accounting for 29.08% and 21.11% of the Company's audited net assets attributable to the parent company as at 31 December 2022, respectively. The Company and its controlling subsidiaries have no overdue guarantees.

Since Chongqing Chayuan's gearing ratio at 31 October 2023 was 93.08%, which exceeds 70%, the Guarantee I is subject to the consideration and approval at the extraordinary general meeting of the Company upon the consideration and review of the Board according to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

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**APPENDIX III                      PROPOSED PROVISION OF A GUARANTEE FOR THE  
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION  
TO A CONTROLLING SUBSIDIARY OF THE COMPANY**

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**PROPOSED PROVISION OF A GUARANTEE FOR THE FINANCING PROVIDED BY  
THE FINANCIAL INSTITUTION TO A CONTROLLING SUBSIDIARY OF THE  
COMPANY**

**I. Brief Description of the Guarantee**

In order to ensure the daily operation requirements, Dalian Red Star Macalline Shibo Home Furnishing Plaza Company Limited (大連紅星美凱龍世博家居廣場有限公司) (“**Dalian Red Star**”), a controlling subsidiary of the Company, has entered into the Fixed Asset Loan Contract (“**Master Contract II**”) with Bank of China Limited Dalian Ganjingzi Sub-branch (“**Bank of China**”) with a loan amount of RMB750 million (hereinafter collectively referred to as the “**Financing II**”) in August 2019, for which Dalian Red Star has provided its house located at No. 61 Huili Street, Ganjingzi District, Dalian City, Liaoning Province, and its land use rights (real estate certificate No.: Liao (2019) Dalian Neisi Real Estate No.00018947 (遼(2019)大連市內四區不動產權第00018947號), as the mortgaged collateral for the Financing II.

Due to the adjustment of the financing plan, the Company intends to provide a joint liability guarantee for the Financing II (the “**Guarantee II**”). Considering that Dalian Red Star and the Company have provided sufficient guarantees for the Financing II, and other shareholders do not participate in the operation and management of Dalian Red Star, other shareholders of Dalian Red Star have not provided guarantees pro rata.

The Board hereby proposes to the extraordinary general meeting to authorize, within the scope of its resolution, the Board’s authorization to the management of the Company to handle specific matters relating to the adjustment of the Guarantee based on market conditions, including but not limited to entering into relevant contracts, agreements and other legal documents, and adjusting the period, amount and other conditions of the Guarantee.

**II. Information on the Guaranteed Party**

1. Name of company: Dalian Red Star
2. Unified social credit code: 91210200MA0QCU3820
3. Legal representative: Zhang Lei (張磊)
4. Registered address: Room F8888, F6, No. 61 Huili Street, Zhonghua West Road, Ganjingzi District, Dalian City, Liaoning Province
5. Registered capital: RMB40 million
6. Scope of business:

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**APPENDIX III**                      **PROPOSED PROVISION OF A GUARANTEE FOR THE  
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Licensed items: residential interior decoration and renovation, catering services, food business, food business (sales of pre-packaged food), food business (sales of bulk food) (for the items subject to approval according to the law, business activities may be conducted after obtaining approval from relevant authorities, and specific business items are subject to the results of such approval).

General items: leasing of counter and booth, rental of non-residential real estate, property management, business management, office equipment rental services, rental of sports goods and equipment, parking lot services, conference and exhibition services, typing and copying services, sales of furniture, sales of general merchandise, wholesale of hardware products, retails of hardware products, sales of knitted textiles, sales of daily necessities, sales of building materials, sales of metal materials, wholesale of sports goods and equipment, and domestic trade agency (Except for items subject to approval according to the law, business activities set forth in the business license may be conducted independently in accordance with law).

The following sets forth the relevant financial data of Dalian Red Star:

According to the audit report issued by Dalian Ruihua Certified Public Accountants Co., Ltd. (大連瑞華會計師事務所有限公司), as at 31 December 2022, Dalian Red Star's total assets were RMB790,242,344.24, total liabilities were RMB745,410,926.68, net assets were RMB44,831,417.56, and the gearing ratio was 94.33%. In 2022, Dalian Red Star's revenue was RMB99,043,391.62 and net profit was RMB-12,509,527.93<sup>1</sup>.

According to the latest financial statement of Dalian Red Star (unaudited), as at 31 October 2023, Dalian Red Star's total assets were RMB740,147,739.94, total liabilities were RMB712,802,210.22, net assets were RMB27,345,529.72, and the gearing ratio was 96.31%. For the ten months ended 31 October 2023, the revenue of Dalian Red Star was RMB66,579,625.89 and net profit of Dalian Red Star was RMB-16,153,195.56<sup>1</sup>.

Dalian Red Star is a controlling subsidiary of the Company which directly holds 62% of its shares. Dalian Red Star is not a dishonest person subject to enforcement, and is not a related party of the Company as defined in the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

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<sup>1</sup> Losses are shown with “-”

**III. Principal Terms of the Guarantee Contract**

Guarantor: the Company;

Creditor: Bank of China;

Debtor: Dalian Red Star;

Principal of Guarantee: RMB750 million;

Method of Guarantee: joint liability guarantee;

Scope of Guarantee: the creditor's rights under the Master Contract II constitute the principal creditor's rights of the contract, including the principal, interest (including interest, compound interest and penalty interest), default penalties and compensations, expenses incurred from the realization of creditor's rights (including but not limited to litigation costs, legal fees, notary fees, execution fees, etc.), losses caused to the creditor due to the debtor's default, and all other payable expenses.

Term of Guarantee: three years after the date on which the repayment period of the principal creditor's rights expires. In case that the principal creditor's rights are paid in installments, the term of the guarantee shall commence on the effective date of the Master Contract II and end on three years after the date on which the last debt performance period expires.

**IV. Necessity and Reasonableness of the Guarantee II**

The Guarantee II is to ensure the daily operation requirements of the Company and is in line with the Company's actual needs of production and operation. Dalian Red Star is operating under normal condition. Although the gearing ratio in the latest period is higher than 70%, Dalian Red Star has a sound credit status and has no major contingencies which may affect its capability to repay debts. Therefore, the risks of the Guarantee II are controllable and the Guarantee II will not have an adverse impact on the production and operation of Dalian Red Star. The Financing II is mainly to ensure the daily operation requirements of Dalian Red Star and is conducive to its stable operation and long-term development. The Board believes that Dalian Red Star is capable to repay debts and the risks of the Guarantee II are controllable. Considering that Dalian Red Star and the Company have provided sufficient guarantees for the Financing II, and other shareholders do not participate in the operation and management of Dalian Red Star, other shareholders of Dalian Red Star have not provided guarantees pro rata.

**V. The Impact of the Guarantee II on the Company**

Dalian Red Star seeks for financing from the Bank of China based on its own business development. Due to the adjustment of the financing plan, the Company will provide a joint liability guarantee for Dalian Red Star in relation to its repayment obligations to the Bank of China, which is conducive to the sustainable development of the Company and its subsidiaries, further enhance their economic benefits, and is in line with the interests of the Company and Shareholders as a whole.

**VI. Cumulative External Guarantees of the Company**

Currently, the cumulative total guarantees provided by the Company and its controlling subsidiaries (approved) are RMB15,573.96 million (of which the guarantees provided by the Company to its controlling subsidiaries and between controlling subsidiaries are RMB15,573.96 million), and the total guarantees provided by the Company to its controlling subsidiaries are RMB11,302.86 million, accounting for 29.08% and 21.11% of the Company's audited net assets attributable to the parent company as at 31 December 2022, respectively. The Company and its controlling subsidiaries have no overdue guarantees.

Since Dalian Red Star's gearing ratio at 31 October 2023 was 96.31%, which exceeds 70%, the Guarantee II is subject to the consideration and approval at the extraordinary general meeting of the Company upon the consideration and review of the Board according to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

In order to support JV and Associate Portfolio Home Furnishing Shopping Malls and Managed Shopping Malls, the Company and its controlling subsidiaries (branches) will provide financial assistance to JV and Associate Portfolio Home Furnishing Shopping Mall project companies, and partners of Managed Shopping Malls. Without affecting the normal production and operation activities of the Company, the provision of the new financial assistance cap in the year of 2024 by the Company and its controlling subsidiaries (branches) will not exceed RMB105.00 million in total.

According to the Guidelines No. 1 for the Self-regulation of Companies Listed on the Shanghai Stock Exchange – Standardized Operation, considering that the gearing ratio of the estimated targets of the financial assistance in the latest financial statements exceeds 70%, the matter is subject to consideration and approval at the extraordinary general meeting of the Company. The details are announced as Follows:

## 1. Estimated Provisions of New Financial Assistance

### 1) Targets and amount of the financial assistance

Provider	Type of Assistance	Targets of Assistance	Planned Cap (RMB0'000)	Fund Usage Fee	Period of Assistance
The Company and its controlling (branches)	JV and Associate Portfolio Home Furnishing Shopping Mall project companies	Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd. (廣州紅星美凱龍世博家居廣場有限公司)	500.00	Interest rate not exceeding four times of the loan prime rate for the one-year loan at the time of the formation of the contract	Subject to relevant contracts signed
	Partners of Managed Shopping Malls	Partners of Managed Shopping Malls	10,000.00		
<b>Total</b>			<b>10,500.00</b>		

*a. Provision of loans to JV and Associate Portfolio Home Furnishing Shopping Mall project companies*

The debtors of the type of loans are JV and Associate Portfolio Home Furnishing Shopping Mall project companies of the Company, and the relevant loans are the amounts lent by shareholders of the Company in proportion to their respective shareholding percentages as agreed, for the construction and operation of the project companies.

*b. Provision of loans to partners of Managed Shopping Malls*

The debtors of the type of loans are partners of Managed Shopping Mall projects of the Company. For managed projects, the rents, deposits and other payments paid by the tenants are generally collected by managed project management companies and accumulated in a short period. Some partners of Managed Shopping Mall projects may need to prepay the rent/deposit of tenants due to their capital requirements.

The targets of the financial assistance are JV and Associate Portfolio Home Furnishing Shopping Mall project companies, and partners of Managed Shopping Malls, all of which have no related party relationship with the Company under the Listing Rules of the Shanghai Stock Exchange. The above-mentioned shareholders of JV and Associate Portfolio Home Furnishing Shopping Mall project companies have no related party relationship with the Company under the Listing Rules of the Shanghai Stock Exchange. The targets of the financial assistance of the Company shall be subject to strict qualification review, have good standing as internally assessed by the Company, and shall not be dishonest persons subject to enforcement, and shall be solvent and of a certain scale. The financial assistance cap will be determined with reference to factors such as the scale of the cooperation project, the overall operation and capital status of the shopping malls, the credit status of the targets of the financial assistance, and the cooperative relationship with the Company.

**2) The validity period of the financial assistance and authorization**

The validity period of the cap for the estimated new financial assistance is one year ending 31 December 2024 upon the consideration and approval at the extraordinary general meeting of the Company.

Upon consideration and approval of the resolution, the extraordinary general meeting of the Company will grant authorization to the Board of the Company, which will authorize the management of the Company to handle specific matters according to the actual needs of financial assistance work.

## 2. Basic Information on the Targets of Assistance

1) *JV and Associate Portfolio Home Furnishing Shopping Mall project companies as targets*a. *Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd.*

Company name: Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd.  
(廣州紅星美凱龍世博家居廣場有限公司) (“**Guangzhou Red Star Macalline**”)

Social credit code: 91440101MA5D1GJ914

Legal representative: Xue Xingbin (薛興斌)

Date of establishment: 12 November 2019

Registered capital: RMB30 million

Registered address: Room 201, No.180 Pazhou Avenue, Haizhu District, Guangzhou City

Scope of business: Lease of premises (excluding warehousing); market management, and booth rental; property management; wholesale of furniture; retail of furniture; wholesale of building materials and decoration materials; retail of metal decoration materials; wholesale of hardware products; retail of hardware; comprehensive retail of daily groceries; wholesale of textiles, knitwear and raw materials; retail of textiles and knitwear; wholesale of computers, software and office equipment. (For items subject to approval in accordance with laws, business activities can be carried out only after approval by relevant authorities)

Shareholders of Guangzhou Red Star Macalline:

Number	Name of Shareholder	Shareholding Percentage
1	Guangzhou Red Star Macalline Market Management Company Limited (廣州紅星美凱龍市場經營管理有限公司)	50%
2	Oppein Home Group Inc. (歐派家居集團股份有限公司)	50%

*Note:* Guangzhou Red Star Macalline Market Management Company Limited is a wholly-owned subsidiary of the Company.



Guangzhou Red Star Macalline is not a dishonest person subject to enforcement, and is not involved in major lawsuits, arbitration, or judicial measures including seizing and freezing that may affect its solvency. It has no related party relationship as defined in the Listing Rules of the Shanghai Stock Exchange with the Company, its controlling shareholders, actual controllers, controlling subsidiaries, and Directors, supervisors and the management of the Company.

As at 31 December 2022, Guangzhou Red Star Macalline had total assets of RMB323,380.5 thousand, total liabilities of RMB333,083.9 thousand, net assets of RMB-9,703.4 thousand and the gearing ratio of 103.00%. In 2022, it recorded a revenue of RMB36,416.3 thousand and net profit of RMB-27,360.9 thousand<sup>1</sup>.

As at 31 October 2023, Guangzhou Red Star Macalline had total assets of RMB276,805.8 thousand, total liabilities of RMB306,128.7 thousand, net assets of RMB-29,322.9 thousand and the gearing ratio of 110.59%. From January to October 2023, it recorded a revenue of RMB30,579.0 thousand and net profit of RMB-18,542.7 thousand<sup>1</sup>.

As at 31 October 2023, the balance of the financial assistance provided by the Company to Guangzhou Red Star Macalline was RMB5,000.0 thousand, and there was no financial assistance due which was not repaid on time.

### **3. Partners of Managed Shopping Malls as targets of financial assistance**

There are a large number of partners of Managed Shopping Malls of the Company, and it is not possible to predict the specific targets and amounts. The Company expects to provide a total financial assistance of RMB100.0 million. As at 31 October 2023, the balance of the financial assistance provided by the Company to all partners of Managed Shopping Malls was RMB215.379 million, and the Company will not provide additional financial assistance for partners of Managed Shopping Malls who fail to repay the financial assistance due on time.

### **4. Risk and Control Measures**

The repayment ability of the targets of this financial assistance will mainly depend on the operating income of the project shopping mall, etc. The Company will pay close attention to the operation of the project shopping mall and evaluate the risk changes.

Meanwhile, the Company has formulated the Management System for Financial Assistance Provided by Red Star Macalline Group Corporation Ltd., improved the internal control of provision of financial assistance, and defined the approval authority, approval procedures, responsible departments and their duties, and other matters of provision of financial assistance.

<sup>1</sup> Losses are shown with “-”

The Company will make a prudent judgment on the performance ability of the targets of assistance on the basis of comprehensive analysis of the asset quality, operation, industry prospect, solvency and credit status of the targets of assistance.

In terms of fund safety, the Company will take effective measures to ensure the safety of the funds. Risk prevention measures include, but are not limited to provision of guarantee by legal representatives of the targets or other third parties for the financial assistance.

If the financial assistance is not recovered on time, the Company shall not provide additional financial assistance to the corresponding targets.

For the overdue amount, the Company will take the following measures:

- In accordance with relevant loan agreements, the Company will assign special personnel to follow up the matters in a timely manner, strengthen the supervision of the targets and make greater efforts to urge them to repay the loans, take legitimate collection measures as the case may be, and complete the collection plan to the maximum extent so as to safeguard the Company's interests.
- If necessary, the Company will solve the issue through judicial means if the Company fails to recover the loans on time after repeated reminders.

## **5. Impact on the Company**

The above financial assistance is mainly targeted at JV and Associate Portfolio Home Furnishing Shopping Mall project companies, and partners of Managed Shopping Malls, and will meet the capital requirements of the Company and/or corresponding shopping mall projects, deepen the business cooperation relationship between the Company and relevant parties, and is conducive to business operation and expansion of the Company, and in line with the Company's main business and strategic development direction. The relevant financial assistance will be implemented subject to meeting the Company's demand for daily floating capital, and without affecting the normal daily capital turnover of the Company or harming the interests of the Company or Shareholders, especially minority Shareholders.

Considering that the gearing ratio of the estimated targets of the financial assistance in the latest financial statements exceeds 70%, the estimated financial assistance is required to be submitted to the extraordinary general meeting of the Company for consideration and approval.

**RED STAR MACALLINE GROUP CORPORATION LTD.  
THE WORKING SYSTEM FOR INDEPENDENT NON-EXECUTIVE DIRECTORS****Chapter 1 General Provisions**

- Article 1** For the purpose of improving governance structure of Red Star Macalline Group Corporation Ltd. (the “Company”), promoting the Company’s normal operation, protecting the Company’s and shareholders’ interests, according to the Company Law of the People’s Republic of China, the articles of association of Red Star Macalline Group Corporation Ltd. (the “Articles of Association”), the Measures for the Administration of Independent Directors of Listed Companies (the “Measures for Independent Directors”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “SSE Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”, together with the SSE Listing Rules, the “Listing Rules”) and requirements of other relevant laws, regulations and normative documents, in combination with the Company’s actual circumstances, the system is formulated. If any provisions of the system are inconsistent with any provisions of any relevant laws, regulations, the Articles of Association, the SSE Listing Rules and the Hong Kong Listing Rules, the more stringent provisions shall prevail.
- Article 2** Independent non-executive Directors refer to directors who are not serving as other positions except Directors of the Company, and have no direct or indirect interest relationship with the Company, substantial shareholders or actual controller of the Company, or other relationships that may affect their independent and objective judgment.
- Article 3** Independent non-executive Directors have obligations of loyalty and diligence to the Company and all shareholders. Independent non-executive Directors shall earnestly perform their duties, play the role of participation in decision-making, supervision and checks and balances, and professional consulting in the board of directors, safeguard the overall interests of the listed company, and protect the legitimate rights and interests of minority shareholders, according to relevant laws, administrative regulations, the Listing Rules, the Articles of Association and the Working System.
- Article 4** Independent non-executive Directors shall perform their duties independently and shall not be affected by the Company, its substantial shareholders, actual controller and other units or individuals.

**Article 5** Independent non-executive Directors shall ensure that they have sufficient time and effort to effectively perform their duties as independent non-executive Directors. In principle, independent non-executive Directors of the Company may serve as independent Directors in up to three domestic listed companies in China.

**Article 6** At least one third of the board of Directors of the Company shall be comprised of (at least 3) independent non-executive Directors. The independent non-executive Directors of the Company shall include at least one member who is an accounting professional. An accounting professional who is nominated as a candidate for independent non-executive Directors shall meet the relevant requirements of the regulatory rules of the place where the Company's shares are listed. At least one member of independent non-executive Directors of the Company shall ordinarily reside in Hong Kong.

**Article 7** When independent non-executive Directors fail to meet the conditions for independence or are otherwise unsuitable for performing their duties as independent non-executive Directors, resulting in the number of independent non-executive Directors of the Company failing to meet the requirements of the system, the Measures for Independent Directors, the Listing Rules, the Company shall make up for the number of independent non-executive Directors as required.

## **Chapter 2 Qualifications of Independent Non-executive Directors**

**Article 8** Persons serving as independent non-executive Directors of the Company shall meet the following basic conditions:

- (I) being qualified to serve as a director of a listed company in accordance with laws, regulations, other normative documents, the Listing Rules and other relevant provisions;
- (II) having the independence required by the Measures for Independent Directors and the Listing Rules;
- (III) possessing the basic knowledge of the operation of a listed company, and being familiar with relevant laws, administrative regulations, regulations and rules;

- (IV) having work experience of more than five years in legal, economic, financial, management or other aspects necessary to perform the duties of independent non-executive Directors;
- (V) having good personal moral characters, and having no bad records such as serious breach of trust;
- (VI) other conditions stipulated by laws and regulations, the Articles of Association, the Measures for Independent Directors and the Listing Rules.

**Article 9** Independent non-executive Directors must be of independence. The following persons shall not serve as independent non-executive Directors:

- (I) persons who hold positions in the Company or its affiliated enterprises and their immediate family members and major social relations (immediate family members refer to spouses, parents and children; main social relations refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of spouses of children, etc.);
- (II) persons directly or indirectly holding more than 1% of the issued shares of the Company or being natural person shareholders and their immediate family members among the top ten shareholders of the Company;
- (III) persons who hold positions in shareholder units that directly or indirectly hold more than 5% of the issued shares of the Company or in the top five shareholder units of the Company and their immediate family members;
- (IV) persons who hold positions in controlling shareholders and actual controller of the Company and its affiliated enterprises and their immediate family members;
- (V) persons who have material business transactions with the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, or hold positions in units with such material business transactions and their controlling shareholders, actual controllers;

- (VI) persons who provide financial, legal, consulting, sponsorship and other services for the Company and its controlling shareholders, actual controller or their respective affiliated enterprises, including but not limited to all the project team personnel of the intermediary agencies providing services, reviewers at all levels, personnel who sign the reports, partners, Directors, senior management and principal responsible persons;
- (VII) persons who have had the circumstances set out in the preceding six items within the past 12 months;
- (VIII) other persons who are not independent as stipulated in laws, administrative regulations, departmental rules, the Articles of Association, the Listing Rules and the system;
- (IX) persons who are identified as having no independence by the CSRC and the stock exchanges.

The “material business transactions” as provided in the preceding paragraphs refers to the matters subject to consideration at the general meeting in accordance with the Listing Rules or the Articles of Association, or other material matters as regarded by the stock exchanges; the “holding positions” refers to holding a position as director, supervisor, senior management and other staff. The affiliated enterprises of controlling shareholders and actual controller of the Company in item (4), (5) and (6) of this article do not include those enterprises that are under control of the same state-owned asset management institution with the Company and do not constitute a connected relationship with the Company in accordance with relevant regulations.

Independent non-executive Directors shall conduct self-examinations on their independence every year and submit the self-examination results to the board of Directors. The board of Directors shall evaluate the independence of serving independent non-executive Directors every year and issue special opinions, which shall be disclosed simultaneously with annual reports.

**Article 10** After an independent non-executive director takes office, should there be any changes which may affect his/her independence, the independent non-executive director shall notify the Company and the Hong Kong Stock Exchange as soon as possible and confirm his/her independence to the Company every year. The Company shall disclose the receipt of confirmation from the independent non-executive director in its annual report and explain whether the Company still considers the independent non-executive director to be independent.

**Article 11** Candidates for independent non-executive Directors shall have good personal moral characters, shall not be involved in any circumstances that prevent them from being nominated as directors of listed companies as stipulated by laws, regulations and the stock exchanges, and shall not have the following bad records:

- (I) persons who are convicted on criminal charges of securities and futures subject to administrative punishment by the CSRC or criminal penalties by judicial authorities in the recent 36 months;
- (II) persons who are suspected on criminal charges of securities and futures and are subject to inspection by the CSRC or judicial inspection without clear conclusions;
- (III) persons who are publicly condemned or criticized for more than three times by any stock exchange within the last 36 months;
- (IV) persons who have bad records such as serious breach of trust;
- (V) former independent non-executive Directors who were removed by the board of directors at a general meeting within 12 months due to failure to attend in person for two consecutive board meetings without alternative independent non-executive Directors appointed to attend the meetings on their behalf;
- (VI) other circumstances recognized by the CSRC and the stock exchanges.

### **Chapter 3 Nomination, Election and Replacement of Independent Non-executive Directors**

**Article 12** Candidates for independent non-executive Directors shall be nominated by the board of directors, the supervisory committee, shareholders of the Company who solely or jointly hold more than 1% of issued shares of the Company (“Nominators”), and shall be decided on election of general meetings.

Investor protection institutions established in accordance with laws may publicly request and entrust shareholders to exercise the right to nominate independent non-executive Directors on their behalf.

Nominators specified in paragraph 1 shall not nominate interested persons or other closely related persons who may affect the independent performance of duties as candidates for independent non-executive Directors.

**Article 13** Nominators of independent non-executive Directors shall be approved by nominees before nomination. Nominators shall fully understand the occupation, education, job title, the detailed working experience, all and any part-time jobs of nominees and whether nominees have any bad records such as serious breach of trust, etc., and shall issue opinions on their qualification and independence as independent non-executive Directors. A nominee shall make a public statement regarding his/her independence and other conditions for serving as an independent non-executive director. The nomination committee of the board of directors of the Company shall review the qualifications of the nominees and formulate clear review opinions.

The board of directors of the Company shall disclose the above item as required before convening a general meeting for election of independent non-executive Directors.

**Article 14** The Company shall submit the relevant information of the candidates for independent non-executive Directors to the Shanghai Stock Exchange through the Corporate Business Management System of the Shanghai Stock Exchange, including the Statement and Commitment of Candidate of Independent Director, the Statement and Commitment of Nominator of Independent Director, Curriculum Vitae of Independent Director and other written documents, disclose relevant statements and commitments and the review opinions of the nomination committee, and ensure that the content of the notice is true, accurate and complete, no later than the time when the notice of the general meeting for the election of independent non-executive Directors is issued. If the board of directors of the Company disputes the particulars pertaining to the nominees, its written opinions shall also be submitted.

The Shanghai Stock Exchange may require the board of directors of the Company, candidates for independent non-executive Directors, and Nominators of independent non-executive Directors to truthfully answer enquiries from the Shanghai Stock Exchange within the specified time, and promptly supplement relevant materials to the Shanghai Stock Exchange as required. If such persons fail to respond to enquiries or supplement relevant materials in a timely manner as required, the Shanghai Stock Exchange will decide whether to express dissents on the ability of candidates for independent non-executive Directors to perform duties and their independence based on the existing materials.



During the election of independent non-executive Directors at the general meeting, the board of directors of the Company shall make a statement on whether the Shanghai Stock Exchange has expressed dissents on any candidates for independent non-executive Directors. The Company shall promptly disclose such candidates, shall not propose such candidates to the general meeting for election as independent non-executive Directors if the Shanghai Stock Exchange objects to such candidates, and shall cancel the relevant proposal in accordance with the Rules Governing General Meetings of Listed Companies, if such candidates have been submitted to the general meeting for consideration.

**Article 15** If more than two independent non-executive Directors are to be elected at the general meeting of the Company, a cumulative voting system shall be adopted.

The voting results of minority shareholders shall be counted separately and disclosed.

**Article 16** The independent non-executive Directors have the same term of office as other Directors of the Company. After the term expires, they can be re-elected, but the term of re-election shall not exceed six years. The independent non-executive Directors who have been serving with the Company as independent non-executive Directors for six consecutive years shall not be nominated as candidates of the independent non-executive Directors of the Company within 36 months from the date of occurrence of such fact.

**Article 17** Before the expiration of the term of office of an independent non-executive Director, the Company may terminate his/her duties in accordance with legal procedures. In the event that an independent non-executive Director is dismissed in advance, the Company shall disclose the specific reasons and justifications for such dismissal in a timely manner. If an independent non-executive Director is dismissed by the Company prior to the expiration of the term of office and believes that the reasons for the dismissal are inappropriate, he/she may submit objections and reasons, and the Company shall disclose in a timely manner.

An independent non-executive Director of the Company who fails to fulfill the qualifications for serving as an independent non-executive Director or the requirements of independence after his/her appointment shall cease to perform his/her duties immediately and resign from his/her position as an independent non-executive Director. If he/she fails to resign as an independent non-executive Director in accordance with the relevant requirements, the Board of Directors of the Company shall terminate his/her duties in accordance with the relevant requirements after it becomes aware of the occurrence of such fact.

If an independent non-executive Director fails to attend any two consecutive meetings of the Board of Directors of the Company in person, or fails to appoint another independent non-executive Director to attend such meetings on his/her behalf, the Board of Directors of the Company shall propose to convene a shareholders' general meeting to dismiss the independent non-executive Director within 30 days from the date of occurrence of such fact.

If an independent non-executive Director resigns from his/her position or is dismissed by the Company as a result of the circumstances set out in the preceding paragraph, which resulting in the proportion of independent non-executive Directors on the Board of Directors of the Company or its special committees not complying with the requirements of laws, regulations, the Articles of Association and the System, or a lack of accounting professionals among the independent non-executive Directors, the Company shall complete the election to fill the vacancies within 60 days from the date of the occurrence of the aforesaid fact.

**Article 18** An independent non-executive Director may resign before the expiration of his/her term of office. An independent non-executive Director who resigns from his/her position shall tender in writing a letter of resignation to the Board of Directors, explaining the circumstances related to his/her resignation or that he/she deems necessary to bring to the attention of the Shareholders and creditors of the Company. The Company shall disclose the reasons for and concerns regarding the resignation of an independent non-executive Director.

If the resignation of an independent non-executive Director will result in the proportion of independent non-executive Directors on the Board of Directors or its special committees not complying with the requirements of the System or the Articles of Association, or a lack of accounting professionals among the independent non-executive Directors, the independent non-executive Director who intends to resign shall continue to perform his/her duties until the date on which a new independent non-executive Director is appointed, except that the independent non-executive Director resigns due to loss of independence or is dismissed according to law. The Company shall complete the election to fill the vacancies within 60 days from the date on which the independent non-executive Director tenders his/her resignation.

#### **Chapter 4 Duties and Means of Performance of Independent Non-executive Directors**

**Article 19** The independent non-executive Directors have the obligations of honesty and diligence to the Company and all shareholders, and shall conscientiously perform their duties in accordance with the requirements of relevant national laws, regulations, regulatory documents, the Articles of Association and the System, so as to protect the interests of the Company and all shareholders as a whole, and shall especially pay attention that the legal interests of minority shareholders shall not be impaired.

**Article 20** The independent non-executive Directors shall work in the office of the Company for at least 15 days every year. The means of performance of the independent non-executive Directors include, but are not limited to, attending shareholders' general meetings, meetings of Board of Directors and its special committees, special meetings of the independent non-executive Directors, obtaining information about the operations of the Company on a regular basis, listening to reports from the management, communicating with intermediaries, such as the head of the internal audit firm and the accounting firm, conducting site inspections and communicating with minority shareholders.

**Article 21** The independent non-executive Directors shall perform the following duties:

- (I) participating in the decision-making of the Board of Directors and expressing their views on the matters discussed;
- (II) supervising potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, Directors and senior management as set out in the Measures for the Administration of Independent Directors, so as to ensure that the decisions of the Board of Directors are in line with the interests of the Company as a whole, and to protect the legitimate interests of minority shareholders;

- (III) providing professional and objective advices on the Company's operation and development, so as to promote the enhancement of the decision-making level of the Board of Directors;
- (IV) other duties as stipulated by laws, administrative regulations, the Listing Rules, the requirements of the CSRC and the Articles of Association.

**Article 22** The independent non-executive Directors shall exercise the following special duties and powers:

- (I) independently engaging intermediary institutions to conduct audits, consultations or verifications on specific matters of the Company;
- (II) proposing to the Board of Directors to convene extraordinary general meetings.
- (III) proposing to convene shareholders' general meetings;
- (IV) publicly soliciting voting rights from shareholders before the convening of shareholders' general meetings;
- (V) expressing independent opinions on matters that may impair the interests of the Company or minority shareholders;
- (VI) other duties and powers as stipulated by laws, regulations, the Listing Rules and the Articles of Association.

Consent of more than half of all independent non-executive Directors is required for an independent non-executive Directors to exercise the duties and powers under paragraphs (I) to (III) above.

If an independent non-executive Director exercises the duties and powers under paragraph (I), the Company shall disclose in a timely manner.

In the event that the aforesaid duties and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons thereof.

**Article 23** Prior to the convening of a Board meeting, the independent non-executive Directors may communicate with the secretary to the Board of Directors to ask questions, request for supplementary materials, and put forward opinions and suggestions on the matters to be considered. The Board of Directors and relevant personnel shall seriously consider the questions, requests and opinions raised by the independent non-executive Directors, and provide timely feedback to the independent non-executive Directors on the amendments to the proposals.

**Article 24** The independent non-executive Directors shall attend the Board meetings in person, and if an independent non-executive Director is unable to attend for certain reasons, he/she shall review the meeting materials in advance to form a clear opinion, and entrust other independent non-executive Director of the Company to attend the meeting on his/her behalf in writing. The power of attorney shall specify:

- (I) the name of the principal and proxy;
- (II) the scope of authorization to the proxy;
- (III) the instructions of the principal on the voting intention of each proposal;
- (IV) signature of the principal and date.

The independent non-executive Directors shall not issue a blank power of attorney, nor shall they delegate discretionary power to the proxy. The delegation shall be granted on a case-by-case basis.

The independent non-executive Director who is appointed as a proxy for the Board meeting shall submit to the chairman the written power of attorney and specify in the attendance record that he/she attends the meeting as a proxy. An independent non-executive Director shall not accept the delegation of more than two independent non-executive Directors at a Board meeting.

**Article 25** Where other independent non-executive Directors are entrusted to sign written confirmation opinions on the Company's periodic reports, special delegation shall be given in the power of attorney.

**Article 26** Where an independent non-executive Director votes against or abstains from voting on a resolution of the Board of Directors, he/she shall state the specific reasons and basis thereof, the legality and compliance of the matters involved in the resolution, the possible risks and the impact on the interests of the Company and the minority shareholders. The Company shall disclose the dissenting opinions of the independent non-executive Directors when disclosing the resolutions of the Board of Directors, and shall set out the dissenting opinions in the resolutions of the Board of Directors and minutes of such meetings.

**Article 27** The independent non-executive Directors shall pay continuous attention to the implementation of the resolutions of the Board of Directors relating to the matters set out in the Measures for the Administration of Independent Directors, if they find that there is any violation of laws, administrative regulations, the requirements of the CSRC, the transaction rules of the stock exchanges and the Articles of Association or any violation of the resolutions of the shareholders' general meeting and the Board of Directors, they shall report to the Board of Directors in a timely manner, and may request the Company to provide a written explanation. Where disclosure matters are involved, the Company shall make timely disclosure.

If the Company fails to provide an explanation or make timely disclosure in accordance with the provisions of the preceding paragraph, the independent non-executive Directors may report to the CSRC and the stock exchanges.

**Article 28** The following matters shall be submitted to the Board of Directors for consideration after approval by a majority of all independent non-executive Directors of the Company:

- (I) connected transactions that should be disclosed;
- (II) plans of the Company and related parties to change or waive their commitments;
- (III) decisions made and measures taken in relation to the acquisition of the Company at the time of the acquisition;
- (IV) other matters as stipulated by laws, regulations, the Listing Rules and the Articles of Association.

**Article 29** The Company shall regularly or irregularly convene meetings attended by all independent non-executive Directors (hereinafter referred to as the "Special Meetings of Independent Non-executive Directors"). Matters listed in Items (I) to (III) under Article 23 and Article 29 of the System shall be considered at the Special Meetings of Independent Non-executive Directors.

The Special Meetings of Independent Non-executive Directors may consider and discuss other matters of the Company as required.

The Special Meetings of Independent Non-executive Directors shall be convened and chaired by an independent non-executive Director jointly elected by a majority of the independent non-executive Directors. In the event that the convenor fails to perform his/her duties or is unable to perform his/her duties, two or more independent non-executive Directors may convene and elect a representative to chair the meetings.

The Company shall facilitate and support the convening of the Special Meeting of Independent Non-executive Directors.

**Article 30** The independent non-executive Directors shall perform their duties in the special committees of the Board of Directors of the Company in accordance with laws, administrative regulations, the requirements of the CSRC, the transaction rules of the stock exchanges and the Articles of Association. The independent non-executive Directors shall attend the Special Meetings of Independent Non-executive Directors in person, and if they are unable to attend the meetings in person for any reason, they shall review the meeting materials in advance, form clear opinions, and appoint other independent non-executive Directors in writing to attend the meetings on their behalf. The independent non-executive Directors, in performing their duties, may submit major issues of the Company within the scope of the duties of the special committees to the special committees for discussion and consideration in a timely manner in accordance with the procedures.

**Article 31** The independent non-executive Directors shall attend shareholders' general meetings in person and communicate with the Company's shareholders on site.

**Article 32** The independent non-executive Directors shall read all operating and financial reports as well as all reports on the Company made by the media in earnest, keep abreast with the business operation and management of the Company as well as any material event of the Company occurred or likely to occur and its impact on a timely and continuous basis, timely report to the Board of Directors any problem with the operating activities of the Company, and not evade any liability with the excuse of no direct participation in the operation and management or no information on the issue and situation;

**Article 33** At the annual general meetings of the Company, the independent non-executive Directors shall submit their yearly work reports and make a statement on their fulfilment of duties. The yearly work reports shall contain the following items:

- (I) times and manner of attending and voting at the Board meetings, as well as times of attending at the shareholders' general meetings;
- (II) attendance at the meetings of special committees of the Board of Directors and the Special Meetings of Independent Non-executive Directors;
- (III) the review of matters as set out in the Measures for the Administration of Independent Directors and the exercise of the special duties and powers of the independent non-executive Directors as set out in Items (I) under Article 18 of the Measures for the Administration of Independent Directors;
- (IV) the material matters, manner and results of communication with the internal audit firm and the accounting firm that undertakes the Company's auditing business in respect of the Company's financial and business conditions;
- (V) the communication with minority shareholders;
- (VI) hours and contents of on-site work in the Company;
- (VII) other circumstances in the perform of their duties.

The yearly work reports of the independent non-executive Directors shall be disclosed no later than when the Company gives notices of its annual general meetings.

**Article 34** The Audit Committee under the Board of Directors of the Company shall consist of members a majority of which are independent non-executive Directors, and shall be convened by an accounting professional among the independent non-executive Directors. The Nomination Committee and the Remuneration and Evaluation Committee under the Board of Directors of the Company shall consist of members a majority of which are independent non-executive Directors and be convened by an independent non-executive Director. The members of the Company's Audit Committee shall be directors who do not serve as senior management of the listed companies, of which a majority shall be independent non-executive Directors, and it shall be convened by a member of the independent non-executive Directors who is an accounting professional.



**Article 35** Independent non-executive Directors shall express independent opinions on matters that may jeopardize the interests of the listed company or minority shareholders.

**Article 36** The Company's Board of Directors, its specialized committees and the Specialized Meetings of Independent Non-executive Directors shall prepare minutes of the meetings in accordance with the regulations, and the opinions of the independent non-executive Directors shall be set out in the minutes of the meetings. The independent non-executive Directors should sign the minutes for confirmation.

The Company and the independent non-executive Directors shall prepare records of their work and record in detail the performance of their duties. Information obtained by the independent non-executive Directors in the course of performing their duties, minutes of relevant meetings, and records of communications with staff of the Company and intermediary organizations shall form an integral part of the work records. The independent non-executive Directors may request the secretary of the Board of Directors and other relevant personnel to sign the important contents of the work records for confirmation, and the Company and the relevant personnel shall cooperate with them.

Records of the work of independent non-executive Directors and the information provided by the Company to independent non-executive Directors should be kept for at least ten years.

**Chapter 5 Duty Performance Guarantee for Independent Non-executive Directors**

**Article 37** Independent non-executive Directors, as members of the Board of Directors, enjoy the same status as other directors. The Company shall provide independent non-executive Directors with the necessary working conditions and personnel support to perform their duties, and designate the office of the Board of Directors, the secretary of the Board of Directors and other specialized departments and specialized personnel to assist the independent non-executive Directors to perform their duties. When the independent non-executive Directors exercise their powers and duties, the secretary of the Board of Directors of the Company and other relevant persons shall actively cooperate with them.

The secretary of the Board of Directors should ensure that there is a smooth flow of information between the independent non-executive Directors and other directors, senior management and other relevant persons, and that the independent non-executive Directors have access to adequate resources and necessary professional advice in the performance of their duties.

**Article 38** The Company shall ensure that independent non-executive Directors enjoy the same right to know as other directors. In order to ensure that independent non-executive Directors exercise their functions and powers effectively, the Company shall inform independent non-executive Directors of the Company's operations on a regular basis, provide them with information, and organize or cooperate with them to carry out on-site inspections and other work.

The Company may organize independent non-executive Directors to participate in the research and argumentation process before the Board of Directors' consideration of major and complex matters, take into full consideration the opinions of independent non-executive Directors, and provide timely feedback to independent non-executive Directors on the adoption of their opinions.

**Article 39** The Company shall give notice of board meetings to independent non-executive Directors in a timely manner, provide relevant meeting information no later than the notice period for board meetings stipulated by laws, administrative regulations, CSRC regulations or the Articles of Association, and provide independent non-executive Directors with effective communication channels; when a specialized committee of the Board of Directors convenes a meeting, the Company shall, in principle, provide the relevant materials and information no later than three days prior to the meeting of the specialized committee. The Company shall keep the above meeting information for at least ten years.

If two or more independent non-executive Directors consider that the materials for a meeting are incomplete, insufficiently justified or not provided in time, they may propose in writing to the Board of Directors that the meeting be postponed or the consideration of the matter be postponed, and the Board of Directors shall adopt such proposal.

**Article 40** When independent non-executive Directors exercise their powers and duties, the Company's directors, senior management and other relevant personnel shall cooperate with them, and shall not refuse, hinder or conceal relevant information, or interfere with their independent exercise of functions and powers.

If independent non-executive Directors encounter obstruction when exercising their powers and duties in accordance with the law, they may explain the circumstances to the Board of Directors, request the directors, senior management and other relevant personnel to cooperate with them, and record the specific circumstances of the obstruction and the resolution of the situation in their work records; if the obstruction still cannot be eliminated, they may report it to the CSRC and the stock exchange.

**Article 41** If the performance of duties by independent non-executive Directors involves information that should be disclosed, the Company shall handle the disclosure in a timely manner; if the Company does not disclose the information, the independent non-executive Directors may apply for disclosure directly or report to the CSRC and the stock exchange. The Company should bear the expenses incurred by the independent non-executive Directors in engaging professional organizations and exercising other functions and powers.

**Article 42** The Company shall bear the expenses incurred by the independent non-executive Directors in engaging professional organizations and exercising other powers and duties.

**Article 43** The Company shall grant the independent non-executive Directors allowances appropriate to their duties. The criteria for the allowance shall be formulated by the Board of Directors, approved at the general meeting and disclosed in the annual report of the Company. In addition to the above allowances, independent non-executive Directors shall not obtain other benefits from the Company, its major shareholders, de facto controllers or interested units and individuals.

**Article 44** The Company can establish liability insurance systems for independent non-executive Directors to reduce the possible risks arising from the normal duty performance of independent non-executive Directors.

### Chapter 6 Supplementary Provisions

**Article 45** The terms “no less than” and “within” as mentioned in these rules include the underlying number, while “more than” and “less than” do not include the underlying number.

**Article 46** These rules herein shall be approved at general meeting of the Company. The same applies to amendment of these rules.

It shall be the responsibility of the Board of Directors of the Company to formulate and interpret these rules.

**Article 47** The matters uncovered in these rules shall be conducted in accordance with relevant laws, regulations, the Rules for Independent Directors, the SSE Listing Rules, the Hong Kong Listing Rules, other regulations of the securities regulatory authorities and relevant regulations of the Articles of Association. If relevant regulations of these rules contravene relevant laws and regulations, the Rules for Independent Directors, the Listing Rules, other regulations of the securities regulatory authorities and the Articles of Association to be issued or amended in the future, they shall be implemented according to relevant laws, regulations, the SSE Listing Rules, the Hong Kong Listing Rules, other regulations of the securities regulatory authorities and relevant regulations of the existing or amended Articles of Association.

**APPENDIX VI            PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

**Comparison Between the Existing and Amended Terms of the Rules  
for Management of External Guarantees**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
<p>Article 1 In order to regulate the provision of external guarantees by Red Star Macalline Group Corporation Ltd. (the “Company”), effectively avert risks in the provision of external guarantees by the Company, ensure the safety of the Company’s assets and protect the interest of shareholders, the Company has formulated the Rules based on its actual situation in accordance with such laws and regulations as the Company Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Listing Rules of Shanghai Stock Exchange (the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Listing Rules of Shanghai Stock Exchange collectively as the “Listing Rules”) as well as the relevant provisions of the articles of association of Red Star Macalline Group Corporation Ltd. (the “Articles of Association”).</p>	<p>Article 1 In order to regulate the provision of external guarantees by Red Star Macalline Group Corporation Ltd. (the “Company”), effectively avert risks in the provision of external guarantees by the Company, ensure the safety of the Company’s assets and protect the interest of shareholders, the Company has formulated the Rules based on its actual situation in accordance with such laws and regulations as the Company Law of the People’s Republic of China, the <del>Guarantee Law</del> <u>Civil Code</u> of the People’s Republic of China, <b><u>the Securities Law of the People’s Republic of China</u></b>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Listing Rules of Shanghai Stock Exchange (the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited <del>and</del>, <b><u>the Listing Rules of Shanghai Stock Exchange collectively as the “Listing Rules”</u></b>), <b><u>the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Funds Transactions and External Guarantees by Listed Companies and the Guidelines of Shanghai Stock Exchange No. 1 for the Application of Self-Regulation Rules for Listed Companies – Standardized Operations</u></b> as well as the relevant provisions of the articles of association of Red Star Macalline Group Corporation Ltd. (the “Articles of Association”).</p>
<p>Article 4 The directors and senior management of the Company shall exercise caution and strict control over liability risks associated with guarantee, and bear joint and several liabilities according to the law for losses arising from illegal or inappropriate provision of external guarantees.</p>	<p>Deleted</p>

**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
Added	<p><u>Article 4 Where a controlling 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 controlling subsidiary has fulfilled the consideration procedures, except for guarantees subject to consideration at the general meeting of the Company under the Listing Rules.</u></p> <p><u>If a controlling 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 and shall comply with the relevant provisions of the Rules.</u></p>
Added	<p><u>Article 5 When the Company provides guarantees for others, it shall take necessary measures such as counter-guarantees to prevent risks and the provider of the counter-guarantee shall have actual capacity to bear the risks. No guarantee shall be provided to the guaranteed party if the property set for the counter-guarantee is prohibited by relevant laws and regulations from free transfer or otherwise non-transferable.</u></p> <p><u>When the Company provides guarantees for its controlling shareholders, actual controllers and their related parties, it shall require them to provide counter-guarantees.</u></p>

**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
Added	<u>Article 6 The provision of counter-guarantee by the Company and its controlling subsidiaries shall be implemented in accordance with the relevant provisions of the guarantee, and shall fulfill corresponding consideration procedures and information disclosure obligations on the basis of the amount of counter-guarantee provided, except that the Company and its controlling subsidiaries provide counter-guarantees for guarantees based on their own debts.</u>
Added	<u>Article 7 For any external guarantee approved by the Board or at general meeting of the Company, the applicable information disclosure shall be made timely on the website of the stock exchange and in media that meet the requirements of the CSRC, including but not limited the resolutions of the Board or the general meeting, and the total amount of external guarantees provided by the Company and its controlling subsidiaries and the total amount of guarantees provided by the Company for its controlling subsidiaries as at the date of the information disclosure.</u>
Added	<u>Article 8 The Company's independent non-executive directors shall make a specific statement in the annual reports on the outstanding external guarantees as at the end of the reporting period and those incurred in the current period of the Company and the implementation of the Rules and express their independent opinions therein.</u>

**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
<p>Article 6 When the Company provides guarantees for others, it shall, in principle, take necessary measures such as counter-guarantees to prevent risks and the provider of the counter-guarantee shall have actual capacity to bear the risks. No guarantee shall be provided to the guarantee applicant if the property against which the counter-guarantee is to be provided is prohibited by relevant laws and regulations from free transfer or otherwise non-transferable.</p>	<p>Deleted</p>
<p>Added</p>	<p><b><u>Article 10 When the Company provides external guarantees, it shall take necessary measures to check the credit and financial standing of the guaranteed parties, and shall decide whether to provide guarantees after assessing the repayment ability of guaranteed parties in a prudent manner.</u></b></p> <p><b><u>The Board of the Company shall establish a regular verification system and conduct annual verification of all guarantees of the Company, verify the existence of non-compliant guarantees of the Company and disclose the verification results in a timely manner.</u></b></p>
<p>Article 8 Although the guarantee does not meet the requirements set forth in Article 7 of this Rules, the Company may, after deliberation and approval by the Board or by the general meeting in accordance with the authority provided in the Articles of Association, provide guarantee to guarantee applicants if the Company believes that it is necessary to develop business contacts and cooperative relationships with the guarantee applicants and the risk is relatively small.</p>	<p><b><u>Article 12</u></b> Although the guarantee does not meet the requirements set forth in Article <b><u>711</u></b> of this Rules, the Company may, after deliberation and approval by the Board or by the general meeting in accordance with the authority provided in the Articles of Association, provide guarantee to guarantee applicants if the Company believes that it is necessary to develop business contacts and cooperative relationships with the guarantee applicants and the risk is relatively small.</p>



**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
<p>Article 10 The information on the credit status of an applicant for guarantor shall at least include the following contents:</p> <p>(I) basic information of the enterprise, including the business license, photocopies of the articles of association, identity certificate of the legal representative, and the relevant information reflecting the affiliated or other relationship between the enterprise and the Company;</p> <p>(II) guarantee application, including but not limited to the way, period and amount of guarantee;</p> <p>(III) audited financial statements and repayment capacity analysis for the past three years;</p> <p>(IV) a photocopy of the principal loan contract;</p> <p>(V) conditions for the guarantor applicant to provide counter-guarantee and relevant materials;</p> <p>(VI) description of absence of any potential or on-going material litigation, arbitration or administrative penalties;</p> <p>(VII) Other important materials.</p>	<p><b>Article 14</b> The information on the credit status of an applicant for guarantor shall at least include the following contents:</p> <p>(I) basic information of the enterprise, including the business license, photocopies of the articles of association, identity certificate of the legal representative, and the relevant information reflecting the affiliated or other relationship between the enterprise and the Company;</p> <p>(II) guarantee application, including but not limited to the way, period and amount of guarantee;</p> <p>(III) audited financial statements <b><u>for the most recent year and another period</u></b> and repayment capacity analysis <del>for the past three years;</del></p> <p>(IV) a photocopy of the principal loan contract <b><u>and the relevant files;</u></b></p> <p>(V) conditions for the guarantor applicant to provide counter-guarantee and relevant materials;</p> <p>(VI) description of absence of any potential or on-going material litigation, arbitration or administrative penalties;</p> <p>(VII) <b><u>other relevant information that the Company deems necessary to be provided.</u></b></p>

**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
<p>Article 12 The board of directors or general meeting of the Company shall examine and approve the materials submitted, vote on them and record the voting result. No guarantee shall be provided in any of the following circumstances or where the materials provided are inadequate:</p> <p>(I) the investment direction of the fund does not conform to the laws and regulations or industrial policies of the State;</p> <p>(II) there has been any false record or any provision of false materials in the financial and accounting documents in recent three years;</p> <p>(III) the company once provided guarantee for him/her, which caused overdue bank loans or default in payment of interests, etc., has not repaid by the guarantee application or has failed to take effective measures for treatment;</p> <p>(IV) with deteriorated operation and bad reputation and there is no sign of improvement;</p> <p>(V) failure to secure effective property for counter-guarantee;</p> <p>(VI) any other circumstances under which, in the opinion of the board of directors, guarantee cannot be provided.</p>	<p><b>Article 16</b> The board of directors or general meeting of the Company shall examine and approve the materials submitted, vote on them and record the voting result. No guarantee shall be provided in any of the following circumstances or where the materials provided are inadequate:</p> <p>(I) the investment direction of the fund does not conform to the laws and regulations or industrial policies of the State;</p> <p>(II) there has been any false record or any provision of false materials in the financial and accounting documents in recent three <u>years <b>for the most recent year and another period</b></u>;</p> <p>(III) the company once provided guarantee for him/her, which caused overdue bank loans or default in payment of interests, etc., has not repaid by the guarantee application or has failed to take effective measures for treatment;</p> <p>(IV) with deteriorated operation and bad reputation and there is no sign of improvement;</p> <p>(V) failure to secure effective property for counter-guarantee <b>(if any)</b>;</p> <p>(VI) any other circumstances under which, in the opinion of the board of directors, guarantee cannot be provided.</p>

**APPENDIX VI            PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
<p>Article 13 The general meeting of the Company is the supreme decision-making body in respect of external guarantees provided by the Company. The Board shall exercise its decision-making authority over external guarantees pursuant to its authority for approval of external guarantees as stipulated in the Articles of Association. For any external guarantee subject to the provisions of laws and regulations or the listing rules of the stock exchange where the Company’s shares are listed, or beyond the approval authority of the Board as stipulated in the Articles of Association, the Board shall prepare and submit a proposal to the general meeting for approval. The Board shall organize, manage and execute the external guarantees approved by the general meeting.</p> <p>The provision of external guarantees by the Company may constitute related transactions and/or discloseable transactions under the Listing Rules. In such case, the Company shall refer to the Listing Rules and the Rules for the Management of the Related Party Transactions of Red Star Macalline Group Corporation Ltd., and shall meet the requirements of the Listing Rules (including the requirements in relation to the restrictions to the authority to approve transactions, abstention from voting by connected persons, information disclosure, etc.).</p>	<p><u>Article 17</u> <del>The general meeting of the Company is the supreme decision-making body in respect of external guarantees provided by the Company. The Board shall exercise its decision-making authority over external guarantees pursuant to its authority for approval of external guarantees as stipulated in the Articles of Association. For any external guarantee subject to the provisions of laws and regulations or the listing rules of the stock exchange where the Company’s shares are listed, or beyond the approval authority of the Board as stipulated in the Articles of Association, the Board shall prepare and submit a proposal to the general meeting for approval. The Board shall organize, manage and execute the external guarantees approved by the general meeting.</del> <b><u>The external guarantees provided by the Company are subject to consideration and approval by the Board or at general meeting. The Board of the Company shall exercise its approval authority over external guarantees pursuant to its authority for approval of external guarantees as stipulated in the Articles of Association.</u></b></p> <p><del>The provision of external guarantees by the Company may constitute related transactions and/or discloseable transactions under the Listing Rules. In such case, the Company shall refer to the Listing Rules and the Rules for the Management of the Related Party Transactions of Red Star Macalline Group Corporation Ltd., and shall meet the requirements of the Listing Rules (including the requirements in relation to the restrictions to the authority to approve transactions, abstention from voting by connected persons, information disclosure, etc.).</del></p>

**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

Existing Terms of the Rules for Management of External Guarantees	Proposed Amendments to the Rules for Management of External Guarantees
	<p><u>When the Board considers an external guarantee, the resolution is subject to the approval by a majority of all directors as well as the consideration and approval by more than two-thirds of the directors present at the Board meeting.</u></p>
Added	<p><u>Article 18 External guarantees subject to consideration and approval by the general meeting shall be submitted to the general meeting for consideration and approval after they are considered and approved by the Board. The following external guarantees provided by the Company are subject to consideration and approval by the general meeting:</u></p> <p><u>(1) any guarantee that is provided by the Company after the total amount of external guarantees of the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets of the Company;</u></p> <p><u>(2) any guarantee that is provided by the Company after the total amount of external guarantees exceeds 30% of the latest audited total assets of the Company;</u></p> <p><u>(3) any guarantee with a total amount within one year exceeds 30% of the latest audited total assets of the Company;</u></p> <p><u>(4) a guarantee that is provided to anyone with a gearing ratio exceeding 70%;</u></p> <p><u>(5) a single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;</u></p> <p><u>(6) any guarantee provided to shareholders, actual controllers and their related parties; and</u></p> <p><u>(7) other guarantees that are subject to approval by the general meeting as required by the laws, administrative regulations, department rules, listing rules of the stock exchange with which the Company's shares are listed and the Articles of Association.</u></p>

**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

Existing Terms of the Rules for Management of External Guarantees	Proposed Amendments to the Rules for Management of External Guarantees
	<p><u>When any guarantee as described in item (3) in the preceding paragraph is considered at the general meeting of the Company, the proposal shall be subject to the approval by voting by more than two-thirds of the voting rights represented at the general meeting; When any guarantee as described in item (6) in the preceding paragraph is considered at the general meeting of the Company, such shareholder or the shareholders controlled by the de facto controller shall not vote on such proposal, and the proposal shall be subject to the approval by voting by more than half of the voting rights represented by the other shareholders present at the general meeting.</u></p>
Added	<p><u>Article 19 Provision of guarantees by the Company for its related parties subject to consideration and approval of more than half of all non-connected directors shall be considered and approved by more than two-thirds of the non-connected directors present at the Board meeting with approval of a resolution, and submitted to the general meeting for consideration.</u></p> <p><u>If the guaranteed party becomes a related party of the Company due to a transaction or related transaction, the Company shall perform the corresponding consideration procedures and information disclosure obligations for the existing related guarantee while executing such transaction or related transaction.</u></p> <p><u>If the related guarantee specified in the preceding paragraph fails the approval at the Board meeting or the general meeting, the parties to the transaction shall take effective measures to terminate the guarantee, such as early termination.</u></p>

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MANAGEMENT OF EXTERNAL GUARANTEES**

Existing Terms of the Rules for Management of External Guarantees	Proposed Amendments to the Rules for Management of External Guarantees
Added	<p><u>Article 20 Where the Company provides guarantees for its controlling subsidiaries, if there is a large number of transactions each year, and it is difficult to submit to the Board or the general meeting for consideration due to the need of entering into guarantee agreement 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 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 general meeting.</u></p>
Added	<p><u>Article 21 Where the Company provides guarantees for joint ventures or associates, and the guaranteed party is not a related party of a director, supervisor, senior management, 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 general meeting for consideration due to the need of entering into guarantee agreement 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 general meeting for consideration.</u></p> <p><u>When the aforesaid guarantee matter 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 general meeting.</u></p>

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Existing Terms of the Rules for Management of External Guarantees	Proposed Amendments to the Rules for Management of External Guarantees
<p>Added</p>	<p><u>Article 22</u> When the Company predicts the amount of guarantees for joint ventures or associates, it may adjust the amount of guarantees among such joint ventures or associates, provided that the following conditions are satisfied:</p> <p><u>(I) 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>(II) for any guarantee object with a gearing ratio exceeding 70% at the time of adjustment, the amount of guarantee can only be obtained from the guarantee objects with a gearing ratio exceeding 70% (when the general meeting considers the amount of guarantee); and</u></p> <p><u>(III) 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>Article 16 The Company shall enter into a guarantee contract in writing in respect of external guarantees. The guarantee contract shall include contents as required by 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><u>Article 25</u> The Company shall enter into a guarantee contract in writing in respect of external guarantees. The guarantee contract shall include contents as required by laws and regulations such as <del>the Guarantee Law of the People’s Republic of China and the Contract Law of the People’s Republic of China</del> <u>the Civil Code of the People’s Republic of China.</u></p>

**APPENDIX VI      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL GUARANTEES**

<b>Existing Terms of the Rules for Management of External Guarantees</b>	<b>Proposed Amendments to the Rules for Management of External Guarantees</b>
<p>Article 35 Pursuant to the relevant provisions of the Listing Rules, other regulatory requirements of the place where the Company's shares are listed (including relevant provisions of Hong Kong laws and regulations regarding the disclosure of inside information that may have a material impact on prices of its securities), the Articles of Association and the Rule for Information Disclosure, the Company shall duly perform its information disclosure obligation in relation to the provision of external guarantees.</p>	<p><b>Article 44</b> Pursuant to the relevant provisions of the Listing Rules, other regulatory requirements of the place where the Company's shares are listed <del>(including relevant provisions of Hong Kong laws and regulations regarding the disclosure of inside information that may have a material impact on prices of its securities)</del>, the Articles of Association and the Rule for Information Disclosure, the Company shall duly perform its information disclosure obligation in relation to the provision of external guarantees.</p>
<p>Article 41 The rules herein are prepared by the Board and shall be approved at the general meeting of the Company. The same applies to amendment to these rules.</p>	<p><b>Article 50</b> The rules herein are prepared by the Board and <del>shall be approved</del> <b><u>will come into effect and be implemented after the approval</u></b> at the general meeting of the Company. <del>The same applies to amendment to these rules.</del></p>
<p>Article 43 The Rules shall be subject to the interpretation of the Board.</p>	<p><b>Article 52</b> The Rules shall be subject to the <b><u>amendment and</u></b> interpretation of the Board.</p>



Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 5 Related parties of the Company include related legal persons and related natural persons, which are defined as per the Hong Kong Listing Rules, the SSE Listing Rules and relevant laws and regulations.</p>	<p>Article 5 Related parties of the Company include related legal persons <b><u>(or other organisations)</u></b> and related natural persons, which are defined as per the Hong Kong Listing Rules, the SSE Listing Rules and relevant laws and regulations.</p>
<p>Article 6 According to the SSE Listing Rules, the following persons shall be considered as a related legal person of the Company:</p> <p>(I) legal persons or other organisations who have direct or indirect control over the Company;</p> <p>(II) legal persons or other organisations who are directly or indirectly controlled by the legal persons or other organisations set out in the preceding paragraph, except for the Company and its controlling subsidiaries;</p> <p>(III) legal persons or other organisations who are directly or indirectly controlled by the related natural persons listed set out in Article 7 herein, or whose directors and senior management are such related natural persons, except for the Company and its controlling subsidiaries;</p> <p>(IV) legal persons or other organisations who hold more than 5% of the shares of the Company; and</p> <p>(V) legal persons identified by the Company based on the “substance over form” principle that have a special relationship with the Company, which may cause the interests of the Company to be inclined to them.</p>	<p>Article 6 According to the SSE Listing Rules, the following persons <b><u>(or other organisations)</u></b> shall be considered as a related legal person <b><u>(or other organisation)</u></b> of the Company:</p> <p>(I) legal persons <b><u>(or other organisations)</u></b> who have direct or indirect control over the Company;</p> <p>(II) legal persons (or other organisations) who are directly or indirectly controlled by the legal persons or other organisations set out in the preceding paragraph, except for the Company <b><u>and, its controlling subsidiaries and other entities controlled by it;</u></b></p> <p>(III) legal persons (or other organisations) who are directly or indirectly controlled by the related natural persons listed set out in Article 7 herein, or whose directors <b><u>(other than being an independent director of both parties)</u></b> and senior management are such related natural persons, except for the Company, <b><u>its controlling subsidiaries and other entities controlled by it;</u></b></p> <p>(IV) legal persons (or other organisations) who hold more than 5% of the shares of the Company <b><u>as well as persons acting in concert;</u></b> and</p> <p>(V) legal persons <b><u>(or other organisations)</u></b> identified by the Company based on the “substance over form” principle that have a special relationship with the Company, which may cause <b><u>or have caused</u></b> the interests of the Company to be inclined to them.</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Where the circumstance set out in Paragraph (II) occurs due to that the Company and the legal person set out in Paragraph (II) are controlled by the same state-owned assets administration and form, no related party relationship shall be formed as a result thereof, except the legal representative, general manager or more than half of the directors of such legal person fall into the circumstances set out in Paragraph (III).</p>	<p>Where the circumstance set out in the <b>preceding</b> Paragraph (II) occurs due to that the Company and the legal person set out in Paragraph (II) are controlled by the same state-owned assets administration and form, no related party relationship shall be formed as a result thereof, except the legal representative, <b>chairman of the Board</b>, general manager or more than half of the directors of such legal person <del>fall into the circumstances set out in Paragraph (III)</del> <b>concurrently serve as the directors, supervisors or senior management of the Company.</b></p>
<p>Article 7 According to the SSE Listing Rules, the following persons shall be considered as a related natural person of the Company:</p> <p>(I) natural persons who directly or indirectly hold more than 5% of the shares of the Company;</p> <p>(II) directors, supervisors and senior management of the Company;</p> <p>(III) directors, supervisors and senior management of the legal person set out in Paragraph (I) of Article 6 herein;</p> <p>(IV) close family members of the persons set out in Paragraphs (I) and (III) of this Article, including the spouse, parents and parents of the spouse, brothers and sisters and their spouses, children over the age of 18 and their spouses, brothers and sisters of the spouse and parents of the spouses of the children; and</p>	<p>Article 7 According to the SSE Listing Rules, the following persons shall be considered as a related natural person of the Company:</p> <p>(I) natural persons who directly or indirectly hold more than 5% of the shares of the Company;</p> <p>(II) directors, supervisors and senior management of the Company;</p> <p>(III) directors, supervisors and senior management of the legal person (<b>or other organisation</b>) set out in Paragraph (I) of Article 6 herein;</p> <p>(IV) close family members of the persons set out in Paragraphs (I) and (III) of this Article, including the spouse, parents and parents of the spouse, brothers and sisters and their spouses, children over the age of 18 and their spouses, brothers and sisters of the spouse and parents of the spouses of the children; and</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
(V) natural persons identified by the Company based on the “substance over form” principle that have a special relationship with the Company, which may cause the interests of the Company to be inclined to them.	(V) natural persons identified by the Company based on the “substance over form” principle that have a special relationship with the Company, which may cause <b>or have caused</b> the interests of the Company to be inclined to them.
<p>Article 11 According to the Hong Kong Listing Rules, apart from the exceptions prescribed by it, related persons of the Company and its subsidiaries usually include the following parties:</p> <p>(I) Directors, supervisors, chief executives or major shareholders of the Company or any of its subsidiaries (as defined in the Hong Kong Listing Rules) (i.e., persons entitled to exercise or control the exercise of 10% or more of the voting rights at the general meetings of the Company);</p> <p>(II) Any person who has served as a director of the Company or any of its subsidiaries within the past 12 months (together with persons referred to in Paragraph (I) of this Article as the “Basic Connected Person”);</p> <p>(III) Associates of any of the Basic Connected Person, including:</p> <p>1. Where the Basic Connected Person is an individual:</p> <p>(1) The spouse of the individual, and any child or step-child (natural or adopted) of the individual or his/her spouse under the age of 18 years (the “Immediate Family Member”);</p>	<p>Article 11 According to the Hong Kong Listing Rules, apart from the exceptions prescribed by it, related persons of the Company and its subsidiaries usually include the following parties:</p> <p>(I) Directors, supervisors, chief executives or major shareholders of the Company or any of its subsidiaries (as defined in the Hong Kong Listing Rules) (i.e., persons entitled to exercise or control the exercise of 10% or more of the voting rights at the general meetings of the Company);</p> <p>(II) Any person who has served as a director of the Company or any of its subsidiaries within the past 12 months (together with persons referred to in Paragraph (I) of this Article as the “Basic Connected Person”);</p> <p>(III) Associates of any of the Basic Connected Person, including:</p> <p>1. Where the Basic Connected Person is an individual:</p> <p>(1) The spouse of the individual, and any child or step-child (natural or adopted) of the individual or his/her spouse under the age of 18 years (the “Immediate Family Member”);</p>

<b>Existing Terms of the Rules for the Management of the Related Party Transactions of the Company</b>	<b>Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company</b>
<p>(2) The trustee of any trust acting as trustee in favour of that individual or any Immediate Family Member thereof or, in the case of a discretionary trust, the subject of (to his/her knowledge) the discretionary trust;</p> <p>(3) A controlled company (as defined in the Hong Kong Listing Rules), 30% of shares of which are held directly or indirectly by the Basic Connected Person, their Immediate Family Member and/or the trustee (individually or jointly), or any subsidiary of the company;</p> <p>(4) Any person with whom he/she cohabits like a spouse, any child, step-child, parent, step-parent, sibling, step-sibling (the “Family”); or any company in which a family member (individually or jointly) directly or indirectly holds or in which a family member, together with himself/herself, his/her Immediate Family Member and/or the trustee holds a majority of control, or any subsidiary of the company; and</p> <p>(5) If the Basic Connected Person, their Immediate Family Member and/or the trustee jointly hold, directly or indirectly, the paid-up capital or assets of any cooperative or contractual joint venture company (whether or not the joint venture company is an independent corporation) or have an interest of 30% or more of the profit or other income of the joint venture company under the contract (or as applicable under Chinese law in relation to triggering a mandatory public offer or establishing other percentages of legal or managerial control over the enterprise), the joint venture partner of the joint venture company shall be associate of such a Basic Connected Person.</p>	<p>(2) The trustee of any trust acting as trustee in favour of that individual or any Immediate Family Member thereof or, in the case of a discretionary trust, the subject of (to his/her knowledge) the discretionary trust;</p> <p>(3) A controlled company (as defined in the Hong Kong Listing Rules), 30% of shares of which are held directly or indirectly by the Basic Connected Person, their Immediate Family Member and/or the trustee (individually or jointly), or any subsidiary of the company;</p> <p>(4) Any person with whom he/she cohabits like a spouse, any child, step-child, parent, step-parent, sibling, step-sibling (the “Family”); or any company in which a family member (individually or jointly) directly or indirectly holds or in which a family member, together with himself/herself, his/her Immediate Family Member and/or the trustee holds a majority of control, or any subsidiary of the company; and</p> <p>(5) If the Basic Connected Person, their Immediate Family Member and/or the trustee jointly hold, directly or indirectly, the paid-up capital or assets of any cooperative or contractual joint venture company (whether or not the joint venture company is an independent corporation) or have an interest of 30% or more of the profit or other income of the joint venture company under the contract (or as applicable under Chinese law in relation to triggering a mandatory public offer or establishing other percentages of legal or managerial control over the enterprise), the joint venture partner of the joint venture company shall be associate of such a Basic Connected Person.</p>

<b>Existing Terms of the Rules for the Management of the Related Party Transactions of the Company</b>	<b>Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company</b>
<p>Subject to the exceptions under the Hong Kong Listing Rules, the persons set out in Paragraphs (1), (2) and (3) above are “close associate” of the Basic Connected Person.</p> <p>2. Where the Basic Connected Person is a company (i.e., the major corporate shareholder):</p> <p>(1) A subsidiary or controlling company of a major corporate shareholder, or a fellow subsidiary of the controlling company (the “Related Company”);</p> <p>(2) The trustee of any trust acting as trustee in favour of the major corporate shareholder or, in the case of a discretionary trust, the subject of the discretionary trust (to the knowledge of the major corporate shareholder);</p> <p>(3) A controlled company, 30% of shares of which are held directly or indirectly by the Basic Connected Person, their Related Company and/or the trustee (individually or jointly), or any subsidiary of the company; and</p> <p>(4) If the Basic Connected Person, their Related Company and/or the trustee jointly hold, directly or indirectly, the paid-up capital or assets of any cooperative or contractual joint venture company (whether or not the joint venture company is an independent corporation) or have an interest of 30% or more of the profit or other income of the joint venture company under the contract (or as applicable under Chinese law in relation to triggering a mandatory public offer or establishing other percentages of legal or managerial control over the enterprise), the joint venture partner of the joint venture company shall be associate of such a Basic Connected Person.</p>	<p>Subject to the exceptions under the Hong Kong Listing Rules, the persons set out in Paragraphs (1), (2) and (3) above are “close associate” of the Basic Connected Person.</p> <p>2. Where the Basic Connected Person is a company (i.e., the major corporate shareholder):</p> <p>(1) A subsidiary or controlling company of a major corporate shareholder, or a fellow subsidiary of the controlling company (the “Related Company”);</p> <p>(2) The trustee of any trust acting as trustee in favour of the major corporate shareholder or, in the case of a discretionary trust, the subject of the discretionary trust (to the knowledge of the major corporate shareholder);</p> <p>(3) A controlled company, 30% of shares of which are held directly or indirectly by the Basic Connected Person, their Related Company and/or the trustee (individually or jointly), or any subsidiary of the company; and</p> <p>(4) If the Basic Connected Person, their Related Company and/or the trustee jointly hold, directly or indirectly, the paid-up capital or assets of any cooperative or contractual joint venture company (whether or not the joint venture company is an independent corporation) or have an interest of 30% or more of the profit or other income of the joint venture company under the contract (or as applicable under Chinese law in relation to triggering a mandatory public offer or establishing other percentages of legal or managerial control over the enterprise), the joint venture partner of the joint venture company shall be associate of such a Basic Connected Person.</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Subject to the exceptions under the Hong Kong Listing Rules, the persons set out in Paragraphs (1), (2) and (3) above are “close associate” of the Basic Connected Person.</p> <p>(IV) A non-wholly-owned subsidiary of the Company, where any connected persons at the corporate level have the right to exercise or control the exercise of 10% or more of the voting rights individually or jointly at the general meeting of the non-wholly-owned subsidiary, and the subsidiaries of the non-wholly-owned subsidiary.</p> <p>The related party transaction management department of the Company is responsible for collecting and updating the information of related parties.</p>	<p>Subject to the exceptions under the Hong Kong Listing Rules, the persons set out in Paragraphs (1), (2) and (3) above are “close associate” of the Basic Connected Person.</p> <p>(IV) A non-wholly-owned subsidiary of the Company, where any connected persons at the corporate level have the right to exercise or control the exercise of 10% or more of the voting rights individually or jointly at the general meeting of the non-wholly-owned subsidiary, and the subsidiaries of the non-wholly-owned subsidiary.</p> <p><del>The related party transaction management department of the Company is responsible for collecting and updating the information of related parties.</del></p>
<p>Added</p>	<p><b><u>Article 12 The directors, supervisors, senior management, shareholders holding more than 5% of the shares of the Company and persons acting in concert, and actual controllers shall promptly submit to the Board a list of related parties and a description of the related relationships, and the Company shall perform the registration and management thereof.</u></b></p> <p><b><u>The related party transaction management department of the Company is responsible for collecting and updating the information of related parties.</u></b></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 12 Related party transactions are transactions between the Company or any of its subsidiaries and related parties, and specified categories of transactions with third parties that may confer benefits on related parties through their interests in the entities involved in the transactions. Such related party transactions may be one-off transactions or continuing transactions.</p> <p>“Transactions” include both capital and revenue nature transactions, whether or not conducted in the ordinary course of business of the Company. Subject to the exceptions under the Hong Kong Listing Rules, these transactions include the following types of transactions:</p> <p>(I) acquisition or disposal of assets by the Company, including a deemed disposal under the Hong Kong Listing Rules;</p> <p>(II) grant, acceptance, transfer, exercise, non-exercise or termination of an option to acquire or dispose of assets or to subscribe for securities;</p> <p>(III) entering into or terminating finance leases or operating leases or sub-leases (including lease or sub-lease of property);</p> <p>(IV) granting an indemnity, or providing or receiving financial assistance. “Financial assistance” includes granting credit, lending money, or providing an indemnity, guarantee or security in respect of a loan;</p>	<p><b><u>Article 13 Related party transactions are the transfer of resources or obligations between the Company, its controlling subsidiaries or other entities controlled by it and related parties of the Company.</u></b></p> <p>Such related party transactions may be one-off transactions or continuing transactions.</p> <p><b><u>Article 14</u></b> “Transactions” include both capital and revenue nature transactions, whether or not conducted in the ordinary course of business of the Company. Subject to the exceptions under the Hong Kong Listing Rules, these transactions include the following types of transactions:</p> <p>(I) acquisition or disposal of assets by the Company, including a deemed disposal under the Hong Kong Listing Rules;</p> <p>(II) grant, acceptance, transfer, exercise, non-exercise or termination of an option to acquire or dispose of assets or to subscribe for securities;</p> <p>(III) entering into or terminating finance leases or operating leases or sub-leases (including lease or sub-lease of property);</p> <p>(IV) granting an indemnity, or providing or receiving financial assistance. “Financial assistance” includes granting credit, lending money, or providing an indemnity, guarantee or security in respect of a loan, <b><u>interest-bearing or interest-free borrowings, entrusted loans, etc.;</u></b></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
(V) entering into an agreement or arrangement to set up a joint venture in any form (e.g., a partnership or a company), or any other form of joint arrangement;	(V) entering into an agreement or arrangement to set up a joint venture in any form (e.g., a partnership or a company), or any other form of joint arrangement;
(VI) issuing new securities of the Company or its subsidiaries;	(VI) issuing new securities of the Company or its subsidiaries;
(VII) providing or receiving services;	(VII) providing or receiving services;
(VIII) external investment (including entrusted wealth management, entrusted loans, etc.);	(VIII) external investment (including entrusted wealth management, entrusted loans, etc.);
(IX) providing guarantees;	(IX) providing guarantees;
(X) lease or rental of assets;	(X) lease or rental of assets;
(XI) entering into a management contract (including the entrusted or contracted asset and business management, etc.);	(XI) entering into a management contract (including the entrusted or contracted asset and business management, etc.);
(XII) donating assets or receiving donated assets;	(XII) donating assets or receiving donated assets;
(XIII) creditor's rights or debt restructuring;	(XIII) creditor's rights or debt restructuring;
(XIV) entering into license agreements;	(XIV) entering into license agreements;
(XV) transfer or acceptance of research and development projects;	(XV) transfer or acceptance of research and development projects;
(XVI) purchase or sales of raw materials, fuels and power;	<b><u>(XVI) waiver of rights (including the right of first refusal and right of first offer, etc.);</u></b>
(XVII) purchase or sales of products and commodities;	<b><u>(XVII)</u></b> purchase or sales of raw materials, fuels and power;
(XVIII) entrusted or contracted purchase or sales;	



Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>(XIX) making deposits at or taking loans from a finance company of a related party;</p> <p>(XX) co-investment with related parties;</p> <p>(XXI) providing, receiving or sharing services;</p> <p>(XXII) other matters that may result in the transfer of resources or obligations by agreement; or</p> <p>(XXIII) other matters that the stock exchange(s) where the Company's shares are listed deems to be related party transactions.</p>	<p><u>(XVIII)</u> purchase or sales of products and commodities;</p> <p>(XIX) entrusted or contracted purchase or sales;</p> <p><del>(XX) making deposits at or taking loans from a finance company of a related party</del> <b><u>deposit and loan businesses;</u></b></p> <p><u>(XXI)</u> co-investment with related parties;</p> <p><u>(XXII)</u> providing, receiving or sharing services;</p> <p><u>(XXIII)</u> other matters that may result in the transfer of resources or obligations by agreement; or</p> <p><u>(XXIV)</u> other matters that the stock exchange(s) where the Company's shares are listed deems to be related party transactions.</p>
<p>Article 14 Continuing related transaction is a related transaction involving the provision of financial assistance, services or goods that are expected to continue or be conducted frequently over a period of time. In addition to judging whether the relevant transactions need to be reported, announced and approved by shareholders when signing the agreement, it is necessary to continuously monitor the execution and whether the amount exceeds the annual cap, and re-comply with the relevant provisions of the Hong Kong Listing Rules when the terms of the agreement are materially changed, the amount exceeds the annual cap or the agreement is renewed.</p>	<p><b><u>Article 16</u></b> Continuing related transaction is a related transaction involving the provision of financial assistance, services or goods that are expected to continue or be conducted frequently over a period of time. In addition to judging whether the relevant transactions need to be reported, announced and approved by shareholders when signing the agreement, it is necessary to continuously monitor the execution and whether the amount exceeds the annual cap, and re-comply with the relevant provisions of <b><u>the SSE Listing Rules and</u></b> the Hong Kong Listing Rules when the terms of the agreement are materially changed, the amount exceeds the annual cap or the agreement is renewed.</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 15 The Company shall enter into a written agreement with related parties on each related party transaction (including exempted related party transactions) according to relevant regulations, and state the calculation standard of payment. The duration of the agreement must be fixed and reflect the general commercial terms. Except as permitted by the Hong Kong Listing Rules, the duration of a continuing related transaction agreement shall not exceed three years. A maximum annual amount (the “Cap”) shall be set for each continuing related transaction and the Company shall disclose its basis of calculation. The full-year cap shall be expressed in the exact currency value, instead of a percentage of the Company’s annual revenue. The Company shall refer to past transactions and data identified in published documents when setting the cap. If the Company has not ever had such transactions, it shall set a cap on reasonable assumptions and disclose details of the assumptions.</p> <p>If the related party transaction exceeds the cap during implementation, or the agreement needs to be changed or be renewed upon expiration, the related party transaction shall be re-examined and approved in accordance with the Hong Kong Listing Rules and the procedures stipulated in the Rules, so as to meet the relevant requirements of the Hong Kong Listing Rules again.</p>	<p><b>Article 17</b> The Company shall enter into a written agreement with related parties on each related party transaction (including exempted related party transactions) according to relevant regulations, and state the calculation standard of payment. The duration of the agreement must be fixed and reflect the general commercial terms. Except as permitted by the Hong Kong Listing Rules <b>and the SSE Listing Rules</b>, the duration of a continuing related transaction agreement shall not exceed three years. A maximum annual amount (the “Cap”) shall be set for each continuing related transaction and the Company shall disclose its basis of calculation. The full-year cap shall be expressed in the exact currency value, instead of a percentage of the Company’s annual revenue. The Company shall refer to past transactions and data identified in published documents when setting the cap. If the Company has not ever had such transactions, it shall set a cap on reasonable assumptions and disclose details of the assumptions.</p> <p>If the related party transaction exceeds the cap during implementation, or the agreement needs to be changed or be renewed upon expiration, the related party transaction shall be re-examined and approved in accordance with the Hong Kong Listing Rules, <b>the SSE Listing Rules</b> and the procedures stipulated in the Rules, so as to meet the relevant requirements of the Hong Kong Listing Rules <b>and the SSE Listing Rules</b> again.</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Added</p>	<p><b>Article 20</b> <u>Where the transactions disclosed by the Company involve an asset valuation, the valuation shall be disclosed in accordance with relevant regulations.</u></p> <p><u>Where the appraisal value of the transaction subject involved in the transaction which submitted for consideration at the general meeting has a significant increase or decrease than the book value, the Company shall disclose the detailed reasons for such increase or decrease and the calculation process of the valuation results. The independent directors of the Company shall explicitly express their opinions as to the selection, appointment and independence of the valuation agency, the reasonableness of the valuation assumptions and the fairness of the valuation conclusions.</u></p>
<p>Article 20 Related shareholders include the shareholders falling into one of the following circumstances:</p> <p>(I) a counterparty;</p> <p>(II) directly or indirectly controls the counterparty;</p> <p>(III) directly or indirectly controlled by the counterparty;</p> <p>(IV) directly or indirectly controlled by the same legal person or other organisation or natural person with the counterparty;</p>	<p><b>Article 23</b> Related shareholders include the shareholders with one of the following circumstances:</p> <p>(I) a counterparty;</p> <p>(II) directly or indirectly controls the counterparty;</p> <p>(III) directly or indirectly controlled by the counterparty;</p> <p>(IV) directly or indirectly controlled by the same legal person or other organisation or natural person with the counterparty;</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>(V) its voting rights are restricted or affected by the existence of an unfulfilled equity transfer agreement or other agreement with the counterparty or its related persons;</p> <p>(VI) shareholders identified by the Company that may cause the interests of the Company to be inclined to them; or</p> <p>(VII) other circumstances where, under the SSE Listing Rules and the Hong Kong Listing Rules, the person or any of his/her affiliates has material interests in the transactions.</p>	<p><b><u>(V) serves in the counterparty, or serves in a legal person or other organisation that directly or indirectly controls the counterparty or is indirectly controlled by the counterparty;</u></b></p> <p><b><u>(VI) close family members of the counterparty or its direct or indirect controller;</u></b></p> <p><u>(VII)</u> its voting rights are restricted or affected by the existence of an unfulfilled equity transfer agreement or other agreement with the counterparty or its related persons;</p> <p><u>(VIII)</u> shareholders identified by the Company that may cause the interests of the Company to be inclined to them; or</p> <p><u>(IX)</u> other circumstances where, under the SSE Listing Rules and the Hong Kong Listing Rules, the person or any of his/her affiliates has material interests in the transactions.</p>
<p>Article 23 Subject to the satisfaction of the requirements under the Hong Kong Listing Rules and the SSE Listing Rules, when the Company and its related parties enter into the following related party transactions, the relevant obligations under the Rules may be exempted:</p> <p>(I) either party subscribes in cash for shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p>	<p><b>Article 26</b> Subject to the satisfaction of the requirements under the Hong Kong Listing Rules and the SSE Listing Rules, when the Company and its related parties enter into the following related party transactions, the relevant <b><u>consideration and disclosure</u></b> obligations under the Rules may be exempted:</p> <p>(I) either party subscribes in cash for shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>(II) either party, as a member of the underwriting syndicate, underwrites the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(III) either party receives dividends, bonuses or remuneration in accordance with the resolution of the other party's general meeting;</p> <p>(IV) related party transactions arising from either party party's participation in the public tender or auction of the other party; and</p> <p>other circumstances recognized by the stock exchange where the shares of the Company are listed.</p>	<p>(II) either party, as a member of the underwriting syndicate, underwrites the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(III) either party receives dividends, bonuses or remuneration in accordance with the resolution of the other party's general meeting;</p> <p>(IV) related party transactions arising from either party party's participation in the public tender or auction of the other party;</p> <p><b><u>(V) transactions in which the Company unilaterally obtains benefits without any consideration or obligation, including receiving cash assets as gifts, obtaining debt relief, and accepting guarantees and financial assistance without consideration;</u></b></p> <p><b><u>(VI) provision of unsecured funds by a related party to the Company at an interest rate not exceeding the loan prime rate;</u></b></p> <p><b><u>(VII) transaction in which the Company provides products and services to related natural persons as defined in Paragraphs (II) to (IV) of Article 7 herein on the same transaction terms as non-related parties;</u></b></p> <p><b><u>(VIII) related party transaction in which the price is fixed by the state; and</u></b></p> <p>(IX) other circumstances recognized by the stock exchange where the shares of the Company are listed.</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 24 Decision-making authority for related party transactions:</p> <p>According to the Hong Kong Listing Rules, the Company shall carry out a ratio test on the proposed related party transactions in accordance with the requirements of the Hong Kong Listing Rules, including (I) the asset ratio, i.e. the percentage of the total assets involved in the transaction to the total assets of the Company; (II) the income ratio, i.e. the percentage of the income attributable to the assets involved in the transaction to the Company's income; (III) the consideration ratio, i.e. the percentage of the consideration involved in the transaction to the total market value of the Company; and (IV) the share capital ratio, i.e. the par value of the share capital issued by the Company as consideration to the par value of the share capital issued by the Company prior to such transaction. The data used for the above ratio test shall be adjusted in accordance with the Hong Kong Listing Rules in individual cases, and the specific calculation method shall refer to the provisions of the Hong Kong Listing Rules.</p> <p>(I) Related party transactions which the General Manager has the authority to approve:</p> <p>According to the Hong Kong Listing Rules as amended from time to time, related party transactions which have partial exemption (exempt from obligations of independent shareholders' approval). Under the existing Hong Kong Listing Rules, that is when each ratio is tested to be lower than 5% or lower than 25% and the annual consideration of the transactions is lower than HK\$10 million, the General Manager shall be authorised to approve such related party transactions.</p>	<p><b>Article 27</b> Decision-making authority for related party transactions:</p> <p>According to the Hong Kong Listing Rules, the Company shall carry out a ratio test on the proposed related party transactions in accordance with the requirements of the Hong Kong Listing Rules, including (I) the asset ratio, i.e. the percentage of the total assets involved in the transaction to the total assets of the Company; (II) the income ratio, i.e. the percentage of the income attributable to the assets involved in the transaction to the Company's income; (III) the consideration ratio, i.e. the percentage of the consideration involved in the transaction to the total market value of the Company; and (IV) the share capital ratio, i.e. the par value of the share capital issued by the Company as consideration to the par value of the share capital issued by the Company prior to such transaction. The data used for the above ratio test shall be adjusted in accordance with the Hong Kong Listing Rules in individual cases, and the specific calculation method shall refer to the provisions of the Hong Kong Listing Rules.</p> <p>(I) Related party transactions which the General Manager has the authority to approve:</p> <p><del>According to the Hong Kong Listing Rules as amended from time to time, related party transactions which have partial exemption (exempt from obligations of independent shareholders' approval). Under the existing Hong Kong Listing Rules, that is when each ratio is tested to be lower than 5% or lower than 25% and the annual consideration of the transactions is lower than HK\$10 million, the General Manager shall be authorised to approve such related party transactions.</del></p>

<b>Existing Terms of the Rules for the Management of the Related Party Transactions of the Company</b>	<b>Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company</b>
<p>According to the SSE Listing Rules, (1) related party transactions with related natural persons with a value lower than RMB300,000 (save for provision of guarantees by the Company); or (2) related party transactions with a related legal person with a value lower than RMB3 million or lower than 0.5% of the absolute value of the latest audited net assets of the Company (save for provision of guarantees by the Company) shall be submitted for the approval by the General Manager.</p> <p>Related party transactions subject to the approval by the General Manager shall be reported in writing by the relevant department which first became involved in such transactions. The General Manager or General Manager's Office shall examine the necessity, reasonableness and fairness of pricing of the related party transaction. Necessary related party transactions shall be implemented upon the General Manager or General Manager's Office's approval. The General Manager shall fully report to the Board the related party transactions in the ordinary course of business of the Company which may involve the Board's approval.</p>	<p>According to the SSE Listing Rules, (1) related party transactions with related natural persons with a value lower than <b><u>(including debts and expenses borne)</u></b> than RMB300,000 (save for provision of guarantees by the Company); or (2) related party transactions with a related legal person <b><u>(or other organisation)</u></b> with a value <b><u>(including debts and expenses borne)</u></b> lower than RMB3 million or lower than 0.5% of the absolute value of the latest audited net assets of the Company (save for provision of guarantees by the Company) shall be submitted for the approval by the General Manager.</p> <p>Related party transactions subject to the approval by the General Manager shall be reported in writing by the relevant department which first became involved in such transactions. The General Manager or General Manager's Office shall examine the necessity, reasonableness and fairness of pricing of the related party transaction. Necessary related party transactions shall be implemented upon the General Manager or General Manager's Office's approval. The General Manager shall fully report to the Board the related party transactions in the ordinary course of business of the Company which may involve the Board's approval.</p> <p><b><u>Related party transactions that are fully exempted under the Hong Kong Listing Rules as amended from time to time.</u></b></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>(II) Related party transactions which shall be approved by the Board:</p> <p>According to the SSE Listing Rules, (1) related party transactions with related natural persons with a value higher than RMB300,000 and not falling within the approval scope of the general meeting as stated in Paragraph (III) of this Article (save for provision of guarantees by the Company); (2) related party transactions with related legal persons with a value higher than RMB3 million and accounting for more than 0.5% of the latest audited net assets of the Company but not falling within the approval scope of the general meeting as stated in Paragraph (III) of this Article (save for provision of guarantees by the Company); (3) even if the related party transaction is within the authority of the General Manager's approval and implementation, the Board, independent directors or the Supervisory Committee considers it necessary to submit it for the Board's approval; and (4) related party transactions authorised by the general meeting to be reviewed and implemented by the Board shall be considered and approved by the Board.</p> <p>Related party transactions subject to the approval by the Board shall be reported to the Board by the General Manager or the director who first became involved in such transactions. The Board shall follow the procedure of convening Board meeting, and make a rational judgment and resolution on whether the transaction is a related party transaction.</p>	<p>(II) Related party transactions which shall be approved by the Board:</p> <p>According to the SSE Listing Rules, (1) related party transactions with related natural persons with a value <b>(including debts and expenses borne)</b> higher than RMB300,000 and not falling within the approval scope of the general meeting as stated in Paragraph (III) of this Article (save for provision of guarantees by the Company); (2) related party transactions with related legal persons <b>(or other organisations)</b> with a value <b>(including debts and expenses borne)</b> higher than RMB3 million and accounting for more than 0.5% of the latest audited net assets of the Company but not falling within the approval scope of the general meeting as stated in Paragraph (III) of this Article (save for provision of guarantees by the Company); (3) even if the related party transaction is within the authority of the General Manager's approval and implementation, the Board, independent directors or the Supervisory Committee considers it necessary to submit it for the Board's approval; and (4) related party transactions authorised by the general meeting to be reviewed and implemented by the Board shall be considered and approved by the Board.</p> <p>Related party transactions subject to the approval by the Board shall be reported to the Board by the General Manager or the director who first became involved in such transactions. The Board shall follow the procedure of convening Board meeting, and make a rational judgment and resolution on whether the transaction is a related party transaction.</p>



Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>(III) Related party transactions that shall be approved by the Company's general meeting:</p> <p>With respect to a related party transaction that is not exempted under the Hong Kong Listing Rules as amended from time to time (subject to filing, announcements and independent shareholder approval), under the current Hong Kong Listing Rules, where either of the above ratio tests fails to be satisfied "less than 5%, or less than 25% if the transaction has an annual consideration of less than HK \$10 million", the related party transaction shall be proposed to the general meeting for consideration and approval after the approval of the Board.</p> <p>According to the SSE Listing Rules, (1) related party transactions with related persons with an amount of RMB30 million or more and accounting for 5% or more of the absolute value of the Company's latest audited net assets (e not including the guarantee provided by the Company, the donated cash assets received by the Company, or the debts that purely reduce the obligations of the Company); (2) related party transactions that the general manager and the Board have the right to decide and implement, while in the opinion of the independent directors or the Supervisory Committee, shall be proposed to the general meeting for consideration and approval.</p>	<p><b><u>Pursuant to the Hong Kong Listing Rules as amended from time to time, (1) related party transactions between the Company and related persons at the issuer level of the listed company with any of the applicable percentage ratios of 0.1% or more inclusive; and (2) related party transactions between the Company and related persons at the subsidiary level with any of the applicable ratios of 1% or more inclusive.</u></b></p> <p>(III) Related party transactions that shall be approved by the Company's general meeting:</p> <p>With respect to a related party transaction that is not exempted under the Hong Kong Listing Rules as amended from time to time (subject to filing, announcements and independent shareholder approval), under the current Hong Kong Listing Rules, where either of the above ratio tests fails to be satisfied "less than 5%, or less than 25% if the transaction has an annual consideration of less than HK \$10 million", the related party transaction shall be proposed to the general meeting for consideration and approval after the approval of the Board.</p> <p>According to the SSE Listing Rules, (1) related party transactions with related persons with an amount of RMB30 million or more and accounting for 5% or more of the absolute value of the Company's latest audited net assets (e not including the guarantee provided by the Company, the donated cash assets received by the Company, or the debts that purely reduce the obligations of the Company); (2) related party transactions that the general manager and the Board have the right to decide and implement, while in the opinion of the independent directors or the Supervisory Committee, shall be proposed to the general meeting for consideration and approval.</p>

<b>Existing Terms of the Rules for the Management of the Related Party Transactions of the Company</b>	<b>Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company</b>
<p>With respect to a related party transaction that shall be submitted to the general meeting for approval based on the judgment of the Board, the Board shall resolve to propose the same to the general meeting for consideration and issue a circular on the convening of the general meeting in which the date, place and resolutions of the general meeting shall be specified and the contents and nature of the related party transaction and information of related persons involved shall be expressly specified. Independent directors shall express disclosure opinions on the fairness of the relevant related-party transactions, whether they are in the interests of the company and its shareholders, whether the annual cap of the related-party transactions is fair and reasonable (in case of continuous related-party transactions), and the recommendations on voting. The Circular shall also disclose the opinions issued to the independent directors by the independent financial adviser engaged by the committee of independent directors on the fairness of the related-party transactions and whether they are in the interest of the Company and its shareholders, whether the annual cap on related-party transactions is fair and reasonable (in the case of continuing related-party transactions) and their recommendations on voting.</p>	<p>With respect to a related party transaction that shall be submitted to the general meeting for approval based on the judgment of the Board, the Board shall resolve to propose the same to the general meeting for consideration and issue a circular on the convening of the general meeting in which the date, place and resolutions of the general meeting shall be specified and the contents and nature of the related party transaction and information of related persons involved shall be expressly specified. Independent directors shall express disclosure opinions on the fairness of the relevant related-party transactions, whether they are in the interests of the company and its shareholders, whether the annual cap of the related-party transactions is fair and reasonable (in case of continuous related-party transactions), and the recommendations on voting. The Circular shall also disclose the opinions issued to the independent directors by the independent financial adviser engaged by the committee of independent directors on the fairness of the related-party transactions and whether they are in the interest of the Company and its shareholders, whether the annual cap on related-party transactions is fair and reasonable (in the case of continuing related-party transactions) and their recommendations on voting.</p> <p><b><u>Pursuant to the Hong Kong Listing Rules as amended from time to time, related party transactions with related persons where any of the applicable percentage ratios is more than five percent (5%).</u></b></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 25 Related party transactions falling within the approval scope of the Board as stated in Paragraph (II) of Article 26 shall be submitted for the discussion of the Board upon the approval by more than half of the independent directors. Independent directors can engage an intermediary to issue an independent financial report as the basis of determination before making such determination.</p> <p>Where the transaction between the Company and related parties (other than the receipt of cash assets as gift, liabilities solely used to deduct the obligations of the Company, and provision of guarantee) exceeds RMB30 million and accounts for more than 5% of the latest audited net assets of the Company, the Company shall engage an intermediary agency qualified to perform securities and futures businesses to evaluate or audit the subject of the transaction, and submit the transaction to the general meeting for consideration and approval.</p>	<p><del>Article 28</del> Related party transactions falling within the approval scope of the Board as stated in Paragraph (II) of Article 26 shall be submitted for the discussion of the Board upon the approval by more than half of the independent directors. Independent directors can engage an intermediary to issue an independent financial report as the basis of determination before making such determination.</p> <p>Where the transaction between the Company and related parties (other than the receipt of cash assets as gift, liabilities solely used to deduct the obligations of the Company, and provision of guarantee) exceeds RMB30 million and accounts for more than 5% of the latest audited net assets of the Company, the Company shall engage an intermediary agency qualified to perform securities and futures businesses to evaluate or audit the subject of the transaction, and submit the transaction to the general meeting for consideration and approval.</p> <p><b><u>Ordinary related transactions hereunder are not required to be audited or valued.</u></b></p> <p><b><u>Where the Company and its related parties jointly contribute capital to establish a company, and the capital contribution of the Company falls within the approval scope of the general meeting under Paragraph (III) of Article 27, in which case all contributors make all capital contributions in cash and the proportion of equity in the established company held by each party is determined based on the proportion of their respective capital contribution, the Company may be exempted from the requirements of the submission to the general meeting for consideration and approval.</u></b></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 26 Where the subject of the transaction is the equity of the Company, the Company shall engage certified public accountants qualified to perform securities and futures businesses to audit the financial accounting report for the latest year and period relating to the subject of the transaction, and the interval between the closing date of audit and the date of the general meeting to consider such transaction shall not exceed 6 months. Where the subject of the transaction is assets other than the equity of the Company, the Company shall engage an asset valuation agency qualified to perform securities and futures businesses to conduct a valuation, and the interval between the valuation base date and the date of entering into the agreement shall not exceed one year. The related party transactions conducted between the Company and related parties in the ordinary course of business shall follow the corresponding consideration procedures in accordance with the following provisions:</p> <p>(I) For an ordinary related transaction conducted for the first time, the Company shall enter into a written agreement with the related party, and submit the transaction amount involved in the agreement that is applicable to the provisions of Article 26 to the Board or the general meeting for consideration and approval (if necessary).</p>	<p><b><u>Where a related party transaction of the Company does not fall within the approval scope of the general meeting under Paragraph (III) of Article 27, but is subject to the principle of prudence of the CSRC and the Shanghai Stock Exchange, the requirements of the Articles of Association or other regulations, or the voluntary submission to the general meeting for consideration, the Company shall fulfil the consideration procedures and information disclosure obligations set out in the preceding paragraph and be subject to relevant audit or valuation requirements.</u></b></p> <p><del>Article 26</del>—Where the subject of the transaction is the equity of the Company, the Company shall engage certified public accountants qualified to perform securities and futures businesses to audit the financial accounting report for the latest year and period relating to the subject of the transaction, and the interval between the closing date of audit and the date of the general meeting to consider such transaction shall not exceed 6 months. Where the subject of the transaction is assets other than the equity of the Company, the Company shall engage an asset valuation agency qualified to perform securities and futures businesses to conduct a valuation, and the interval between the valuation base date and the date of entering into the agreement shall not exceed one year.</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>(II) For an ordinary related transaction agreement which is considered and approved by the Board or the general meeting and is being performed, if there are material changes in the principal terms of the agreement during the execution or the agreement needs to be renewed upon expiration, the Company shall amend or renew the ordinary related transaction agreement, and submit the transaction amount involved in the agreement that is applicable to the provisions of Article 26 to the Board or the general meeting for consideration and approval (if necessary). For an ordinary continuing related transaction agreement relating to a large number of ordinary related transactions each year, if it is difficult to submit each agreement to the Board or the general meeting for consideration and approval due to the frequent conclusion of agreements, the Company shall enter into a related party transaction framework agreement with each counterparty in accordance with the Hong Kong Listing Rules and the provisions of Article 16 and Article 17 herein, and set an annual cap for the transaction amount. Such framework agreement and annual cap be submitted to the Board or the general meeting for consideration and approval under Article 26 of the Rules. Where the amount of an ordinary related transaction exceeds the estimated annual cap, the Company shall re-comply with the reporting, announcement or independent shareholders' approval requirements under the Hong Kong Listing Rules based on the excess amount that is applicable to Article 26.</p>	<p><b>Article 29</b> The related party transactions conducted between the Company and related parties in the ordinary course of business shall follow the corresponding consideration procedures in accordance with the following provisions:</p> <p>(I) For an ordinary related transaction conducted for the first time, the Company shall enter into a written agreement with the related party, and submit the transaction amount involved in the agreement that is applicable to the provisions of Article <del>26</del><b>27</b> to the Board or the general meeting for consideration and approval (if necessary). <b><u>Where there is no specific transaction amount in the agreement, it shall be submitted to the general meeting for consideration and approval.</u></b></p> <p>(II) For an ordinary related transaction agreement which is considered and approved by the Board or the general meeting and is being performed, <b><u>if there is no significant change in the principal terms during the execution, the Company shall disclose the actual performance of each agreement in the annual and interim reports as required, and state whether it conforms to the provisions of the agreement.</u></b> If there are material changes in the principal terms of the agreement during the execution or the agreement needs to be renewed upon expiration, the Company shall amend or renew the ordinary related transaction agreement, and submit the transaction amount involved in the agreement that is applicable to the provisions of Article <del>26</del><b>27</b> to the Board or the general meeting for consideration and approval (if necessary);</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
	<p><u>(III) The Company may reasonably estimate the amount of ordinary related transactions for the current year by category, and fulfil the consideration procedures and information disclosure obligations. If the actual amount exceeds the estimated amount, the Company shall re-comply with the consideration procedures and information disclosure obligations based on the excess amount;</u></p> <p><u>(IV) The Company shall disclose the actual performance of ordinary related transactions by category in the annual and interim reports;</u></p> <p><u>(V) For an ordinary continuing related transaction agreement relating to a large number of ordinary related transactions each year, if it is difficult to submit each agreement to the Board or the general meeting for consideration and approval due to the frequent conclusion of agreements, the Company shall enter into a related party transaction framework agreement with each counterparty in accordance with the Hong Kong Listing Rules and the provisions of Article <del>16</del><u>18</u> and Article <del>17</del><u>19</u> herein, and set an annual cap for the transaction amount. Such framework agreement and annual cap be submitted to the Board or the general meeting for consideration and approval under Article <del>26</del><u>27</u> of the Rules. Where the amount of an ordinary related transaction exceeds the estimated annual cap, the Company shall re-comply with the reporting, announcement or independent shareholders' approval requirements under the Hong Kong Listing Rules based on the excess amount that is applicable to Article <del>26</del><u>27</u>.</u></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 27 The agreements for related party transactions involved in the usual course of business of the Company shall at least include main clauses such as clauses on the transaction price, the principle and basis of pricing, the total number the transactions or its method of determination, the payment date and payment terms. Subject to the satisfaction of the requirements under the Hong Kong Listing Rules and the SSE Listing Rules, if the duration of the agreement of such related party transaction between the Company and the related parties is more than three years, the relevant review procedures and disclosure obligations shall be fulfilled every three years in accordance with Article 29 herein.</p>	<p><b>Article 30</b> The agreements for related party transactions involved in the usual course of business of the Company shall at least include main clauses such as clauses on the transaction price, the principle and basis of pricing, the total number the transactions or its method of determination, the payment date and payment terms. Subject to the satisfaction of the requirements under the Hong Kong Listing Rules and the SSE Listing Rules, if the duration of the agreement of such related party transaction between the Company and the related parties is more than three years, the relevant review procedures and disclosure obligations shall be fulfilled every three years in accordance with <del>Article 29 herein</del> <b>relevant requirements</b>.</p>
<p>Article 28 For the related party transactions which the Company enters into with different related parties for 12 consecutive months on the same subject matter, or entered into with the same related parties, the cumulative transaction amounts shall be calculated and submitted to the Board or the general meeting for approval in accordance with Article 26 herein, and disclosed in accordance with Articles 28 and 34. The same related party includes parties which are under the same direct or indirect control by a legal person, other organizations or natural persons as the related party, or parties with mutual equity holding relationships. The same related party also includes legal persons or other organizations where the same related natural person serves as a director or a senior management member.</p>	<p><b>Article 31</b> For the related party transactions which the Company enters into with different related parties for 12 consecutive months on <del>the same subject matter</del> <b>subject matters under the same transaction category</b>, or entered into with the same related parties, the cumulative transaction amounts shall be calculated and submitted to the Board or the general meeting for approval in accordance with Article 26<del>7</del> herein, and disclosed in accordance with <del>Articles 28 and 34</del> <b>relevant requirements</b>. The same related party includes parties which are under the same direct or indirect control by a legal person, other organizations or natural persons as the related party, or parties with mutual equity holding relationships. The same related party also includes legal persons or other organizations where the same related natural person serves as a director or a senior management member.</p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 29 Any provision of guarantee by the Company to its related persons, regardless of its value, is subject to consideration by general meeting after being considered and passed by the Board.</p>	<p><b>Article 32</b> Any provision of guarantee by the Company to its related persons, regardless of its value, is subject to consideration by general meeting after being considered and passed by the Board.</p> <p><u>Where the Company provides guarantee to related persons, 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 general meeting for consideration. Where a guarantee is provided by the Company to the controlling shareholder, actual controller and its connected parties, such controlling shareholder, actual controller and connected parties shall provide counter guarantee.</u></p> <p><u>If the guaranteed party becomes a related person of the Company due to a transaction or related party transaction, the Company shall perform the corresponding review procedures and information disclosure obligations for the existing related guarantee while executing such transaction or related party transaction.</u></p> <p><u>If the related guarantee specified in the preceding paragraph fails to be approved at the Board meeting or the general meeting, the parties to the transaction shall take effective measures such as early termination of the guarantee.</u></p> <p><u>If the Company provides guarantee for a shareholder who holds less than 5% of the Company's shares, it shall be subject to the requirements as prescribed in the preceding paragraph, and such shareholder shall not vote at the general meeting.</u></p>



Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
Added	<p><b><u>Article 33 The Company shall not provide financial assistance to the related persons specified in Article 6 and Article 7 of these Rules, except for financial assistance provided to an affiliated joint-stock company not controlled by the controlling shareholders and actual controllers of the Company whose other shareholders will provide financial assistance on the same conditions in proportion to their capital contributions.</u></b></p> <p><b><u>Where the Company provides financial assistance to the affiliated joint-stock company specified in 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 general meeting for consideration.</u></b></p>
Added	<p><b><u>Article 34 For a joint venture set up by the Company and related persons, the Company's capital contribution shall be taken as the transaction value, and the provisions of Article 27 of these Rules shall apply.</u></b></p>
Added	<p><b><u>Article 35 If there is a related party transaction between the Company and its related parties due to the waiver of rights, in accordance with the standards stipulated in Rule 6.1.14 of the SSE Listing Rules, the provisions of Articles 27 of these Rules shall apply.</u></b></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
Added	<p><u>Article 36 If the relevant arrangement of the transaction between the Company and its related party involves a conditionally determined amount such as consideration that may be paid or received in the future, the estimated maximum amount shall be the transaction amount, and the provisions of Articles 27 of these Rules shall apply.</u></p>
Added	<p><u>Article 37 For entrusted wealth management between the Company and its related parties, if it is difficult to perform the review procedures and disclosure obligations for each investment transaction due to the frequency of transactions and time-limitation requirements, the investment scope, investment quota and period may be reasonably estimated and, using the quota as the basis of calculation, the provisions of Articles 27 of these Rules shall apply.</u></p> <p><u>The period for using the relevant quota shall not exceed 12 months, and the transaction amount at any point of time in the period (including the relevant amount for reinvestment of the aforementioned investment gains) shall not exceed the investment quota.</u></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 30 If the Company provides guarantee for a shareholder who holds less than 5% of the Company's shares, it shall be subject to the requirements as prescribed in the preceding paragraph, and such shareholder shall not vote at the general meeting. The Company shall take effective measures to prevent shareholders and their related parties from occupying or transferring the Company's funds, assets and other resources in various manners. The Company shall not directly or indirectly provide funds to the controlling shareholder and other related persons for use in the following ways:</p> <p>(I) Lending the Company's funds to the controlling shareholder and other related persons with or without consideration;</p> <p>(II) Providing entrusted loans to related persons through banks or non-banking financial institutions;</p> <p>(III) Entrusting the controlling shareholder and other related persons to carry out investment activities;</p> <p>(IV) Issuing commercial acceptance bills without real transaction background to the controlling shareholder and other related persons;</p> <p>(V) Repaying debts on behalf of the controlling shareholder and other related persons;</p> <p>(VI) Other means recognized by the regulatory authorities at the place where the Company is listed.</p>	<p><del>Article 38</del> If the Company provides guarantee for a shareholder who holds less than 5% of the Company's shares, it shall be subject to the requirements as prescribed in the preceding paragraph, and such shareholder shall not vote at the general meeting. The Company shall take effective measures to prevent shareholders and their related parties from occupying or transferring the Company's funds, assets and other resources in various manners. The Company shall not directly or indirectly provide funds to the controlling shareholder and other related persons for use in the following ways:</p> <p><del>(I) Lending the Company's funds to the controlling shareholder and other related persons with or without consideration;</del></p> <p><del>(II) Providing entrusted loans to related persons through banks or non-banking financial institutions;</del></p> <p><del>(III) Entrusting the controlling shareholder and other related persons to carry out investment activities;</del></p> <p><del>(IV) Issuing commercial acceptance bills without real transaction background to the controlling shareholder and other related persons;</del></p> <p><del>(V) Repaying debts on behalf of the controlling shareholder and other related persons;</del></p> <p><del>(VI) Other means recognized by the regulatory authorities at the place where the Company is listed.</del></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
	<p><u>(I) Paying salaries, benefits, insurance and advertisement in advance for controlling shareholders, actual controller and other related parties and undertaking any cost and other outgoings;</u></p> <p><u>(II) Lending the Company's funds (including entrusted loans) to the controlling shareholders, actual controllers and other related persons with or without compensation, except when the other shareholders of the Company's joint-stock companies provide funds in the same proportion. The aforementioned "joint-stock companies" do not include companies controlled by the controlling shareholders or actual controllers;</u></p> <p><u>(III) Entrusting controlling shareholders, actual controllers and other related persons to carry out investments;</u></p> <p><u>(IV) Issuing commercial acceptance notes without real transactions background for controlling shareholders, actual controllers and other related persons, and providing funds in the form of purchase payment, payment for asset transfer, prepayment, etc. in the absence of consideration for goods and services or when it is obviously contrary to business logic;</u></p> <p><u>(V) Repaying debts for controlling shareholders, actual controllers and other related persons;</u></p> <p><u>(VI) other means as identified by the CSRC.</u></p>

Existing Terms of the Rules for the Management of the Related Party Transactions of the Company	Proposed Amendments to the Rules for the Management of the Related Party Transactions of the Company
<p>Article 31 Under the Hong Kong Listing Rules as amended from time to time, connected transactions shall be disclosed in accordance with the existing Hong Kong Listing Rules, except for those having total exemption (exempt from obligations of reporting, announcement and independent shareholder's approval) below:</p> <p>when each ratio stated in Article 26 is (1) lower than 0.1%, or (2) lower than 1% and when relevant transactions become related party transactions only because the related persons is related to one of more subsidiaries of the Company, or (3) lower than 5% and the consideration of transactions is lower than HK\$3,000,000 each year.</p> <p>Pursuant to the SSE Listing Rules, related party transactions between the Company and related natural persons with an amount over RMB300,000 (except where the Company provides a guarantee) shall be disclosed in a timely manner. The Company shall not provide loans directly or indirectly to directors, supervisors or senior management members. Related party transactions between the Company and related legal persons with an amount over RMB3 million and higher than 0.5% of the latest audited net assets of the Company (except where the Company provides a guarantee) shall be disclosed in a timely manner.</p>	<p><b>Article 39</b> Under the Hong Kong Listing Rules as amended from time to time, connected transactions shall be disclosed in accordance with the existing Hong Kong Listing Rules, except for those having total exemption (exempt from obligations of reporting, announcement and independent shareholder's approval) below:</p> <p>when each ratio stated in Article 26 is (1) lower than 0.1%, or (2) lower than 1% and when relevant transactions become related party transactions only because the related persons is related to one of more subsidiaries of the Company, or (3) lower than 5% and the consideration of transactions is lower than HK\$3,000,000 each year.</p> <p>Pursuant to the SSE Listing Rules, related party transactions between the Company and related natural persons with an amount over RMB300,000 (except where the Company provides a guarantee) shall be disclosed in a timely manner. The Company shall not provide loans directly or indirectly to directors, supervisors or senior management members. Related party transactions between the Company and related legal persons with an amount over RMB3 million and higher than 0.5% of the latest audited net assets of the Company (except where the Company provides a guarantee) shall be disclosed in a timely manner. <b><u>For related party transactions of the Company, which do not meet the aforementioned criteria, but are submitted to the shareholders' meeting for consideration as required by the CSRC and the Shanghai Stock Exchange in accordance with the principle of prudence, or as required by the Articles of Association or other regulations, or on a voluntary basis, the disclosure obligations shall be performed in accordance with the regulations as prescribed in the preceding paragraph. If the guaranteed party became a related party of the Company due to a transaction or related party transaction, the Company shall perform the corresponding disclosure obligations for the existing related party guarantee while executing such transaction or related party transaction.</u></b></p>

COMPARATIVE VERSION OF THE RULES FOR THE MANAGEMENT OF  
THE PROCEEDS RAISED

Existing Articles	Proposed Amendments
<p>Article 1 In order to strengthen and regulate the use and management of proceeds raised by Red Star Macalline Group Corporation Ltd. (the “Company”), and improve the efficiency and effectiveness of the use of proceeds, the <i>Rules for the Management of Proceeds of Fund</i> (the “Rules”) are formulated according to the relevant laws, regulations and regulatory documents, such as the Company Law of the PRC, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), Provisions on the Report on the Use of Previously Raised Capital, and Regulatory Guidelines for Listed Companies No.2 – Regulatory Requirements for the Management and Use of Proceeds Raised by Listed Companies, and the Articles of Association of Red Star Macalline Group Corporation Ltd. (hereinafter referred to as “Articles of Association”) in consideration of the Company’s actual condition.</p>	<p>Article 1 In order to strengthen and regulate the use and management of proceeds raised by Red Star Macalline Group Corporation Ltd. (the “Company”), and improve the efficiency and effectiveness of the use of proceeds, the <i>Rules for the Management of Proceeds of Fund</i> (the “Rules”) are formulated according to the relevant laws, regulations and regulatory documents, such as the Company Law of the PRC, <b><u>Rules Governing the Listing of Securities on the Shanghai Stock Exchange (the “SSE Listing Rules”)</u></b>, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), <del>Provisions on the Report on the Use of Previously Raised Capital, and</del><b><u>Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 – Standardized Operation (the “Guidelines for the Application of Regulatory Rules – Issue No. 7,</u></b> and Regulatory Guidelines for Listed Companies No.2 – Regulatory Requirements for the Management and Use of Proceeds Raised by Listed Companies, and the Articles of Association of Red Star Macalline Group Corporation Ltd. (hereinafter referred to as “Articles of Association”) in consideration of the Company’s actual condition.</p>

Existing Articles	Proposed Amendments
<p>Article 2 The proceeds refer to the funds raised from investors by our Company in the stock exchange where the Company’s shares are listed (the “Stock Exchange”) by the public issue of securities (including initial public offering of shares, allotment of shares, additional issue of shares, issuing convertible corporate bonds, etc.) and non-public offering of securities to investors.</p>	<p>Article 2 The proceeds refer to the funds raised from investors <b><u>for specific use</u></b> by our Company in the stock exchange where the Company’s shares are listed (the “Stock Exchange”) by the public issue of securities (including initial public offering of shares, allotment of shares, additional issue of shares, issuing convertible corporate bonds, etc.) and non-public offering of securities to investors.</p> <p><b><u>The excess fund refer to the excess of the actual net proceeds over the amount of proceeds planned to be raised.</u></b></p>
<p>Added</p>	<p><b><u>Article 3 The proceeds shall be carefully used by the Company to ensure consistency with the use as committed in the application documents for issuance. Investment direction of the proceeds shall not be changed arbitrarily.</u></b></p> <p><b><u>The Company shall make true, accurate and complete disclosure of the actual use of the proceeds. In case of any situation having a serious impact on the normal operation of the proceeds investment plan, the Company shall make a relevant announcement in a timely manner.</u></b></p> <p><b><u>As to the Investment Project implemented through the listed company’s subsidiaries or other entities controlled by the listed company, the Company shall ensure compliance with the Rules by such subsidiaries or such other entities controlled by it.</u></b></p>

Existing Articles	Proposed Amendments
Added	<p data-bbox="810 278 1356 512"><u>Article 5 The accounting department of the listed company shall set up a ledger for the use of proceeds, and record in detail the expenditure of proceeds and the investment in the proceeds-financed projects.</u></p> <p data-bbox="810 561 1356 751"><u>The internal audit department of the Company shall inspect the deposit and use of proceeds at least once every six months, and report the results of inspection to the audit committee in a timely manner.</u></p> <p data-bbox="810 800 1356 1310"><u>If the audit committee of the Company is of the view that there are non-compliance or material risks in the management of the proceeds by the Company, or the internal audit department has not submitted a report on the results of inspection in accordance with the provisions of the preceding paragraph, it shall report to the Board in a timely manner. The Board shall, after receiving the report, report to the stock exchanges and make an announcement in a timely manner.</u></p>



Existing Articles	Proposed Amendments
<p>Article 7 Proceeds shall be deposited in special account (hereinafter referred to as “special account”) opened by banks and/or financial institutions with business qualifications as determined by the Board for centralized management. In principle, the number of special accounts for the proceeds (including special accounts set up by subsidiaries of the Company or other enterprises controlled by the Company) shall not exceed the number of Investment Projects. The Special Account for Proceeds shall not be used for depositing non-issuance proceeds or for other purposes.</p>	<p><del>Article 9 Proceeds shall be deposited in special account (hereinafter referred to as “special account”) established by banks and/or financial institutions with business qualifications as determined by the Board for centralized management. In principle, the number of special accounts for the proceeds (including special accounts set up by subsidiaries of the Company or other enterprises controlled by the Company) shall not exceed the number of Investment Projects. The Special Account for Proceeds shall not be used for depositing non-issuance proceeds or for other purposes.</del></p> <p><b><u>The Company shall prudently select a commercial bank and open a special account for proceeds (hereinafter referred to as “special account”). Proceeds shall be deposited in a special account opened as determined by the Board for centralized management, the Special Account shall not be used for depositing funds other than the proceeds or for other purposes.</u></b></p> <p><b><u>If the Company has undertaken two or more fund raising activities, it shall open a special account for proceeds separately for each activity. The excess fund shall also be deposited in the special account for proceeds for management.</u></b></p>

Existing Articles	Proposed Amendments
<p>Article 8 The Company shall sign the three-party supervision agreement for deposit into the special account of proceeds with the sponsors and the commercial bank in which the proceeds are deposited (the “Commercial Bank”) within one month after the proceeds are transferred to the account. The agreement shall at least include the following contents:</p> <p>(1) The Company shall deposit all proceeds into the special account;</p> <p>(2) The Commercial Bank shall provide the Company a bank statement of the special account on a monthly basis and make a copy for the sponsors;</p> <p>(3) If the Company withdraws more than RMB50 million at one time or in aggregate within 12 months from the special account for deposit of proceeds, and the amount reaches 20% of net proceeds deducting the issuing expense from the total proceeds (the “Net Proceeds”), the Company shall promptly notify the sponsors;</p> <p>(4) The sponsors may visit the commercial bank for access of the information related to the special account for deposit of proceeds any time;</p> <p>(5) Liability for breach of contract of the Company, the Commercial Bank and the sponsors.</p>	<p><b>Article 10</b> The Company shall sign the three-party supervision agreement for deposit into the special account of proceeds with the sponsors <b><u>or independent financial advisers</u></b> and the commercial bank in which the proceeds are deposited (the “Commercial Bank”) within one month after the proceeds are transferred to the account. The agreement shall at least include the following contents:</p> <p>(1) The Company shall deposit all proceeds into the special account;</p> <p><b><u>(2) Account number of the special account, the projects funded by the proceeds related to the special account and the amount deposited;</u></b></p> <p>(3) The Commercial Bank shall provide the Company a bank statement of the special account on a monthly basis and make a copy for the sponsors <b><u>or independent financial advisers;</u></b></p> <p>(4) If the Company withdraws more than RMB50 million at one time or in aggregate within 12 months from the special account for deposit of proceeds, and the amount reaches 20% of net proceeds deducting the issuing expense from the total proceeds (the “Net Proceeds”), the Company shall promptly notify the sponsors <b><u>or independent financial advisers;</u></b></p> <p>(5) The sponsors <b><u>or independent financial advisers</u></b> may visit the commercial bank for access of the information related to the special account for deposit of proceeds any time;</p>

Existing Articles	Proposed Amendments
<p>The Company shall report to the Stock Exchange for filing and announcement within two trading days after the execution of the abovementioned agreement.</p> <p>If the agreement is terminated before the expiry date due to changes of the sponsors or the Commercial Bank, the Company shall sign a new agreement with relevant parties within two weeks from the date of termination of the agreement, and report to the Stock Exchange for filing and announcement within two trading days after the execution of the new agreement.</p>	<p><b><u>(6) The supervision duties of the sponsors or independent financial advisers, the notification and cooperation duties of the Commercial Bank, the supervision method of the sponsors or independent financial advisers and the Commercial Bank on the use of the proceeds of the Company;</u></b></p> <p>(7) Liability for breach of contract of the Company, the Commercial Bank and the sponsors <b><u>or independent financial advisers.</u></b></p> <p><b><u>(8) In case of the Commercial Bank's failure, for three times, to timely provide reconciliation statements to the sponsors or independent financial advisers, and failure to meet the sponsors' or independent financial advisers' request to inquire and investigate into information on the special account, the Company may terminate the agreement and cancel such special account for deposit of proceeds.</u></b></p> <p><del>The Company shall report to the Stock Exchange for filing and announcement within two trading days after the execution of the abovementioned agreement.</del></p> <p><b><u>If the agreement is terminated before the expiry date, the Company shall sign a new agreement with relevant parties within two weeks from the date of termination of the agreement, and promptly make an announcement.</u></b></p> <p><del>If the agreement is terminated before the expiry date due to changes of the sponsors or the Commercial Bank, the Company shall sign a new agreement with relevant parties within two weeks from the date of termination of the agreement, and report to the Stock Exchange for filing and announcement within two trading days after the execution of the new agreement.</del></p>

Existing Articles	Proposed Amendments
<p>Article 9 If the sponsors find that the Company and the Commercial Bank have not performed the three-party supervision agreement for deposit of proceeds in the special account in accordance with the agreement, the sponsors shall promptly report to the Stock Exchange in writing upon knowledge of the relevant facts.</p>	<p><b>Article 11</b> If the sponsors <b><u>or independent financial advisers</u></b> find that the Company and the Commercial Bank have not performed the three-party supervision agreement for deposit of proceeds in the special account in accordance with the agreement, the sponsors <b><u>or independent financial advisers</u></b> shall promptly report to the Stock Exchange in writing upon knowledge of the relevant facts.</p>
<p>Article 12 If any of the following situations occurs for any Investment Project, the Company shall re-assess the feasibility and expected return, etc. of the Investment Project to determine whether the implementation of the Investment Project should proceed, and disclose the progress of the project and the reasons for the abnormalities and the adjusted Investment Project (if any) in the latest periodic report:</p> <p>(1) Significant changes in the market environment relating to the Investment Project;</p> <p>(2) The suspension of the Investment Project has been for over 1 year;</p> <p>(3) The time of completion for the investment plan of proceeds has elapsed and the investment amount has not reached 50% of relevant expected amount;</p> <p>(4) Occurrence of other abnormalities for the Investment Project.</p>	<p><b>Article 14</b> If <b><u>one</u></b> of the following situations occurs for any Investment Project, the Company shall re-assess the feasibility and expected return, etc. of the Investment Project to determine whether the implementation of the Investment Project should proceed, and disclose the progress of the project and the reasons for the abnormalities and <b><u>if adjustments required, the adjusted investment plan of proceeds</u></b> <del>adjusted Investment Project (if any)</del> in the latest periodic report.</p> <p>(1) Significant changes in the market environment relating to the Investment Project;</p> <p>(2) The suspension of the Investment Project has been for over 1 year;</p> <p>(3) The time of completion for the investment plan of proceeds has elapsed and the investment amount has not reached 50% of relevant expected amount;</p> <p>(4) Occurrence of other abnormalities for the Investment Project.</p>

Existing Articles	Proposed Amendments
<p>Added</p>	<p><b><u>Article 16</u></b> <b><u>When the Company uses the proceeds for the following purposes, the usage shall be considered and approved by the Board, and the supervisory committee, and the sponsors or independent financial advisers shall give an explicit consent:</u></b></p> <p><b><u>(1) Using proceeds to replace self-raised funds invested in advance for the Investment Project;</u></b></p> <p><b><u>(2) Using Temporarily idle proceeds for cash management;</u></b></p> <p><b><u>(3) Using Temporarily idle proceeds for temporary replenishment of liquidity;</u></b></p> <p><b><u>(4) The change of the use of the proceeds;</u></b></p> <p><b><u>(5) Using excess fund for projects under construction and new projects;</u></b></p> <p><b><u>The changes in the use of proceeds by the Company shall also be considered and approved by the general meeting;</u></b></p> <p><b><u>Where any connected transaction, asset acquisition or external investment is involved, the review procedure and disclosure obligation shall be performed in accordance with the SSE Listing Rules.</u></b></p>
<p>Article 14 If the Company invests its self-raised funds in Investment Projects in advance, it may replace the self-raised funds with proceeds within six months after the proceeds are transferred to the account.</p> <p>The replacement shall be reviewed and approved by the Board, with an assurance report issued by an accounting firm and published with the express consent from the independent directors, the board of supervisors and the sponsors. The Company shall report to the Stock Exchange for filing and announcement within two trading days after the Board meeting.</p>	<p><b><u>Article 17</u></b> <b><u>If the Company invests its self-raised funds in Investment Projects in advance, it may replace the self-raised funds with proceeds within six months after the proceeds are transferred to the account <u>with an assurance report issued by an accounting firm.</u></u></b></p> <p><del>The replacement shall be reviewed and approved by the Board, with an assurance report issued by an accounting firm and published with the express consent from the independent directors, the board of supervisors and the sponsors. The Company shall report to the Stock Exchange for filing and announcement within two trading days after the Board meeting.</del></p>

Existing Articles	Proposed Amendments
<p>Article 15 Temporarily idle proceeds of the Company can be used for cash management and the products invested in must comply with the following conditions:</p> <p>(1) a high degree of safety, and can meet the protection requirements of the principal, with undertaking by the product issuer;</p> <p>(2) good liquidity and shall not affect the normal implementation of the Investment Projects.</p> <p>The investment products shall not be pledged and the funds other than the proceeds raised shall not be deposited in the special settlement account for the investment products (if applicable) and the account shall not be used for other purposes. The Company shall report to the Stock Exchange for filing and announcement within two trading days for the opening and closing of the special settlement account for such investment products.</p>	<p><b>Article 18</b> Temporarily idle proceeds of the Company can be used for cash management and <b><u>the period of the products invested shall not be longer than the authorized use period of internal resolutions, and shall not exceed 12 months.</u></b> <del>T</del>the products invested in must comply with the following conditions:</p> <p><del>(1) a high degree of safety, and can meet the protection requirements of the principal, with undertaking by the product issuer</del> <b><u>structured deposit, certificates of large amount deposit and high-security capital-guaranteed products;</u></b></p> <p>(2) <b><u>a high degree of safety,</u></b> good liquidity and shall not affect the normal implementation of the Investment Projects.</p> <p>The investment products shall not be pledged and the funds other than the proceeds raised shall not be deposited in the special settlement account for the investment products (if applicable) and the account shall not be used for other purposes. The Company shall <del>report to the Stock Exchange for filing and</del> <b><u>make an announcement in a timely manner</u></b> <del>within two trading days</del> for the opening and closing of the special settlement account for such investment products.</p> <p><b><u>Only after the due funds of the above-mentioned investment products are returned to the special account of proceeds on schedule and make an announcement, can the Company carry out cash management again within the authorized period and amount.</u></b></p>

Existing Articles	Proposed Amendments
<p>Article 16 The use of idle proceeds in investment products shall be reviewed and approved by the Board with express consent from the independent directors, the Supervisory Committee and the sponsors.</p> <p>The Company shall announce the following contents within two trading days after the Board meeting:</p> <p>(1) Basic information of the fund raising, including the time, amount of proceeds raised, Net Proceeds and investment plans;</p> <p>(2) Status of the use of proceeds;</p> <p>(3) The limits of the idle proceeds that can be used to invest in products and the duration within which such proceeds can be used for this purpose; and if there are any behaviors that may change the purposes of the use of proceeds in a disguised form; and measures for ensuring the normal implementation of the projects funded by the proceeds;</p> <p>(4) Methods of profit distribution, scope of investment and safety of investing in the investment products;</p> <p>(5) Opinions of the independent directors, the Supervisory Committee and the sponsors.</p>	<p><b>Article 19</b> The use of idle proceeds in investment products shall be reviewed and approved by the Board with express consent from <del>independent directors</del>; the Supervisory Committee, <del>and</del> the sponsors <u>or independent financial advisers</u>.</p> <p>The Company shall announce the following contents within two trading days after the Board meeting:</p> <p>(1) Basic information of the fund raising, including the time, amount of proceeds raised, Net Proceeds and investment plans;</p> <p>(2) Status of the use of proceeds;</p> <p>(3) The limits of the idle proceeds that can be used to invest in products and the duration within which such proceeds can be used for this purpose; and if there are any behaviors that may change the purposes of the use of proceeds in a disguised form; and measures for ensuring the normal implementation of the projects funded by the proceeds;</p> <p>(4) Methods of profit distribution, scope of investment and safety of investing in the investment products;</p> <p>(5) Opinions of <del>independent directors</del>; the Supervisory Committee, <del>and</del> the sponsors <u>or independent financial advisers</u>.</p> <p><u>The Company shall make an announcement of risk reminder timely and indicate the risk control measures adopted by the Company to guarantee the safety of the funds in the event of material risks, such as if financial conditions of the issuer have deteriorated and product invested has suffered losses.</u></p>

Existing Articles	Proposed Amendments
<p>Article 17 The following requirements shall be satisfied if the Company temporarily replenishes working capital with idle proceeds:</p> <p>(1) The purposes of proceeds shall not be changed in disguise and the normal implementation of the Investment Projects shall not be affected;</p> <p>(2) It is confined to the production and operation relating to the main business, and shall not be used directly or indirectly for issuing or placing new shares, subscription of shares, trading shares and its derivatives, convertible bonds, and other transactions;</p> <p>(3) The period for a single amount of working capital replenishment shall not be more than 12 months;</p> <p>(4) The previous proceeds used for replenishing the working capital temporarily that are due have been repaid (if applicable).</p> <p>The temporary replenishment of working capital with idle proceeds shall be considered and approved by the Board, and with express consent from the independent directors, the board of supervisors and the sponsors. The Company shall report to the Stock Exchange and make an announcement within two trading days after the Board meeting.</p>	<p><b>Article 20</b> The following requirements shall be satisfied if the Company temporarily replenishes working capital with idle proceeds:</p> <p>(1) The purposes of proceeds shall not be changed in disguise and the normal implementation of the Investment Projects shall not be affected;</p> <p>(2) It is confined to the production and operation relating to the main business, and shall not be used directly or indirectly for issuing or placing new shares, subscription of shares, trading shares and its derivatives, convertible bonds, and other transactions;</p> <p>(3) The period for a single amount of working capital replenishment shall not be more than 12 months;</p> <p>(4) The previous proceeds used for replenishing the working capital temporarily that are due have been repaid (if applicable).</p> <p><del>The temporary replenishment of working capital with idle proceeds shall be considered and approved by the Board, and with express consent from the independent directors, the board of supervisors and the sponsors. The Company shall report to the Stock Exchange and make an announcement within two trading days after the Board meeting.</del></p>



Existing Articles	Proposed Amendments
<p>The Company shall return partial funds to the special account for deposit of proceeds before the due date for the working capital replenished, and shall report to the Stock Exchange and make an announcement within two trading days after full repayment of the capital.</p>	<p><del>The Company shall return partial funds to the special account for deposit of proceeds before the due date for the working capital replenished, and shall report to the Stock Exchange and make an announcement within two trading days after full repayment of the capital.</del></p> <p><b><u>The Company shall return partial funds to the special account for deposit of proceeds before the due date for the working capital replenished, and make an announcement after full repayment of the capital.</u></b></p>
<p>Article 18 Any actual net proceeds in excess of the planned amount (the “Excess Fund”) can be used to permanently replenish working capital or repay bank loans. However, the accumulative use shall not exceed 30% of the Excess Fund in every 12 months, and the Company shall undertake that high-risk investments and financial assistance to other parties will not be made within 12 months after the replenishment of working capital.</p>	<p><b><u>Article 21</u></b> <del>The</del> Any actual net proceeds in excess of the planned amount (the “Excess Fund”) can be used to permanently replenish working capital or repay bank loans. However, the accumulative use shall not exceed 30% of the Excess Fund in every 12 months, and the Company shall undertake that high-risk investments and financial assistance to <del>other parties</del> <b><u>the parties other than controlling subsidiaries</u></b> will not be made within 12 months after the replenishment of working capital.</p>

Existing Articles	Proposed Amendments
<p>Article 19 The use of the Excess Fund to replenish working capital shall be considered and approved by the Board and the general meeting. Online voting shall be provided to shareholders. Express consent shall be given by independent directors, the board of supervisors, sponsors or independent financial advisers. The Company shall report to the Stock Exchange and make an announcement within two trading days after the Board meeting with details of the following:</p> <p>(1) Basic information of the fund raising, including the time, amount of proceeds raised, the Net Proceeds, the Excess Fund and investment plans;</p> <p>(2) Status of the use of proceeds;</p> <p>(3) Necessity for, and detailed plan of, using the Excess Fund for permanent replenishment of working capital or repayment of bank loans;</p> <p>(4) Undertaking to not make high-risk investments and providing financial assistance to other parties within 12 months after the replenishment of working capital;</p> <p>(5) Impact of using the Excess Fund for permanent replenishment of working capital or repayment of bank loans on the Company;</p> <p>(6) Opinions of independent directors, the board of supervisors, and sponsors.</p>	<p><b>Article 22</b> The use of the Excess Fund to replenish working capital shall be considered and approved by the Board and the general meeting. Online voting shall be provided to shareholders. Express consent shall be given by <del>independent directors</del>, the board of supervisors, <del>and</del> sponsors <b>or independent financial advisers</b>. The Company shall report to the Stock Exchange and make an announcement within two trading days after the Board meeting with details of the following:</p> <p>(1) Basic information of the fund raising, including the time, amount of proceeds raised, the Net Proceeds, the Excess Fund and investment plans;</p> <p>(2) Status of the use of proceeds;</p> <p>(3) Necessity for, and detailed plan of, using the Excess Fund for permanent replenishment of working capital or repayment of bank loans;</p> <p>(4) Undertaking to not make high-risk investments and providing financial assistance to other parties within 12 months after the replenishment of working capital;</p> <p>(5) Impact of using the Excess Fund for permanent replenishment of working capital or repayment of bank loans on the Company;</p> <p>(6) Opinions of <del>independent directors</del>, the board of supervisors, <del>and</del> sponsors.</p>

Existing Articles	Proposed Amendments
<p>Article 20 If the Company spends the Excess Fund on projects under development and new projects (including acquisition of assets), the funds shall be invested in the core business of the Company, and a feasibility analysis shall be scientifically and carefully conducted for such investment project in accordance with Articles 27 to Article 30 in the Rules, and disclosure shall be made in a timely manner.</p>	<p><b>Article 23</b> If the Company spends the Excess Fund on projects under development and new projects (including acquisition of assets), the funds shall be invested in the core business of the Company, and a feasibility analysis shall be scientifically and carefully conducted for such investment project <b><u>in accordance with the Guidelines for the Standardized Operation regarding changes to the use of proceeds,</u></b> <del>in accordance with Articles 27 to Article 30 in the Rules,</del> and disclosure shall be made in a timely manner.</p>

Existing Articles	Proposed Amendments
<p>Article 21 Upon completion of a single Investment Project, if the remaining proceeds (including interest income) for use in that Investment Project are used for other Investment Projects, consideration and approval from the Board and express consent from the independent directors, sponsors and the board of supervisors are required before the remaining proceeds can be used. The Company shall report to the Stock Exchange and make an announcement within two trading days after the Board meeting.</p> <p>If the remaining proceeds (including interest income) is less than RMB1 million, or less than 5% of the promised investment amount of the proceeds, the procedure in the preceding paragraph can be waived, and its progress of use should be disclosed in the annual report.</p> <p>For the use of the remaining proceeds (including interest income) of any single Investment Project for purposes other than the Investment Projects (including replenishing working capital), the corresponding procedural and disclosure obligations for the change of Investment Projects shall apply.</p>	<p><b>Article 24</b> Upon completion of a single Investment Project, if the remaining proceeds (including interest income) for use in that Investment Project are used for other Investment Projects, consideration and approval from the Board and express consent from <del>the independent directors,</del> sponsors and the board of supervisors are required before the remaining proceeds can be used. The Company shall report to the Stock Exchange and make an announcement within two trading days after the Board meeting.</p> <p><b><u>Upon completion of all of the Investment Projects, the remaining proceeds (including interest income) shall be used by the Company after the consideration and approval of the Board, with express consent from the sponsors and the board of supervisors. The Company shall make an announcement in a timely manner after the consideration of the Board. The remaining proceeds (including interest income) account for more than 10% of the Net Proceeds shall be considered and approved by the general meeting.</u></b></p> <p>If the remaining proceeds (including interest income) is less than RMB1 million, or less than 5% of the promised investment amount of the proceeds, the procedure in the preceding paragraph can be waived, and its progress of use should be disclosed in the annual report.</p> <p>For the use of the remaining proceeds (including interest income) of any single Investment Project for purposes other than the Investment Projects (including replenishing working capital), the corresponding procedural and disclosure obligations for the change of Investment Projects shall apply.</p>

Existing Articles	Proposed Amendments
	<u>If the remaining proceeds (including interest income) is less than RMB5 million, or less than 5% of the net proceeds, the procedure in the preceding paragraph can be waived, and its progress of use should be disclosed in the latest periodic report.</u>
Added	<u>Article 25 If the fund-raising project has not been completed beyond the original completion period, and is planned to postpone the implementation, the Company shall disclose the specific reasons for not completing it on schedule in a timely manner, explain the current deposit and account of the proceeds, whether there are any circumstances that affect the normal use plan of the proceeds, the expected completion time, and relevant measures to ensure the completion on schedule after the extension, and perform corresponding decision-making procedures for the postponed fund-raising project.</u>

Existing Articles	Proposed Amendments
<p>Article 27 The Company shall not alter the purpose of proceeds without adhering to the requirements of the laws and regulations, regulatory rules on listing of company shares and the Articles of Association of the Company. If it becomes necessary to alteration the purpose of the use of proceeds due to market changes, such purposes can be altered only when such alternation has been considered by the Board, approved by the general meeting in accordance with statutory procedures, with express consent from the independent directors, sponsors and the board of supervisors, approved by the relevant authorities (if necessary), and disclosed in accordance with Hong Kong Listing Rules and other regulatory requirements. Connected directors or shareholders shall not vote where such alteration involves connected transactions.</p> <p>Where changes are merely made to the implementation location of the Investment Project, the preceding procedures can be waived, but consideration and approval from the Board shall be obtained, and reported to the Stock Exchange within two trading days, with announcement regarding the reasons for the change and opinions of the sponsors.</p>	<p><b>Article 30</b> The Company shall not alter the purpose of proceeds without adhering to the requirements of the laws and regulations, regulatory rules on listing of company shares and the Articles of Association of the Company. If it becomes necessary to alteration the purpose of the use of proceeds due to market changes, such purposes can be altered only when such alternation has been considered by the Board, approved by the general meeting in accordance with statutory procedures, with express consent from the independent directors, sponsors and the board of supervisors, approved by the relevant authorities (if necessary), and disclosed in accordance with <b>SSE Listing Rules</b>, Hong Kong Listing Rules and other regulatory requirements. Connected directors or shareholders shall not vote where such alteration involves connected transactions.</p> <p><del>Where changes are merely made to the implementation location of the Investment Project, the preceding procedures can be waived, but consideration and approval from the Board shall be obtained, and reported to the Stock Exchange within two trading days, with announcement regarding the reasons for the change and opinions of the sponsors.</del></p>

Existing Articles	Proposed Amendments
Added	<p><b><u>Article 31 Any occurrence of the following events in the Company is deemed to be a change of the use of proceeds, which shall be considered and approved by the Board of Directors. In respect of such change, the Company shall make an announcement in a timely manner, and perform the procedures of approval at the general meeting:</u></b></p> <p><b><u>(1) Cancellation or termination of the original Investment Projects using raised funds and implementation of a new project;</u></b></p> <p><b><u>(2) Change of the subject of implementation of the Investment Projects using raised funds;</u></b></p> <p><b><u>(3) Change of the implementation methods of the Investment Projects using raised funds;</u></b></p> <p><b><u>(4) Any other situation deemed by the stock exchanges as a change of the use of proceeds.</u></b></p> <p><b><u>Changes in the implementation entity of the Investment Projects using raised funds between the listed company and the wholly-owned subsidiary, or only the change of the implementation location of the Investment Projects using raised funds, shall not be deemed as a change of the use of the proceeds, and may be exempted from the general meeting procedures, but shall be considered and approved by the Board of Directors. An announcement shall be made timely on the reasons for the change of the implementation entity or location as well as the opinions of the sponsor.</u></b></p>

Existing Articles	Proposed Amendments
<p>Article 29 The Board should scientifically and cautiously analyze the feasibility of the proposed new Investment Project after alteration so as to effectively prevent investment risks and improve efficiency of the use of proceeds.</p> <p>Disclosure regarding the changes in use of proceeds shall be made in a timely manner in accordance with the Articles of Association, the Company's Rule of Information Disclosure, the Hong Kong Listing Rules and other requirements of the securities regulators where the Company's shares are listed. The Company should report such change to the Stock Exchange within two trading days after approval by the Board, and make an announcement with details of the following:</p> <ol style="list-style-type: none"> <li>(1) The basic information of the original Investment Project and the specific reasons for the change;</li> <li>(2) Basic information, feasibility analysis and reminders of risks of the new Investment Project;</li> <li>(3) Investment plan of the new Investment Project;</li> <li>(4) Explanation of whether the new Investment Project has been approved by the relevant authorities (if applicable);</li> <li>(5) Opinions of the independent directors, the board of supervisors and sponsors in respect of the change of the Investment Project;</li> <li>(6) Explanation that the change of the Investment Project still requires approval at the general meeting;</li> <li>(7) Such other information as required by Stock Exchange.</li> </ol> <p>A new Investment Project that involves connected transactions, asset acquisition and foreign investments shall also be considered, approved and disclosed in accordance with the relevant requirements.</p>	<p><b>Article 33</b> The <del>Board</del> <b>Company</b> should scientifically and cautiously analyze the feasibility of the proposed new Investment Project after alteration <b>and ensure that the Investment Project has promising market prospects and profitability</b>, so as to effectively prevent investment risks and improve efficiency of the use of proceeds.</p> <p>Disclosure regarding the changes in use of proceeds shall be made in a timely manner in accordance with the Articles of Association, the Company's Rule of Information Disclosure, <b>SSE Listing Rules</b>, the Hong Kong Listing Rules and other requirements of the securities regulators where the Company's shares are listed. The Company should report such change to the Stock Exchange within two trading days after approval by the Board, and make an announcement with details of the following:</p> <ol style="list-style-type: none"> <li>(1) The basic information of the original Investment Project and the specific reasons for the change;</li> <li>(2) Basic information, feasibility analysis and reminders of risks of the new Investment Project;</li> <li>(3) Investment plan of the new Investment Project;</li> <li>(4) Explanation of whether the new Investment Project has been approved by the relevant authorities (if applicable);</li> <li>(5) Opinions of <del>the independent directors, the board of supervisors, and sponsors</del> <b>or independent financial advisers</b> in respect of the change of the Investment Project;</li> <li>(6) Explanation that the change of the Investment Project still requires approval at the general meeting;</li> <li>(7) Such other information as required by Stock Exchange.</li> </ol> <p>A new <b>Investment</b> Project that involves connected transactions, asset acquisition and foreign investments shall also be considered, approved and disclosed in accordance with the relevant requirements.</p>



Existing Articles	Proposed Amendments
<p>Article 31 Where an Investment Project is intended to be transferred to an external party or replaced (except for the ones that have been transferred to an external party or replaced in full during the Company's significant asset reorganization), the Company should report it to the Stock Exchange within two trading days after approval by the Board, and announce the following:</p> <p>(1) the specific reasons for the external transfer or replacement of the Investment Project;</p> <p>(2) the amount invested in the project from the proceeds;</p> <p>(3) the progress and realized profits of the project;</p> <p>(4) basic information, feasibility analysis and reminders of risks (if applicable) of the new project after replacement;</p> <p>(5) pricing basis and related profit of the transfer or replacement;</p> <p>(6) Opinions of independent directors, the board of supervisors and sponsors on the transfer or replacement of the Investment Project;</p> <p>(7) Explanation that the transfer or replacement of the Investment Project requires approval at the general meeting;</p> <p>(8) Other information required by the Stock Exchange.</p> <p>The Company should pay full attention to the receipt and use of the proceeds from the transfer, as well as the ownership changes and continuous operation of the newly-replaced assets, and perform the necessary obligations of information disclosure as required.</p>	<p><b>Article 35</b> Where an Investment Project is intended to be transferred to an external party or replaced (except for the ones that have been transferred to an external party or replaced in full during the Company's significant asset reorganization), the Company should report it to the Stock Exchange within two trading days after approval by the Board, and announce the following:</p> <p>(1) the specific reasons for the external transfer or replacement of the Investment Project;</p> <p>(2) the amount invested in the project from the proceeds;</p> <p>(3) the progress and realized profits of the project;</p> <p>(4) basic information, feasibility analysis and reminders of risks (if applicable) of the new project after replacement;</p> <p>(5) pricing basis and related profit of the transfer or replacement;</p> <p>(6) Opinions of <del>independent directors</del>, the board of supervisors, <del>and</del> sponsors <b>or independent financial advisers</b> on the transfer or replacement of the Investment Project;</p> <p>(7) Explanation that the transfer or replacement of the Investment Project requires approval at the general meeting;</p> <p>(8) Other information required by the Stock Exchange.</p> <p>The Company should pay full attention to the receipt and use of the proceeds from the transfer, as well as the ownership changes and continuous operation of the newly-replaced assets, and perform the necessary obligations of information disclosure as required.</p>

Existing Articles	Proposed Amendments
<p>Article 31 The Company shall truly, accurately and completely disclose the actual use of proceeds.</p> <p>The Board of the Company shall conduct a comprehensive inspection of the progress of the proceeds-financed projects every six months, and issue the Special Report on the Deposit and Actual Use of Proceeds of the Company (the “Special Report on Proceeds”) in regards to the deposit and use of proceeds.</p> <p>In case of inconsistency between the actual investment progress and the investment plan for the proceeds-financed projects, the Company shall explain the specific reasons in the Special Report on Proceeds. Where the idle proceeds are used for investment in products in the current period, the Company shall disclose the gains for the reporting period as well as the share of investment, parties, product name, term and other information as at the end of the period in the Special Report on Proceeds.</p> <p>The Special Report on Proceeds shall be considered and approved by the Board and the Supervisory Committee, and the Company shall, within two trading days upon submission to the Board for consideration, report to the stock exchanges and make an announcement. During the annual audit, the Company shall engage an accounting firm to issue an assurance report on the deposit and use of proceeds, and shall, at the same time when the annual report is disclosed, submit such report to the stock exchanges and disclose such report on the website of the stock exchanges.</p>	<p><b>Article 37</b> The Company shall truly, accurately and completely disclose the actual use of proceeds.</p> <p>The Board of the Company shall <b><u>continuously keep track of the actual management and use of proceeds, and</u></b> conduct a comprehensive inspection of the progress of the proceeds-financed projects every six months, and issue the Special Report on the Deposit and Actual Use of Proceeds of the Company (the “Special Report on Proceeds”) in regards to the deposit and use of proceeds.</p> <p>In case of inconsistency between the actual investment progress and the investment plan for the proceeds-financed projects, the Company shall explain the specific reasons in the Special Report on Proceeds. Where the idle proceeds are used for investment in products in the current period, the Company shall disclose the gains for the reporting period as well as the share of investment, parties, product name, term and other information as at the end of the period in the Special Report on Proceeds.</p> <p>The Special Report on Proceeds shall be considered and approved by the Board and the Supervisory Committee, and the Company shall, within two trading days upon submission to the Board for consideration, report to the stock exchanges and make an announcement.</p> <p>During the annual audit, the Company shall engage an accounting firm to issue an assurance report on the deposit and use of proceeds, and shall, at the same time when the annual report is disclosed, submit such report to the stock exchanges and disclose such report on the website of the stock exchanges.</p>

Existing Articles	Proposed Amendments
<p>Article 35 The internal audit department of the Company shall regularly inspect the deposit and use of the proceeds and report the inspection results to the Audit Committee in a timely manner.</p> <p>If the Audit Committee is of the opinions that there is a violation in the management of proceeds of the Company, or internal audit department fails to submit the inspection result in accordance with the preceding provision, it shall report timely to the Board.</p>	<p><b>Article 39</b> The internal audit department of the Company shall regularly inspect the deposit and use of the proceeds and report the inspection results to the Audit Committee in a timely manner.</p> <p>If the Audit Committee is of the opinions that there is material non-compliance in the management of proceeds of the Company, or internal audit department fails to submit the inspection result in accordance with the preceding provision, it shall report timely to the Board. <b><u>The Board shall report to the Stock Exchange after receipt of the report and make an announcement in a timely manner.</u></b></p>
<p>Article 36 Independent non-executive directors, the Audit Committee of the Board and the board of supervisors shall constantly pay attention to the actual management and the use of proceeds. The Audit Committee of the Board, board of supervisors or more than one half of the independent non-executive directors may employ a certified public accountant to issue an authentication report on the deposit and use of the proceeds. The Board shall actively cooperate while the necessary costs shall be borne by the Company.</p> <p>The Board shall report to Stock Exchange and make an announcement within two trading days after receiving the authentication report specified in the clause above. If the authentication report opines that the management and the use of the proceeds involve a violation of the regulations, the Board shall also announce such violation regarding the deposit and use of the proceeds, as well as the actual or potential consequences or measures that have been or will be taken.</p>	<p>Deleted</p>

Existing Articles	Proposed Amendments
<p>Article 37 The sponsors shall conduct an on-site investigation on the deposit and use of proceeds at least once every six months.</p> <p>After the conclusion of each fiscal year, the sponsors shall issue a special annual audit report on the deposit and use of proceeds, and the audit report shall be submitted to the Stock Exchange and disclosed on the Stock Exchange website. The audit report should contain the following contents:</p> <ol style="list-style-type: none"> <li>(1) The deposit and use of proceeds and balance of the special account;</li> <li>(2) Progress of the Investment Project, including the deviation from the planned progress;</li> <li>(3) Replacement of the self-raised funds invested in the Investment Project with the proceeds (if applicable);</li> <li>(4) Replenishment of working capital with idle proceeds and the effects (if applicable);</li> <li>(5) Use of Excess Fund (if applicable);</li> <li>(6) Changes in the use of proceeds (if applicable);</li> <li>(7) Conclusive comments on the compliance of the deposit and use of proceeds;</li> <li>(8) Other information required by Stock Exchange.</li> </ol> <p>After the conclusion of each fiscal year, the Board shall disclose the specific audit report of the sponsors and conclusive comments in the authentication report of the accounting firm in the Specific Report on Proceeds.</p>	<p><b>Article 40</b> The sponsors shall conduct an on-site investigation on the deposit and use of proceeds at least once every six months.</p> <p>After the conclusion of each fiscal year, the sponsors shall issue a special annual audit report on the deposit and use of proceeds, and the audit report shall be submitted to the Stock Exchange and disclosed on the Stock Exchange website. The audit report should contain the following contents:</p> <ol style="list-style-type: none"> <li>(1) The deposit and use of proceeds and balance of the special account;</li> <li>(2) Progress of the Investment Project, including the deviation from the planned progress;</li> <li>(3) Replacement of the self-raised funds invested in the Investment Project with the proceeds (if applicable);</li> <li>(4) Replenishment of working capital with idle proceeds and the effects (if applicable);</li> <li>(5) Use of Excess Fund (if applicable);</li> <li>(6) Changes in the use of proceeds (if applicable);</li> <li>(7) Conclusive comments on the compliance of the deposit and use of proceeds;</li> <li>(8) Other information required by Stock Exchange.</li> </ol> <p>After the conclusion of each fiscal year, the Board shall disclose the specific audit report of the sponsors and conclusive comments in the authentication report of the accounting firm in the Specific Report on Proceeds.</p> <p><b><u>If the sponsor or the independent financial adviser finds that the Company and the Commercial Bank have not performed the three-party supervision agreement for deposit into the special account of proceeds in accordance with the agreement, or discovers significant non-compliance or major risks in the management of the Company's proceeds during the on-site inspection, it shall urge the Company to promptly rectify and report to the Stock Exchange.</u></b></p>

Existing Articles	Proposed Amendments
<p>Article 40 After being approved at the general meeting of the Company, these Rules shall come into effect upon listing of the domestic shares issued by the Company on the Stock Exchange.</p>	<p><b>Article 43</b> After being approved at the general meeting of the Company, these Rules shall come into effect <del>upon listing of the domestic shares issued by the Company on the Stock Exchange.</del> <b><u>The same applies to amendment of these rules.</u></b></p>
<p>Article 41 Matters not addressed in these Rules shall be handled in accordance with relevant provisions of the country's laws, regulations, Hong Kong Listing Rules and the Articles of Association. In case of conflict between provisions of these Rules and the laws, regulations, Hong Kong Listing Rules or the Articles of Association, the provisions of such laws, regulations, Hong Kong Listing Rules and the Articles of Association shall prevail.</p>	<p><b>Article 44</b> Matters not addressed in these Rules shall be handled in accordance with relevant provisions of the country's laws, regulations, <b><u>SSE Listing Rules,</u></b> Hong Kong Listing Rules and the Articles of Association. In case of conflict between provisions of these Rules and the laws, regulations, <b><u>SSE Listing Rules,</u></b> Hong Kong Listing Rules or the Articles of Association, the provisions of such laws, regulations, <b><u>SSE Listing Rules,</u></b> Hong Kong Listing Rules and the Articles of Association shall prevail.</p>

**APPENDIX IX            PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL INVESTMENTS**

<b>Existing Terms of the Rules for Management of External Investments</b>	<b>Proposed Amendments to the Rules for Management of External Investments</b>
<p>Article 5 If any transaction of the Company (other than the provision of guarantee) fulfills one of the following conditions, such transaction shall be submitted to the board meeting of the Company for consideration and approval:</p> <p>(1) the total amount of assets involved in the transaction (book value or appraised value, whichever is higher) accounts for more than 10% of the most recent audited total assets of the listed company;</p> <p>(2) the volume of the transaction (including debts and expenses borne) accounts for more than 10% of the most recent audited net assets of the listed company and the absolute amount of the volume of transaction exceeds RMB10 million;</p> <p>(3) the profit derived from the transaction accounts for more than 10% of the most recent audited net profit of the listed company in the last fiscal year and the absolute amount of the profit exceeds RMB1 million;</p> <p>(4) the operating revenue of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 10% of the most recent audited operating revenue of the listed company in the last fiscal year and the absolute amount of operating revenue exceeds RMB10 million;</p> <p>(5) the net profit of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 10% of the most recent audited net profit of the listed company in the last fiscal year and the absolute amount of the net profit exceeds RMB1 million;</p>	<p>Article 5 If any transaction of the Company (other than the provision of guarantee and <b><u>financial assistance</u></b>) fulfills one of the following conditions, such transaction shall be submitted to the board meeting of the Company for consideration and approval and <b><u>disclosed in due time</u></b>:</p> <p>(1) the total amount of assets involved in the transaction (book value or appraised value, whichever is higher) accounts for more than 10% of the most recent audited total assets of the Company;</p> <p>(2) <b><u>the net assets involved in the subject of the transaction (such as equity) (book value or appraised value, whichever is higher) accounts for more than 10% of the most recent audited net assets of the Company and the absolute amount of the net profit exceeds RMB10 million;</u></b></p> <p>(3) the volume of the transaction (including debts and expenses borne) accounts for more than 10% of the most recent audited net assets of the <del>listed company</del> Company and the absolute amount of the volume of transaction exceeds RMB10 million;</p> <p>(4) the profit derived from the transaction accounts for more than 10% of the most recent audited net profit of the <del>listed company</del> Company in the last fiscal year and the absolute amount of the profit exceeds RMB1 million;</p> <p>(5) the operating revenue of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 10% of the most recent audited operating revenue of the <del>listed company</del> Company in the last fiscal year and the absolute amount of operating revenue exceeds RMB10 million;</p>

**APPENDIX IX            PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL INVESTMENTS**

<b>Existing Terms of the Rules for Management of External Investments</b>	<b>Proposed Amendments to the Rules for Management of External Investments</b>
<p>(6) Under the Hong Kong Listing Rules, External Investments may constitute transactions under Chapter 14 “Discloseable Transaction” with any applicable percentage ratio of the transactions exceeding 5% but falling below 25%.</p> <p>If any data involved in the above mentioned indices is negative, the absolute value of such data shall apply.</p> <p>If any transaction of the Company falls within the circumstances stipulated in Article 6 of the Rules, it shall also be submitted to the general meeting for consideration</p>	<p><b>(6)</b> the net profit of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 10% of the most recent audited net profit of the listed <del>company</del> Company in the last fiscal year and the absolute amount of the net profit exceeds RMB1 million.</p> <p><del>(6) Under the Hong Kong Listing Rules, External Investments may constitute transactions under Chapter 14 “Discloseable Transaction” with any applicable percentage ratio of the transactions exceeding 5% but falling below 25%.</del></p> <p>If any data involved in the above mentioned indices is negative, the absolute value of such data shall apply.</p> <p>If any transaction of the Company falls within the circumstances stipulated in Article 6 of the Rules, it shall also be submitted to the general meeting for consideration</p>
<p>Article 6 If any transaction of the Company (other than the provision of guarantee, receipt of cash assets as gift and liabilities solely used to deduct the obligations of the listed Company) fulfills one of the following conditions, such transaction shall be submitted to the general meeting of the Company for consideration and approval:</p> <p>(1) the total amount of assets involved in the transaction (book value or appraised value, whichever is higher) accounts for more than 50% of the most recent audited total assets of the listed company;</p>	<p>Article 6 If any transaction of the Company (other than the provision of guarantee, <del>receipt of cash assets as gift and liabilities solely used to deduct the obligations of the listed Company</del> and <b>financial assistance</b>) fulfills one of the following conditions, such transaction shall be submitted to the general meeting of the Company for consideration and approval <b><u>and disclosed in due time</u></b>:</p> <p>(1) the total amount of assets involved in the transaction (book value or appraised value, whichever is higher) accounts for more than 50% of the most recent audited total assets of the <del>listed company</del> Company;</p>

**APPENDIX IX            PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL INVESTMENTS**

<b>Existing Terms of the Rules for Management of External Investments</b>	<b>Proposed Amendments to the Rules for Management of External Investments</b>
<p>(2) the volume of the transaction (including debts and expenses borne) accounts for more than 50% of the most recent audited net assets of the listed company and the absolute amount of the volume of transaction exceeds RMB50 million;</p> <p>(3) the profit derived from the transaction accounts for more than 50% of the most recent audited net profit of the listed company in the last fiscal year and the absolute amount of the profit exceeds RMB5 million;</p> <p>(4) the operating revenue of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 50% of the most recent audited operating revenue of the listed company in the last fiscal year and the absolute amount of operating revenue exceeds RMB50 million;</p> <p>(5) the net profit of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 50% of the most recent audited net profit of the listed company in the last fiscal year and the absolute amount of the net profit exceeds RMB5 million; and</p> <p>(6) Under the Hong Kong Listing Rules, External Investments may constitute transactions under Chapter 14 “Discloseable Transaction” with any applicable percentage ratio of the transactions exceeding 25%.</p> <p>If any data involved in the above mentioned indices is negative, the absolute value of such data shall apply.</p>	<p><b><u>(2) the net assets involved in the subject of the transaction (such as equity) (book value or appraised value, whichever is higher) accounts for more than 50% of the most recent audited net assets of the Company and the absolute amount of the net profit exceeds RMB50 million;</u></b></p> <p><b><u>(3)</u></b> the volume of the transaction (including debts and expenses borne) accounts for more than 50% of the most recent audited net assets of the <del>listed company</del> Company and the absolute amount of the volume of transaction exceeds RMB50 million;</p> <p><b><u>(4)</u></b> the profit derived from the transaction accounts for more than 50% of the most recent audited net profit of the <del>listed company</del> Company in the last fiscal year and the absolute amount of the profit exceeds RMB5 million;</p> <p><b><u>(5)</u></b> the operating revenue of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 50% of the most recent audited operating revenue of the <del>listed company</del> Company in the last fiscal year and the absolute amount of operating revenue exceeds RMB50 million; and</p> <p><b><u>(6)</u></b> the net profit of the subject of the transaction (such as equity) in the last fiscal year accounts for more than 50% of the most recent audited net profit of the <del>listed company</del> company in the last fiscal year and the absolute amount of the net profit exceeds RMB5 million.</p> <p><del>(6) Under the Hong Kong Listing Rules, External Investments may constitute transactions under Chapter 14 “Discloseable Transaction” with any applicable percentage ratio of the transactions exceeding 25%.</del></p> <p>If any data involved in the above mentioned indices is negative, the absolute value of such data shall apply.</p>



**APPENDIX IX      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL INVESTMENTS**

<b>Existing Terms of the Rules for Management of External Investments</b>	<b>Proposed Amendments to the Rules for Management of External Investments</b>
Added	<p><u>Article 7 If any transaction of the Company falls within one of the following circumstances, it may be exempted from the submission to the general meeting for consideration under Article 6 of the Rules, but are still subject to the information disclosure obligations under the Rules;</u></p> <p><u>(1) Any transaction of the Company does not involve any payment of consideration or attaching any obligations, such as receiving cash assets as gift and waiver of debts; and</u></p> <p><u>(2) Any transaction of the Company only fulfills the conditions of item (4) or (6) of Article 6 (1) of the Rules, and the absolute amount of the earnings per share of the Company in the last fiscal year is less than RMB0.05.</u></p>
Added	<p><u>Article 8 When the Company purchases or disposes of equity, the provisions of Article 5 and Article 6 of the Rules shall be applied for the calculation of key financial indicators based on the changes in the proportion of equity of the target company held by the Company.</u></p> <p><u>Where the transaction will lead to a change in the scope of the consolidated statements of the Company, the relevant financial indicators of the target company corresponding to the equity shall be used as the basis for calculation, and the provisions of Article 5 and Article 6 of the Rules shall apply.</u></p> <p><u>Where the scope of the consolidated statements of the Company changes due to the lease or rental of assets, the entrusted or contracted asset and business management, etc., the provisions of the preceding paragraph shall apply.</u></p>

**APPENDIX IX      PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL INVESTMENTS**

<b>Existing Terms of the Rules for Management of External Investments</b>	<b>Proposed Amendments to the Rules for Management of External Investments</b>
Added	<p><u>Article 9 If any transaction of the Company fulfills the conditions of Article 6 of the Rules and the subject of the transaction is the equity of the Company, the underlying assets shall be disclosed in the audited financial accounting report for the latest year and period issued by certified public accountants. The audit opinions issued by such certified public accountants shall be standard unqualified opinions, and the interval between the closing date of audit and the date of the general meeting to consider such transaction shall not exceed 6 months.</u></p> <p><u>If any transaction of the Company fulfills the conditions of Article 6 of the Rules and the subject of the transaction is assets other than the equity of the Company, the underlying assets shall be disclosed in the valuation report issued by an asset valuation agency. The interval between the valuation base date and the date of the general meeting to consider such transaction shall not exceed one year.</u></p> <p><u>The preceding two paragraphs shall apply to transactions which are subject to the principle of prudence of the CSRC and the Shanghai Stock Exchange, the requirements of the Articles of Association of the Company, and the voluntary submission to the general meeting for consideration.</u></p>
Added	<p><u>Article 10 If any transaction of the Company fulfills the conditions of Article 5 of the Rules and the counterparty of such transaction uses non-cash assets as the consideration of such transaction or to offset the debts of the Company the Company shall disclose the audit report or valuation report of the underlying assets under Article 8 of the Rules.</u></p>

**APPENDIX IX            PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL INVESTMENTS**

<b>Existing Terms of the Rules for Management of External Investments</b>	<b>Proposed Amendments to the Rules for Management of External Investments</b>
<p>Added</p>	<p><b><u>Article 11</u> When the Company purchases or disposes of minority equity, if the subject of the transaction is indeed impossible to audit in the financial accounting report for the latest year and period due to objective reasons such as Company’s inability to exert a control, joint control or significant influence on the subject of the transaction prior to and following the transaction, the Company may be exempted from the disclosure of the audit report under Article 8 of the Rules after disclosing relevant information, unless otherwise provided by the CSRC or the Shanghai Stock Exchange.</b></p>
<p>Article 7 When the Company conducts transactions such as “entrusted wealth management”, “provision of entrusted loans”, etc., the amount incurred shall be adopted as the basis of calculation, and shall be calculated in aggregate by transaction type for 12 consecutive months. Where the cumulative calculated amount reaches the standards specified in Article 5 or Article 6 of the Rules, the provisions of Article 5 or Article 6 shall be applied respectively. If the relevant obligations have been fulfilled in accordance with Article 5 or Article 6 of the Rules, the transaction will no longer be included in the relevant cumulative calculation range.</p> <p>When the Company conducts transactions other than “provision of guarantees”, “provision of entrusted loans”, “entrusted wealth management”, etc., the provisions of Article 5 or Article 6 of the Rules shall be applied for each relevant transaction under the transaction type, in accordance with the principle of cumulative calculation within 12 consecutive months.</p>	<p><b><u>Article 12</u></b> When the Company conducts transactions such as “entrusted wealth management”, “provision of entrusted loans”, etc., the amount incurred shall be adopted as the basis of calculation, and shall be calculated in aggregate by transaction type for 12 consecutive months. Where the cumulative calculated amount reaches the standards specified in Article 5 or Article 6 of the Rules, the provisions of Article 5 or Article 6 shall be applied respectively. If the relevant obligations have been fulfilled in accordance with Article 5 or Article 6 of the Rules, the transaction will no longer be included in the relevant cumulative calculation range.</p> <p>When the Company conducts transactions other than “provision of guarantees”, “provision of entrusted <del>loans</del> <b>financial assistance</b>”, “entrusted wealth management”, etc., the provisions of Article 5 or Article 6 of the Rules shall be applied for each relevant transaction under the <b>same</b> transaction type, in accordance with the principle of cumulative calculation within 12 consecutive months.</p>

**APPENDIX IX            PROPOSED AMENDMENTS TO THE RULES FOR  
MANAGEMENT OF EXTERNAL INVESTMENTS**

<b>Existing Terms of the Rules for Management of External Investments</b>	<b>Proposed Amendments to the Rules for Management of External Investments</b>
<p>If the relevant obligations have been fulfilled in accordance with Article 5 or Article 6 of the Rules, the transaction will no longer be included in the relevant cumulative calculation range.</p> <p>Except as provided in the preceding article, when the Company purchases or disposes of assets, regardless of whether the subject of the transaction is related or not, if the total assets or transaction amount involved, in aggregate, exceeds 30% of the latest audited total assets of the Company for a cumulative period of 12 consecutive months, in addition to the submission to the board of directors for consideration in accordance with the provisions of Article 5 of the Rules, it shall also be submitted to the general meeting for consideration and passed by more than two-thirds of the voting rights represented by the shareholders who present at the meeting.</p>	<p>If the relevant obligations have been fulfilled in accordance with Article 5 or Article 6 of the Rules, the transaction will no longer be included in the relevant cumulative calculation range.</p> <p>Except as provided in the preceding article, when the Company purchases or disposes of assets, regardless of whether the subject of the transaction is related or not, if the total assets or transaction amount involved, in aggregate, exceeds 30% of the latest audited total assets of the Company for a cumulative period of 12 consecutive months, in addition to <del>the submission to the board of directors for consideration in accordance with the provisions of Article 5 of the Rules</del> <b><u>the disclosure and the audit or evaluation with reference to the provisions of Article 9 of the Rules</u></b>, it shall also be submitted to the general meeting for consideration and passed by more than two-thirds of the voting rights represented by the shareholders who present at the meeting.</p>
<p>Article 22 The Rules has been considered and approved at the general meeting of the Company. The same applies to amendments to the Rules.</p>	<p><b><u>Article 27</u></b> The Rules has been considered and approved at the general meeting of the Company. <del>The same applies to amendments to the Rules.</del></p>
<p>Article 24 The Rules shall be subject to the formulation and interpretation of the Board.</p>	<p><b><u>Article 29</u></b> The Rules shall be subject to the <b><u>amendment</u></b> <del>formulation</del> and interpretation of the Board.</p>

**Comparative Version of the Amendments to the  
Articles of Association**

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 9 After adoption by special resolution on the general meeting of the Company and approval of the relevant authorities of the state, the Articles of Association shall take effect as from the date on which the onshore-listed domestic shares issued by the Company are listed, and shall replace the articles of association formerly registered by the Company with the competent industrial and commercial administration authority.</p>	<p>Article 9 After adoption by special resolution on the general meeting of the Company <del>and approval of the relevant authorities of the state</del>, the Articles of Association shall take effect as <del>from the date on which the onshore-listed domestic shares issued by the Company are listed</del>, and shall replace the existing articles of association formerly registered by the Company with the <del>competent industrial and commercial administration authority</del>.</p>
<p>Article 14 The Company shall have ordinary shares at all times; the ordinary shares issued by the Company include domestic shares and foreign shares. With the approval of the company examination and approval authority authorized by the State Council, the Company may have other forms of shares according to relevant laws and administrative regulations when needed.</p>	<p>Article 14 The Company shall have ordinary shares at all times; <del>the ordinary shares issued by the Company include domestic shares and foreign shares</del>. With the approval of the company examination and approval authority authorized by the State Council, the Company may have other forms of shares according to relevant laws and administrative regulations when needed.</p>
<p>Article 17 The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council.</p>	<p>Article 17 <b><u>Upon registration or filing with the China Securities Regulatory Commission (the “CSRC”) or other relevant securities regulatory authorities</u></b>, <del>The</del> the Company may offer its shares to both domestic and foreign investors <del>with the approval of the relevant securities regulatory authority under the State Council</del>.</p>
<p>Article 18 Shares that the Company issues to domestic investors for subscription in RMB shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares offered and listed overseas shall be called overseas listed foreign shares. Shares listed and traded on the domestic stock exchanges shall be known as onshore-listed domestic shares.</p>	<p>Article 18 Shares that the Company issues to domestic investors for subscription in RMB shall be known as domestic shares. <b><u>The domestic shares listed in the PRC are called A shares</u></b>. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. <del>Foreign shares offered and listed overseas shall be called overseas listed foreign shares</del>. <b><u>Foreign shares issued by the Company and listed in Hong Kong are referred to as H shares. H shares refer to the shares of the Company approved to be</u></b></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Foreign currency referred to in the preceding paragraph refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.</p> <p>Both holders of domestic shares and holders of foreign shares are ordinary shareholders and shall have the same rights and obligations.</p> <p>Shareholders of the Company may list the unlisted shares they hold on an overseas stock exchange upon approval by the securities regulatory authority under the State Council. Listing of the aforesaid shares on an overseas stock exchange shall also comply with the regulatory procedure, regulations and requirements of the overseas securities market.</p> <p>Listing of the aforesaid shares on an overseas stock exchange does not need resolution through voting at a class general meeting.</p>	<p><b><u>listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the par value of which are denominated in RMB, and are subscribed for Hong Kong dollars.</u></b> <del>Shares listed and traded on the domestic stock exchanges shall be known as onshore listed domestic shares.</del></p> <p>Foreign currency referred to in the preceding paragraph refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.</p> <p>Both holders of <del>domestic</del> <u>A</u> shares and holders of <u>H</u> shares are ordinary shareholders and shall have the same rights and obligations.</p> <p>Shareholders of the Company may list the unlisted shares they hold on an overseas stock exchange upon approval by the securities regulatory authority under the State Council. Listing of the aforesaid shares on an overseas stock exchange shall also comply with the regulatory procedure, regulations and requirements of the overseas securities market.</p> <p><del>Listing of the aforesaid shares on an overseas stock exchange does not need resolution through voting at a class general meeting.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
	<u>Matters that need to be considered separately by holders of H shares or A shares in accordance with laws and regulations and the requirements of the stock exchanges or CSRC at the location where the Company's shares are listed shall be subject to the approval procedures for separate voting in accordance with the applicable laws and regulations.</u>
<p>Article 22 The Board of the Company may make arrangement for the Company's separate issuance of overseas listed foreign shares and onshore-listed domestic shares according to the issue scheme approved by the securities regulatory authority under the State Council.</p> <p>According to the aforesaid scheme for separate issuance of overseas listed foreign shares and onshore-listed domestic shares, the Company may issue the shares separately within 15 months after approval of the securities regulatory authority under the State Council.</p>	Deleted
<p>Article 23 If the Company separately issues overseas listed foreign shares and onshore-listed domestic shares within the total number specified in the issue scheme, the said shares shall be issued respectively at one time; if it is impossible for the shares to be issued at one time for special reasons, the shares may be issued by several times upon approval by the securities regulatory authorities of the State Council.</p>	Deleted
Added	<u>Article 22 The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchases or proposes to purchase shares of the Company.</u>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 26 Pursuant to the requirements of the relevant laws, administrative regulations, rules of relevant authorities and the listing rules of the stock exchanges on which its shares are listed, the Company may increase capital based on the needs of operation and development and in accordance with the Articles of Association.</p> <p>The Company may increase its capital by:</p> <p>(I) Offer of new shares to unspecified investors;</p> <p>(II) Offer of new shares to specified investors;</p> <p>(III) Placement or offer of new shares to existing shareholders;</p> <p>(IV) Conversion of capital reserve into share capital; or</p> <p>(V) Other means stipulated by laws and administrative regulations and approved by the securities authority under the State Council.</p> <p>Issuance of new shares by the Company shall be subject to approval as specified in the Articles of Association and follow the procedure specified in the relevant laws and administrative regulations of the state and the place of listing for the shares of the Company.</p>	<p><b>Article 25</b> Pursuant to the requirements of the relevant laws, administrative regulations, rules of relevant authorities and the listing rules of the stock exchanges on which its shares are listed, the Company may increase capital based on the needs of operation and development and in accordance with the Articles of Association.</p> <p>The Company may increase its capital by:</p> <p>(I) <del>Offer of new shares to unspecified investors</del> <b>Public offering of shares;</b></p> <p>(II) <del>Offer of new shares to specified investors</del> <b>Non-public offering of shares;</b></p> <p>(III) Placement or offer of new shares to existing shareholders;</p> <p>(IV) Conversion of capital reserve into share capital; or</p> <p>(V) Other means stipulated by laws and administrative regulations and approved by the securities authority under the State Council <b>CSRC.</b></p> <p>Issuance of new shares by the Company shall be subject to approval as specified in the Articles of Association and follow the procedure specified in the relevant laws and administrative regulations of the state and the place of listing for the shares of the Company.</p>



Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 29 The Company may, in the following circumstances, buy back its outstanding shares following the legal procedure specified in the Articles of Association and with approval from the regulatory authority of the state:</p> <p>(I) When cancelling shares for decrease of the registered capital of the Company...</p>	<p><b>Article 28</b> The Company may, in the following circumstances, buy back its outstanding shares following the legal procedure specified in <del>the Articles of Association and with approval from the regulatory authority of the state</del> <u>laws, administrative regulations, departmental rules, Articles of Association and the listing rules of the place of listing for the shares of the Company:</u></p> <p>(I) <del>When cancelling shares for decrease</del> Decreasing of the registered capital of the Company...</p>
<p>Article 30 The Company may buy back its shares in any of the following ways upon approval by the regulatory authority of the state:</p> <p>(I) Issuing a buyback offer to all shareholders according to an equal percentage;</p> <p>(II) Buying back through open transaction in the stock exchange;</p> <p>(III) Buying back through agreement outside the stock exchange; or</p> <p>(IV) Other circumstances stipulated by laws and administrative regulations.</p> <p>When the Company buys back its shares, it shall perform the obligation of information disclosure in accordance with the requirements of Securities Law. Buyback of the Company's shares under the circumstances as provided in (III), (V) and (VI) of Article 29 of the Articles of Association shall be conducted through open centralized trading.</p>	<p><del>Article 29</del> <del>The Company may buy back its shares in any of the following ways upon approval by the regulatory authority of the state:</del></p> <p>(I) <del>Issuing a buyback offer to all shareholders according to an equal percentage;</del></p> <p>(II) <del>Buying back through open transaction in the stock exchange;</del></p> <p>(III) <del>Buying back through agreement outside the stock exchange; or</del></p> <p>(IV) <del>Other circumstances stipulated by laws and administrative regulations.</del></p> <p><b><u>The Company may buy back its shares through open centralized trading or other methods permitted by laws, administrative regulations and CSRC.</u></b></p> <p>When the Company buys back its shares, it shall perform the obligation of information disclosure in accordance with the requirements of Securities Law. Buyback of the Company's shares under the circumstances as provided in (III), (V) and (VI) of Article <del>29</del><b>28</b> of the Articles of Association shall be conducted through open centralized trading.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 31 In buying back shares through agreement outside the stock exchange, the Company shall seek prior approval at a general meeting in accordance with the Articles of Association. With prior approval at the general meeting in the same way, the Company may cancel or change the contract already concluded in the aforesaid manner or waive any right under the contract.</p> <p>The share buyback contract mentioned in the preceding paragraph includes (but is not limited to) agreement to undertake share buyback obligations and obtain share buyback rights.</p> <p>The Company shall not transfer the share buyback contract or any right thereunder.</p> <p>As far as the Company's right to repurchase the redeemable shares is concerned, the price shall not exceed certain upper limit if such shares are not repurchased in the market or by bidding; whereas in the event of repurchase by bidding, relative bids must be equally issued to all its shareholders.</p>	<p>Deleted</p>
<p>Article 32 After buying back its shares according to the laws, the Company shall cancel or transfer the said shares before the deadline specified by laws and administrative regulations, and register the change of the registered capital with the original company registration authority if the shares are cancelled.</p> <p>Buyback of the Company's shares for reasons set out in (I), (II) or (IV) of Article 29 of the Articles of Association shall be subject to resolution at a general meeting; buyback of the Company's shares in circumstances as provided in (III), (V) and (VI) of Article 29 of the Articles of Association shall be resolved by more than two-thirds of the directors present at the board meeting.</p>	<p><b>Article 30</b> After buying back its shares according to the laws, the Company shall cancel or transfer the said shares before the deadline specified by laws and administrative regulations, and register the change of the registered capital with the original company registration authority if the shares are cancelled.</p> <p>Buyback of the Company's shares for reasons set out in (I); <u>or</u> (II) <del>or (IV)</del> of Article <del>29</del><b>28</b> of the Articles of Association shall be subject to resolution at a general meeting; buyback of the Company's shares in circumstances as provided in (III), (V) and (VI) of Article <del>29</del><b>28</b> of the Articles of Association shall be resolved by more than two-thirds of the directors present at the board meeting.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>After the Company has bought back its shares in accordance with Article 29 of the Articles of Association, such shares shall be cancelled within 10 days after buyback in the circumstance set out in (I), or shall be transferred or cancelled within six months under circumstances set out in (II) and (IV); total shares held by the Company shall not exceed 10% of the total issued shares of the Company under the circumstances set out in (III), (V) and (VI), and such shares shall be transferred or cancelled within 3 years.</p> <p>The Company shall register the change of registered capital or equity with the industrial and commercial administration authority and make announcement according to the Listing Rules.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>	<p>After the Company has bought back its shares in accordance with Article <del>29</del><b>28</b> of the Articles of Association, such shares shall be cancelled within 10 days after buyback in the circumstance set out in (I), or shall be transferred or cancelled within six months under circumstances set out in (II) and (IV); total shares held by the Company shall not exceed 10% of the total issued shares of the Company under the circumstances set out in (III), (V) and (VI), and such shares shall be transferred or cancelled within 3 years.</p> <p>The Company shall register the change of registered capital or equity with the industrial and commercial administration authority and make announcement according to the Listing Rules.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>
<p>Article 33 Unless the Company is under liquidation, the Company shall observe the following regulations when buying back its outstanding shares:</p> <p>...</p>	<p>Deleted</p>
<p>Article 34 Unless otherwise specified in the laws, administrative regulations and the Listing Rules, all fully-paid shares of the Company can be transferred without any limitation and are not subject to any lien. Transfer of the Company's shares shall be registered with the share registrar(s) designated by the Company.</p>	<p><b>Article 31</b> Unless otherwise specified in the laws, administrative regulations and the Listing Rules, <del>all fully-paid shares of the Company can be transferred without any limitation and are not subject to any lien. Transfer of the Company's shares shall be registered with the share registrar(s) designated by the Company</del> <b>shares of the Company may be transferred legally.</b></p>
<p><b>CHAPTER 6 FINANCIAL ASSISTANCE TO ACQUIRE SHARES OF THE COMPANY</b></p> <p><b>Article 38 to Article 40</b></p>	<p>Deleted</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 41 The Company's shares are all registered shares.</p> <p>Matters specified in the Company's shares shall include:</p> <p>(I) Company name;</p> <p>(II) Date of incorporation of the Company;</p> <p>(III) Type of shares, par value and number of shares represented;</p> <p>(IV) Stock number;</p> <p>(V) Other matters to be specified pursuant to the Company Law, and as required by the stock exchange on which the Company's shares are listed.</p> <p>During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all listing documents and ownership certificates of all its shares listed on the Hong Kong Stock Exchange (including H shares) shall include the following statements, and shall instruct and promote its share registrar to reject any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the said share registrar the signed form relating to the said shares, which form shall include the following statements:</p> <p>(I) The share buyer agrees with the Company and each of its shareholders, and the Company agrees with each shareholder to observe and comply with the Company Law, other relevant laws, administrative regulations and the Articles of Association.</p>	<p><b>Article 35</b> The Company's shares are all registered shares.</p> <p>Matters specified in the Company's shares shall include:</p> <p>(I) Company name;</p> <p>(II) Date of incorporation of the Company;</p> <p>(III) Type of shares, par value and number of shares represented;</p> <p>(IV) Stock number;</p> <p>(V) Other matters to be specified pursuant to the Company Law, and as required by the stock exchange on which the Company's shares are listed.</p> <p><del>During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all listing documents and ownership certificates of all its shares listed on the Hong Kong Stock Exchange (including H shares) shall include the following statements, and shall instruct and promote its share registrar to reject any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the said share registrar the signed form relating to the said shares, which form shall include the following statements:</del></p> <p><del>(I) The share buyer agrees with the Company and each of its shareholders, and the Company agrees with each shareholder to observe and comply with the Company Law, other relevant laws, administrative regulations and the Articles of Association.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(II) The share buyer agrees with the Company and the Company's each shareholder, director, supervisor, general manager and senior executive, and the Company acting on its behalf and for each director, supervisor, general manager and senior executive agrees with each shareholder, to refer all disputes or claims arising from the Articles of Association or from the rights or obligations specified in the Company Law or other relevant laws or administrative regulations with respect to the Company's affairs to arbitration in accordance with the Articles of Association, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its arbitration award, and the arbitration award shall be final and conclusive.</p>	<p><del>(II) The share buyer agrees with the Company and the Company's each shareholder, director, supervisor, general manager and senior executive, and the Company acting on its behalf and for each director, supervisor, general manager and senior executive agrees with each shareholder, to refer all disputes or claims arising from the Articles of Association or from the rights or obligations specified in the Company Law or other relevant laws or administrative regulations with respect to the Company's affairs to arbitration in accordance with the Articles of Association, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its arbitration award, and the arbitration award shall be final and conclusive.</del></p>
<p>(III) The share buyer agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders.</p>	<p><del>(III) The share buyer agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders.</del></p>
<p>(IV) The share buyer authorizes the Company to conclude contract on his behalf with each director and senior executive, who shall undertake to observe and fulfil duties for shareholders as specified in the Articles of Association.</p>	<p><del>(IV) The share buyer authorizes the Company to conclude contract on his behalf with each director and senior executive, who shall undertake to observe and fulfil duties for shareholders as specified in the Articles of Association.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 43 The Company shall establish a shareholders’ register recording the following matters:</p> <p>(I) Names, addresses (domiciles), occupations or features of the shareholders;</p> <p>(II) Type and number of shares held by the shareholders;</p> <p>(III) Monies paid or payable for the shares held by the shareholders;</p> <p>(IV) The serial numbers of the shares held by the shareholders;</p> <p>(V) Date on which the shareholders are registered as shareholders; and</p> <p>(VI) Date on which the shareholders terminate as shareholders.</p> <p>The shareholders’ register is sufficient evidence of the shareholders’ shareholdings in the Company unless there is evidence to the contrary.</p> <p>Subject to the Articles of Association and other applicable requirements, once the shares of the Company are transferred, the name of the transferee shall be listed in the shareholders’ register as the holder of the said shares.</p> <p>Transfer of shares shall be recorded in the shareholders’ register.</p>	<p><u>Article 37</u> The Company shall establish a shareholders’ register—recording—the following matters:</p> <p><del>(I) Names, addresses (domiciles), occupations or features of the shareholders;</del></p> <p><del>(II) Type and number of shares held by the shareholders;</del></p> <p><del>(III) Monies paid or payable for the shares held by the shareholders;</del></p> <p><del>(IV) The serial numbers of the shares held by the shareholders;</del></p> <p><del>(V) Date on which the shareholders are registered as shareholders; and</del></p> <p><del>(VI) Date on which the shareholders terminate as shareholders.</del></p> <p><del>The shareholders’ register is sufficient evidence of the shareholders’ shareholdings in the Company unless there is evidence to the contrary.</del></p> <p><del>Subject to the Articles of Association and other applicable requirements, once the shares of the Company are transferred, the name of the transferee shall be listed in the shareholders’ register as the holder of the said shares.</del></p> <p><del>Transfer of shares shall be recorded in the shareholders’ register.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Where two or more persons are registered as joint shareholders of any shares, they shall be deemed as the joint holders of the said shares subject to the following restrictions:</p> <p>(I) The Company shall not need to register more than four persons as joint shareholders of any shares;</p> <p>(II) The joint shareholders of any shares shall jointly and individually assume the responsibility for amounts of fees payable for relevant shares;</p> <p>(III) In the event that any shareholder among the joint shareholders deceases, only the other remaining joint shareholders shall be deemed by the Company as the owners of the relevant shares. However, the Board may, for the purpose of modifying the shareholders' register, require the provision of a death certificate of the relevant shareholder as it deems appropriate;</p> <p>(IV) Among the joint shareholders of any shares, only the joint shareholder listed first in the shareholders' register has the right to take relevant shares from the Company and receive notices of the Company, and any notice served to the said person shall be deemed as having been served to all the joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. If there are more than one joint shareholder present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register; and</p> <p>(V) If any of the joint shareholders sends to the Company a receipt of any dividend, bonus or capital return payable to the said joint shareholders, the said receipt shall be deemed as a valid receipt sent by the said joint shareholders to the Company.</p>	<p><del>Where two or more persons are registered as joint shareholders of any shares, they shall be deemed as the joint holders of the said shares subject to the following restrictions:</del></p> <p><del>(I) The Company shall not need to register more than four persons as joint shareholders of any shares;</del></p> <p><del>(II) The joint shareholders of any shares shall jointly and individually assume the responsibility for amounts of fees payable for relevant shares;</del></p> <p><del>(III) In the event that any shareholder among the joint shareholders deceases, only the other remaining joint shareholders shall be deemed by the Company as the owners of the relevant shares. However, the Board may, for the purpose of modifying the shareholders' register, require the provision of a death certificate of the relevant shareholder as it deems appropriate;</del></p> <p><del>(IV) Among the joint shareholders of any shares, only the joint shareholder listed first in the shareholders' register has the right to take relevant shares from the Company and receive notices of the Company, and any notice served to the said person shall be deemed as having been served to all the joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. If there are more than one joint shareholder present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register; and</del></p> <p><del>(V) If any of the joint shareholders sends to the Company a receipt of any dividend, bonus or capital return payable to the said joint shareholders, the said receipt shall be deemed as a valid receipt sent by the said joint shareholders to the Company.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 44 The Company may keep the register of holders of overseas listed foreign shares overseas and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authority.</p> <p>The Company shall keep in Hong Kong the original of the register of holders of shares listed on the Hong Kong Stock Exchange in the register of holders of overseas listed foreign shares and keep at its domicile copies of the said register; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.</p> <p>Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.</p> <p>The Hong Kong branch register of holders must be available for inspection by shareholders, but the company may be allowed to close the register of members on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).</p>	<p><b>Article 38</b> The Company may keep the register of holders of overseas listed foreign shares overseas and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authority.</p> <p><del>The Company shall keep in Hong Kong the original of the register of holders of shares listed on the Hong Kong Stock Exchange in the register of holders of overseas listed foreign shares and keep at its domicile</del> copies of the register of holders of overseas listed foreign shares shall be kept at the domicile of the Company; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.</p> <p>Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.</p> <p>The Hong Kong branch register of holders must be available for inspection by shareholders, but the company may be allowed to close the register of members on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).</p>



Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 46 The respective parts of the shareholders' register shall not overlap each other. In the event of transfer of shares registered in a specific part of the shareholders' register, the said shares shall not be registered in any other part of the shareholders' register in the duration of the registration of the said shares.</p> <p>All H shares for which full payment has been made may be transferred freely in accordance with the Articles of Association; save under the following conditions, the Board may refuse to recognize any transfer instrument without providing any reason:</p> <p>(I) The transfer instrument and other instruments relating to the ownership of any share or affecting transfer of the share ownership shall be registered, and relevant payment shall be made to the Company according to the expense standard specified in the Listing Rules of the Hong Kong Stock Exchange, but the said payment shall not exceed the maximum expense specified by the Hong Kong Stock Exchange in the Listing Rules from time to time;</p> <p>(II) The transfer instrument only involves H shares listed in Hong Kong;</p> <p>(III) Stamp tax has been paid for the transfer instrument;</p> <p>(IV) Relevant shares and other evidence reasonably required by the Board to prove that the transferor has the right to transfer the said shares have been submitted;</p>	<p><b>Article 40</b> The respective parts of the shareholders' register shall not overlap each other. In the event of transfer of shares registered in a specific part of the shareholders' register, the said shares shall not be registered in any other part of the shareholders' register in the duration of the registration of the said shares.</p> <p><del>All H shares for which full payment has been made may be transferred freely in accordance with the Articles of Association; save under the following conditions, the Board may refuse to recognize any transfer instrument without providing any reason:</del></p> <p><del>(I) The transfer instrument and other instruments relating to the ownership of any share or affecting transfer of the share ownership shall be registered, and relevant payment shall be made to the Company according to the expense standard specified in the Listing Rules of the Hong Kong Stock Exchange, but the said payment shall not exceed the maximum expense specified by the Hong Kong Stock Exchange in the Listing Rules from time to time;</del></p> <p><del>(II) The transfer instrument only involves H shares listed in Hong Kong;</del></p> <p><del>(III) Stamp tax has been paid for the transfer instrument;</del></p> <p><del>(IV) Relevant shares and other evidence reasonably required by the Board to prove that the transferor has the right to transfer the said shares have been submitted;</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(V) If the shares are intended to be transferred to joint holders, the number of the registered joint shareholders shall not exceed four;</p> <p>(VI) The relevant shares are not subject to lien of any company; and</p> <p>(VII) Any shares shall not be transferred to minors or mentally defective persons or other persons with no legal capacity.</p> <p>Should the Company refuse to register any transfer of shares, it shall, within two months from the date of the formal application for the transfer, provide the transferor and the transferee with a written notice stating its refusal of registration of such transfer.</p> <p>Any change or correction of any part of the shareholders' register shall comply with the law of the location where the said part is kept.</p>	<p><del>(V) If the shares are intended to be transferred to joint holders, the number of the registered joint shareholders shall not exceed four;</del></p> <p><del>(VI) The relevant shares are not subject to lien of any company; and</del></p> <p><del>(VII) Any shares shall not be transferred to minors or mentally defective persons or other persons with no legal capacity.</del></p> <p><del>Should the Company refuse to register any transfer of shares, it shall, within two months from the date of the formal application for the transfer, provide the transferor and the transferee with a written notice stating its refusal of registration of such transfer.</del></p> <p>Any change or correction of any part of the shareholders' register shall comply with the law of the location where the said part is kept.</p>
<p>Article 47 Transfer of all overseas listed foreign shares listed in Hong Kong shall be executed with a written transfer instrument in a general or common format or any other format accepted by the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); the said transfer instrument may be signed by hand, or be stamped with the corporate seal (if the transferor or the transferee is a company). If the transferor or the transferee is a recognized clearing house as defined in relevant ordinances that take effect from time to time in accordance with Hong Kong laws ("recognized clearing house") or proxy thereof, the transfer form can be signed by print.</p> <p>All transfer instruments shall be kept at the legal address of the Company, the address of share registrar or other place designated by the Board from time to time.</p>	<p><b>Article 41</b> Transfer of all overseas listed <del>foreign</del><b>H</b> shares listed in Hong Kong shall be executed with a written transfer instrument in a general or common format or any other format accepted by the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); the said transfer instrument may be signed by hand, or be stamped with the corporate seal (if the transferor or the transferee is a company). If the transferor or the transferee is a recognized clearing house as defined in relevant ordinances that take effect from time to time in accordance with Hong Kong laws ("recognized clearing house") or proxy thereof, the transfer form can be signed by print.</p> <p>All transfer instruments shall be kept at the legal address of the Company, the address of share registrar or other place designated by the Board from time to time.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 48 Change of the shareholders' register arising from share transfer shall not be registered within 30 days before convening of a general meeting or within five days prior to the benchmark date on which the Company decides to distribute dividends. If the laws, administrative regulations, departmental rules, normative documents and the relevant stock exchange or the regulatory authority at the location where the Company's shares are listed provides otherwise during the period of closure of the register of members prior to a general meeting or before the benchmark date on which the Company decides to distribute dividends, such regulations shall prevail.</p>	<p>Deleted</p>
<p>Article 49 If the Company convenes a general meeting, distributes dividends, conducts liquidation or executes any other act requiring recognition of equity, the Board shall designate a certain date as equity determination date, at the end of which the shareholders in the register shall be shareholders of the Company.</p>	<p><del>Article 42 If the Company convenes a general meeting, distributes dividends, conducts liquidation or executes any other act requiring recognition of equity, the Board shall designate a certain date as equity determination date, at the end of which the shareholders in the register shall be shareholders of the Company.</del> <b><u>When the Company convenes general meeting, distributes dividend, conducts liquidation or executes any other act that need to identify the shareholders, the Board of Directors or the convener of 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 the entitled shareholders.</u></b></p>
<p>Article 51 If any shareholder in the shareholders' register or any person requesting to have his name recorded in the shareholders' register has lost his shares (i.e. "the original shares"), the said shareholder or person may apply to the Company to reissue new shares for the said shares (i.e. "the relevant shares").</p>	<p><b><u>Article 44</u></b> If any shareholder in the shareholders' register or any person requesting to have his name recorded in the shareholders' register has lost his shares (i.e. "the original shares"), the said shareholder or person may apply to the Company to reissue new shares for the said shares (i.e. "the relevant shares").</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Application for reissuance of lost shares held by holders of domestic shares and holders of unlisted foreign shares shall be processed in accordance with the <i>Company Law</i>.</p> <p>Application for reissuance of lost shares by holders of overseas listed foreign shares may be processed pursuant to the law, regulation of the stock exchange or other relevant regulation of the place where the original of the shareholders' register of overseas listed foreign shares is kept.</p> <p>Application for reissuance of lost shares held by holders of overseas listed foreign shares listed in Hong Kong shall meet the following requirements:</p> <p>(I) The applicant shall submit an application with the standard format designated by the Company and attach a notarial deed or statutory statement. The content of the notarial deed or statutory statement shall include the reason for application, information about how the shares are lost, and a statement that no other person may request to be registered as shareholder for the relevant shares.</p> <p>(II) Before deciding to reissue new shares, the Company has not received a statement that anybody other than the applicant requests to be registered as shareholder for the said shares.</p> <p>(III) After deciding to reissue new shares to the applicant, the Company shall publish announcement of reissuance of new shares on the newspapers designated by the Board; the announcement period is 90 days, with at least one announcement in 30 days.</p>	<p>Application for reissuance of lost shares held by holders of domestic shares and holders of unlisted foreign shares shall be processed in accordance with the <i>Company Law</i>.</p> <p>Application for reissuance of lost shares by holders of overseas listed foreign shares may be processed pursuant to the law, regulation of the stock exchange or other relevant regulation of the place where the original of the shareholders' register of overseas listed foreign shares is kept.</p> <p><del>Application for reissuance of lost shares held by holders of overseas listed foreign shares listed in Hong Kong shall meet the following requirements:</del></p> <p><del>(I) The applicant shall submit an application with the standard format designated by the Company and attach a notarial deed or statutory statement. The content of the notarial deed or statutory statement shall include the reason for application, information about how the shares are lost, and a statement that no other person may request to be registered as shareholder for the relevant shares.</del></p> <p><del>(II) Before deciding to reissue new shares, the Company has not received a statement that anybody other than the applicant requests to be registered as shareholder for the said shares.</del></p> <p><del>(III) After deciding to reissue new shares to the applicant, the Company shall publish announcement of reissuance of new shares on the newspapers designated by the Board; the announcement period is 90 days, with at least one announcement in 30 days.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(IV) Before publishing the announcement of reissuance of new shares, the Company shall submit a copy of the to-be-published announcement to the stock exchange with which the Company is listed, and may publish the announcement only after receiving a reply from the said stock exchange confirming that the said announcement has been displayed in the stock exchange. The duration of display of the said announcement in the stock exchange is 90 days.</p> <p>If the application for reissuing shares is not approved by the registered holder of the relevant shares, the Company shall mail a copy of the to-be-published announcement to the said shareholder.</p> <p>(V) If, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this Article, the Company has not received any objection to reissuance of shares, the Company may reissue new shares as requested by the applicant.</p> <p>(VI) When the Company reissues new shares pursuant to this Article, the Company shall immediately deregister the original shares, and record such deregistration and reissuance in the shareholders' register.</p> <p>(VII) All the expenses for deregistering the original shares and reissuing new shares shall be borne by the applicant. The Company may refuse to take any action before the applicant provides any reasonable guarantee.</p>	<p><del>(IV) Before publishing the announcement of reissuance of new shares, the Company shall submit a copy of the to-be-published announcement to the stock exchange with which the Company is listed, and may publish the announcement only after receiving a reply from the said stock exchange confirming that the said announcement has been displayed in the stock exchange. The duration of display of the said announcement in the stock exchange is 90 days.</del></p> <p><del>If the application for reissuing shares is not approved by the registered holder of the relevant shares, the Company shall mail a copy of the to-be-published announcement to the said shareholder.</del></p> <p><del>(V) If, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this Article, the Company has not received any objection to reissuance of shares, the Company may reissue new shares as requested by the applicant.</del></p> <p><del>(VI) When the Company reissues new shares pursuant to this Article, the Company shall immediately deregister the original shares, and record such deregistration and reissuance in the shareholders' register.</del></p> <p><del>(VII) All the expenses for deregistering the original shares and reissuing new shares shall be borne by the applicant. The Company may refuse to take any action before the applicant provides any reasonable guarantee.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 55 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(I) To receive dividends and other profit distributions in proportion to the shares they hold;</p> <p>(II) To attend general meetings either in person or by proxy and exercise the voting right (unless individual shareholders are required to abstain from voting on individual matters in accordance with applicable laws and regulations) and speak at the general meetings;</p> <p>(III) To supervise, present suggestions on or make inquiries about the business activities of the Company;</p> <p>(IV) To transfer shares in accordance with the laws, administrative regulations and the Articles of Association;</p> <p>(V) To obtain relevant information in accordance with the Articles of Association, including:</p> <ol style="list-style-type: none"> <li>1. Obtaining the copy of the Articles of Association after payment of production cost;</li> <li>2. Being entitled to access by shareholders free of charge and copy after payment of reasonable expenses by shareholders: <ol style="list-style-type: none"> <li>(1) Copies of all shareholders' registers;</li> <li>(2) Minutes of the general meetings;</li> </ol> </li> </ol>	<p><b>Article 48</b> The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(I) To receive dividends and other profit distributions in proportion to the shares they hold;</p> <p>(II) To attend general meetings either in person or by proxy and exercise the voting right <b><u>(except where a shareholder is required by the listing rules of the place where the securities of the Company are listed to abstain from voting on specific matters)</u></b>;</p> <p>(III) To supervise, present suggestions on or make inquiries about the business activities of the Company;</p> <p>(IV) To transfer shares in accordance with the laws, administrative regulations and the Articles of Association;</p> <p><b><u>(V) Review the Articles of Association, the register of shareholders, corporate bond counterfoils, minutes of shareholders' general meetings, the resolution of the Board of Directors, resolutions of the Board of Supervisors, and financial and accounting reports;</u></b></p> <p><b><u>(VI) In the event of termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company as per their shares;</u></b></p> <p>(VII) For shareholders objecting to resolutions of the general meeting concerning merger or division of the Company, to require the Company to buy their shares;</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(3) Copies of resolutions of the Board meetings and meetings of the Supervisory Committee;</p> <p>(4) Personal information of the Company's directors, supervisors, general manager and other senior executives, including:</p> <p>(a) Present and former names and aliases;</p> <p>(b) Principal address (domicile);</p> <p>(c) Nationality;</p> <p>(d) Full-time and all part-time occupations and duties;</p> <p>(e) Identity certificates and numbers thereof.</p>	<p>(VIII) Pursuant to the Company Law or other laws and administrative regulations, to institute legal proceedings to the People's Court and claim related rights concerning any act infringing upon the interests of the Company or the legitimate rights and interests of the shareholders;</p> <p>(IX) To exercise other rights specified by laws, administrative regulations, departmental rule, listing rules at the location where the Company's shares are listed and the Articles of Association.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>3. Counterfoils of corporate bonds;</p> <p>(VI) Shareholders of the Company can also inspect the resolutions of the meetings of the Board and the Supervisory Committee of the Company, as well as the counterfoils of any corporate bonds. If any shareholder requests access to the aforesaid relevant or provision of data, the said shareholder shall provide the Company with written documents bearing evidence of the type and number of shares held by the said shareholder, and the Company will provide the said information as required by the said shareholder upon authentication of the said shareholder. In the event of termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company as per their shares;</p> <p>(VII) For shareholders objecting to resolutions of the general meeting concerning merger or division of the Company, to require the Company to buy their shares;</p> <p>(VIII) Pursuant to the Company Law or other laws and administrative regulations, to institute legal proceedings to the People's Court and claim related rights concerning any act infringing upon the interests of the Company or the legitimate rights and interests of the shareholders;</p> <p>(IX) To exercise other rights specified by laws, administrative regulations, departmental rule, listing rules at the location where the Company's shares are listed and the Articles of Association.</p>	



Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 60 Save for the obligations under the laws, administrative regulations or the listing rules of the stock exchange with which the Company's shares are listed, the controlling shareholders (as defined in Article 61), in exercising their rights as shareholders, shall not make any decision detrimental to the interests of all or some shareholders as a result of the exercise of their voting rights on the following issues:</p> <p>.....</p>	Deleted
<p>Article 61 A controlling shareholder, as referred to in the preceding article, is a person who has any of the following conditions: .....</p>	Deleted
<p>Article 63 A general meeting shall exercise the following functions and powers:</p> <p>(I) To decide the business operation guideline and investment plan for the Company;</p> <p>(II) To elect and replace directors and to decide on matters relating to remuneration of the directors;</p> <p>(III) To elect and replace supervisors who are not the employee representative and to decide on matters relating to remuneration of the supervisors;</p> <p>(IV) To examine and approve reports of the Board;</p> <p>(V) To examine and approve reports of the Supervisory Committee;</p> <p>(VI) To examine and approve the annual financial budgets and final accounting plans of the Company;</p>	<p><b>Article 55</b> A general meeting shall exercise the following functions and powers:</p> <p>(I) To decide the business operation guideline and investment plan for the Company;</p> <p>(II) To elect and replace directors and to decide on matters relating to remuneration of the directors;</p> <p>(III) To elect and replace supervisors who are not the employee representative and to decide on matters relating to remuneration of the supervisors;</p> <p>(IV) To examine and approve reports of the Board;</p> <p>(V) To examine and approve reports of the Supervisory Committee;</p> <p>(VI) To examine and approve the annual financial budgets and final accounting plans of the Company;</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
(VII) To examine and approve the Company's profit distribution plan and loss recovery plan;	(VII) To examine and approve the Company's profit distribution plan and loss recovery plan;
(VIII) To resolve on increase or decrease of the registered capital of the Company;	(VIII) To resolve on increase or decrease of the registered capital of the Company;
(IX) To resolve on the merger, division, dissolution, liquidation or transformation of the Company;	(IX) To resolve on the merger, division, dissolution, liquidation or transformation of the Company;
(X) To resolve on the issuance of corporate bonds and other securities and the listing of the Company;	(X) To resolve on the issuance of corporate bonds and other securities and the listing of the Company;
(XI) To resolve on the appointment, removal or non-reappointment of certified public accountants of the Company;	(XI) To resolve on the appointment, removal or non-reappointment of certified public accountants of the Company;
(XII) To amend the Articles of Association;	(XII) To amend the Articles of Association;
(XIII) To examine proposals made by shareholders severally or jointly representing more than 3% of the voting shares of the Company;	(XIII) To examine proposals made by shareholders severally or jointly representing more than 3% of the voting shares of the Company;
(XIV) To examine and approve the guarantees under Article 64;	(XIV) To examine and approve the guarantees under Article <del>64</del> <u>56</u> ;
(XV) To examine the Company's purchase or disposal of major assets within one year or matters with the amount guaranteed exceeding 30% of the total assets of the Company;	(XV) To examine the Company's purchase or disposal of major assets within one year or matters with the amount guaranteed exceeding 30% of the total assets of the Company;
(XVI) To examine and approve any changes to the use of proceeds;	(XVI) To examine and approve any changes to the use of proceeds;

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(XVII) To review share incentive plans;</p> <p>(XVIII) To resolve on other matters which, in accordance with the laws, administrative regulations, listing rules of the stock exchange with which the Company's shares are listed and the Articles of Association, shall be approved by a general meeting.</p>	<p>(XVII) To review share incentive plans <b><u>and employee stock ownership scheme;</u></b></p> <p>(XVIII) To resolve on other matters which, in accordance with the laws, administrative regulations, listing rules of the stock exchange with which the Company's shares are listed and the Articles of Association, shall be approved by a general meeting.</p>
<p>Article 64 The following external guarantees of the Company must be reviewed and approved at the general meeting:</p> <p>(I) Any guarantee to be provided after the total external guarantee provided by the Company and its controlled subsidiaries has exceeded 50% or more of the latest audited net assets;</p> <p>(II) Any guarantee to be provided after the total external guarantee provided by the Company has exceeded 30% or more of the latest audited total assets;</p> <p>(III) Any guarantee to be provided to an entity whose debt equity ratio exceeds 70%;</p> <p>(IV) Any single guarantee the amount of which exceeds 10% of the latest audited net assets;</p> <p>(V) Any guarantee to be provided to the shareholders, actual controller and their associates; and</p> <p>(VI) Other guarantees which are required to be approved by the Company's general meetings under the laws, regulations, rules of the stock exchanges where the Company's shares are listed or the Articles of Association.</p>	<p><b><u>Article 56</u></b> The following external guarantees of the Company must be reviewed and approved at the general meeting:</p> <p>(I) Any guarantee to be provided after the total external guarantee provided by the Company and its controlled subsidiaries has exceeded 50% or more of the latest audited net assets;</p> <p>(II) Any guarantee to be provided after the total external guarantee provided by the Company <b><u>and its controlled subsidiaries</u></b> has exceeded 30% of the latest audited total assets;</p> <p><b><u>(III) In accordance with the principle of cumulative calculation of the guarantee amount within 12 consecutive months, the guarantee that exceeds 30% of the Company's latest audited total assets;</u></b></p> <p><b><u>(IV)</u></b> Any guarantee to be provided to an entity whose debt equity ratio exceeds 70%;</p> <p><b><u>(V)</u></b> Any single guarantee the amount of which exceeds 10% of the latest audited net assets;</p> <p><b><u>(VI)</u></b> Any guarantee to be provided to the shareholders, actual controller and their associates; and</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
	<p><b>(VII)</b> Other guarantees which are required to be approved by the Company’s general meetings under the laws, regulations, rules of the stock exchanges where the Company’s shares are listed or the Articles of Association.</p> <p><b><u>The Company shall be entitled to hold the relevant persons accountable for any losses to the Company in the event of violation of requirements as to approval authority and procedure of providing external guarantees.</u></b></p>
<p>Article 60 General meetings are classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board. Annual general meetings shall be convened once a year within six months after the end of the preceding fiscal year.</p> <p>.....</p>	<p><b>Article 58</b> General meetings are classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board. Annual general meetings shall be convened once a year within six months after the end of the preceding fiscal year.</p> <p>.....</p>
<p>Article 71 The notice of a general meeting shall meet the following requirements:</p> <p>(I) Is in written form;</p> <p>(II) Specifies the venue, date and time of the meeting;</p> <p>(III) States matters to be discussed at the meeting;</p> <p>(IV) Provides such necessary information and explanations for shareholders to make an informed judgment on the matters to be considered. Without limitation to the generality of the foregoing, where a proposal is made with respect to the merger of the Company with another company, the repurchase of shares, the restructuring of share capital, or other reorganization of the Company, the terms of the proposed transaction must be provided in detail along with copies of the proposed contract (if any), and the reason(s) and effect of such proposal must be properly explained;</p>	<p><b>Article 63</b> The notice of a general meeting shall meet the following requirements:</p> <p><del>(I) Is in written form;</del></p> <p><del>(II) Specifies the venue, date and time of the meeting;</del></p> <p><del>(III) States matters to be discussed at the meeting;</del></p> <p><del>(IV) Provides such necessary information and explanations for shareholders to make an informed judgment on the matters to be considered. Without limitation to the generality of the foregoing, where a proposal is made with respect to the merger of the Company with another company, the repurchase of shares, the restructuring of share capital, or other reorganization of the Company, the terms of the proposed transaction must be provided in detail along with copies of the proposed contract (if any), and the reason(s) and effect of such proposal must be properly explained;</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(V) contains a disclosure of the nature and extent of the material interests of any director, supervisor, general manager or other senior executives in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders insofar as it is different from the effect on interests of shareholders of the same class;</p>	<p><del>(V) contains a disclosure of the nature and extent of the material interests of any director, supervisor, general manager or other senior executives in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders insofar as it is different from the effect on interests of shareholders of the same class;</del></p>
<p>(VI) contains the full text of any special resolution to be proposed at the meeting;</p>	<p><del>(VI) contains the full text of any special resolution to be proposed at the meeting;</del></p>
<p>(VII) contains a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxy need not be a shareholder of the Company;</p>	<p><del>(VII) contains a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxy need not be a shareholder of the Company;</del></p>
<p>(VIII) Sets out the equity registration date of shareholders who are entitled to attend the general meeting, and the interval between the equity registration date and the date of the meeting shall be subject to the requirements of the relevant stock exchange or the regulatory authority at the location where the Company's shares are listed;</p>	<p><del>(VIII) Sets out the equity registration date of shareholders who are entitled to attend the general meeting, and the interval between the equity registration date and the date of the meeting shall be subject to the requirements of the relevant stock exchange or the regulatory authority at the location where the Company's shares are listed;</del></p>
<p>(IX) Specifies the time and venue for serving the power of attorney for the voting proxy for the meeting; and</p>	<p><del>(IX) Specifies the time and venue for serving the power of attorney for the voting proxy for the meeting; and</del></p>
<p>(X) Lists the name(s) and telephone number(s) of the contact person(s) for the meeting.</p>	<p><del>(X) Lists the name(s) and telephone number(s) of the contact person(s) for the meeting.</del></p>
	<p><b><u>(I) Specifies the venue, date and time of the meeting;</u></b></p> <p><b><u>(II) Matters and motions to be considered at the meeting;</u></b></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
	<p><u>(III) Containing a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend at the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy is not necessarily be a shareholder of the Company;</u></p> <p><u>(IV) Share record date for the right to attend the general meeting;</u></p> <p><u>(V) The contact person and telephone number for the meeting;</u></p> <p><u>(VI) Voting time and voting procedure of voting via internet or by other ways;</u></p> <p><u>(VII) Other requirements stipulated in the laws, administrative regulations, departmental rules, the stock exchanges where the Company's shares are listed and the Articles of Association.</u></p> <p><u>All details of all proposals shall be fully and completely disclosed in the notice of the general meeting and its supplementary notice. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of general meeting or a supplementary notice will, when given, also disclose the opinions and reasons of the independent directors.</u></p> <p><u>The time to start voting via internet or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite general meeting or later than 9:30 a.m. of the date of the onsite general meeting, and shall not conclude earlier than 3:00 p.m. of the date of the onsite general meeting.</u></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
	<p><b><u>The interval between the share record date and the date of the meeting shall not be more than 7 working days. Once the share record date is confirmed, no change may be made thereto.</u></b></p>
<p>Article 74 The notice of general meeting shall be delivered to shareholders (whether or not they are entitled to vote at the general meeting) by personal delivery or by prepaid mail to their addresses as shown in the shareholders' register, or by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with applicable laws, regulations and the Listing Rules. For holders of onshore-listed domestic shares, the notice of a general meeting may be issued in the form of public announcement.</p> <p>Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities authority under the State Council. Once the announcement has been published, all holders of onshore-listed domestic shares shall be deemed to have received the notice of relevant general meeting.</p>	<p><b><u>Article 66</u></b> The notice of general meeting shall be delivered to <b><u>H</u></b> shareholders (whether or not they are entitled to vote at the general meeting) by personal delivery or by prepaid mail to their addresses as shown in the shareholders' register, or by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with applicable laws, regulations and the Listing Rules. <del>For holders of onshore-listed domestic shares,</del> <b><u>In respect of A Shareholders,</u></b> the notice of a general meeting may be issued in the form of public announcement.</p> <p><del>Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities authority under the State Council. Once the announcement has been published, all holders of onshore-listed domestic shares shall be deemed to have received the notice of relevant general meeting.</del> <b><u>The aforesaid announcement refers to the information published on the website of Shanghai Stock Exchange and the media meeting the requirements of the CSRC, once the announcement is made, all A Shareholders shall be deemed to have received the notice of the relevant shareholders' general meetings.</u></b></p>
<p>Article 77 All shareholders recorded in the share register on the relevant share registration date shall have the right to attend the general meeting and exercise the voting rights in accordance with the relevant laws, regulations, the rules of the stock exchanges on which the shares are listed and the Articles of Association.</p>	<p><b><u>Article 69</u></b> All shareholders recorded in the share register on the relevant share registration date shall have the right to attend the general meeting and exercise the voting rights in accordance with the relevant laws, regulations, the rules of the stock exchanges on which the shares are listed and the Articles of Association.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Any shareholder entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether a shareholder or otherwise) as his proxy/proxies to attend and vote on his behalf. The said proxy may exercise the following rights as granted by the said shareholder:</p> <p>(I) The shareholder’s right to speak at the general meeting;</p> <p>(II) To severally or jointly request to vote by ballot; and</p> <p>(III) Unless otherwise stated in applicable rules governing the listing of securities or other laws and regulations on securities, to exercise the right to vote by a show of hand or ballot. Where there is more than one proxy, the said proxy shall only vote by ballot.</p> <p>In the event that a shareholder is a recognized clearing house (or proxy thereof), it may, as it sees fit, appoint one or more persons as its proxy to attend and vote at any general meeting or class general meeting. However, in the event that more than one person is so appointed, the power of attorney shall specify the number and class of the shares relating to each such proxy. The power of attorney shall be subject to the signature of the appointer of the recognized clearing house. The persons thus appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the recognised clearing house (or proxy thereof) as if the said persons were the individual shareholders of the Company.</p>	<p><del>Any shareholder entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether a shareholder or otherwise) as his proxy/proxies to attend and vote on his behalf.</del> <b><u>Each share shall be entitled to appoint a proxy, who need not be a member of the issuer. Every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorized officer.</u></b> The said proxy may exercise the following rights as granted by the said shareholder:</p> <p>(I) The shareholder’s right to speak at the general meeting;</p> <p>(II) To severally or jointly request to vote by ballot; and</p> <p>(III) Unless otherwise stated in applicable rules governing the listing of securities or other laws and regulations on securities, to exercise the right to vote by a show of hand or ballot. Where there is more than one proxy, the said proxy shall only vote by ballot.</p> <p>In the event that a shareholder is a recognized clearing house (or proxy thereof), it may, as it sees fit, appoint one or more persons as its proxy to attend and vote at any general meeting <del>or class general meeting</del>. However, in the event that more than one person is so appointed, the power of attorney shall specify the number and class of the shares relating to each such</p>



Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 87 Shareholders (including proxies thereof) who vote at a general meeting shall exercise their voting rights as per the number of voting shares they represent. Each share carries the right to one vote.</p> <p>When material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes of such investors shall be counted separately. The separate counting results shall be promptly and publicly disclosed.</p> <p>Shares held by the Company have no voting rights, and such shares will not be included in the total number of shares with voting rights at the general meeting.</p> <p>.....</p>	<p>proxy. The power of attorney shall be subject to the signature of the appointer of the recognized clearing house. The persons thus appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the recognised clearing house (or proxy thereof) as if the said persons were the individual shareholders of the Company.</p> <p><b>Article 79</b> Shareholders (including proxies thereof) who vote at a general meeting shall exercise their voting rights as per the number of voting shares they represent. Each share carries the right to one vote.</p> <p>When material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes of such investors shall be counted separately. The separate counting results shall be promptly and publicly disclosed.</p> <p>Shares held by the Company have no voting rights, and such shares will not be included in the total number of shares with voting rights at the general meeting.</p> <p><b><u>Shareholders, who purchase the voting shares of the Company in violation of provisions of the first clause and the second clause of Article 63 of the Securities Law, shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such shares shall not be included in the total number of shares with voting rights at a general meeting.</u></b></p> <p>.....</p>
<p>Article 90 At a poll taken at a meeting, a shareholder (including the proxy thereof) entitled to two or more votes need not cast all his votes in the same manner.</p> <p>The general meetings shall resolve on all motions separately.</p>	<p>Deleted</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
Article 91 If pros and cons are equal, either by show of hands or by ballot, the presider shall be entitled to an additional vote.	Deleted
<p>Article 93 The following issues shall be approved by special resolutions at a general meeting:</p> <p>(I) Increase or reduction in share capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(II) Division, merger, dissolution, liquidation or transformation of the Company;</p> <p>(III) Revision of the Articles of Association;</p> <p>(IV) Any other issue confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and accordingly shall be approved by a special resolution;</p> <p>(V) The Company's acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the total assets of the Company; and</p> <p>(VI) Other issues requiring adoption by special resolution pursuant to the Articles of Association and the Listing Rules.</p>	<p><b>Article 83</b> The following issues shall be approved by special resolutions at a general meeting:</p> <p>(I) <del>Increase or reduction in share capital</del> <b>Increase or decrease in the registered capital</b> of the Company <del>and the issue of shares of any class, warrants and other similar securities;</del></p> <p>(II) Division, <b>spin-off</b>, merger, dissolution, liquidation or transformation of the Company;</p> <p>(III) Revision of the Articles of Association;</p> <p>(IV) <del>Any other issue confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and accordingly shall be approved by a special resolution;</del></p> <p><b>Purchase or disposal of material assets or any guarantee made within a year, and the amount of which exceeds 30% of the latest audited total assets of the Company;</b> <del>The Company's acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the total assets of the Company; and</del></p> <p><b>Share incentive plans;</b></p> <p><b>Any other matters prescribed by the laws, administrative regulations; the stock exchanges where the Company's shares are listed or the Articles of Association, and those matters approved by ordinary resolution at a general meeting as having a material impact on the Company and are required to be approved by a special resolution.</b> <del>Other issues requiring adoption by special resolution pursuant to the Articles of Association and the Listing Rules.</del></p>

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<p>Article 94 Shareholder(s) individually or collectively holding more than 10% of the Company's total voting shares may request convening an extraordinary general meeting or class meeting, and shall follow the procedures below:</p> <p>(I) Shareholder(s) individually or collectively holding more than 10% of the Company's total voting shares may sign one or several written requests with the same format and content and propose that the Board convene an extraordinary general meeting or class meeting, and specify the topics of the meeting. The Board shall provide a written feedback on whether to agree to convene an extraordinary or class meeting within ten days upon receipt of the aforesaid written request. If the Board agrees to convene an extraordinary or class meeting, it will issue a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the relevant shareholder. The aforesaid amount of shareholding is calculated as of the day when the relevant shareholder makes the written request.</p> <p>(II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the requesting shareholder may itself convene a meeting within four months after the Board receives the said request, and the meeting convening procedure shall to the extent possible be the same as the procedure by which the Board convenes a general meeting.</p> <p>(III) If the Board does not agree to convening an extraordinary general meeting or provides no feedback within 10 days after receiving the request, the shareholder who individually or collectively holds more than 10% of the Company's shares has the right to propose convening an extraordinary general meeting and shall make a written request to the Supervisory Committee.</p>	<p><b>Article 84</b> Shareholder(s) individually or collectively holding more than 10% of the Company's total voting shares may request convening an extraordinary general meeting <del>or class meeting</del>, and shall follow the procedures below:</p> <p>(I) Shareholder(s) individually or collectively holding more than 10% of the Company's total voting shares may sign one or several written requests with the same format and content and propose that the Board convene an extraordinary general meeting <del>or class meeting</del>, and specify the topics of the meeting. The Board shall provide a written feedback on whether to agree to convene an extraordinary <del>or class</del> meeting within ten days upon receipt of the aforesaid written request. If the Board agrees to convene an extraordinary <del>or class</del> meeting, it will issue a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the relevant shareholder. The aforesaid amount of shareholding is calculated as of the day when the relevant shareholder makes the written request.</p> <p>(II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the requesting shareholder may itself convene a meeting within four months after the Board receives the said request, and the meeting convening procedure shall to the extent possible be the same as the procedure by which the Board convenes a general meeting.</p> <p>(III) If the Board does not agree to convening an extraordinary general meeting or provides no feedback within 10 days after receiving the request, the shareholder who individually or collectively holds more than 10% of the Company's shares has the right to propose convening an extraordinary general meeting and shall make a written request to the Supervisory Committee.</p>

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<p>If the Supervisory Committee approves the request, it will issue a notice about convening the meeting within five days of receiving the request. If the notice modifies the proposed resolution in the original request, consent must be obtained from the relevant shareholder.</p>	<p>If the Supervisory Committee approves the request, it will issue a notice about convening the meeting within five days of receiving the request. If the notice modifies the proposed resolution in the original request, consent must be obtained from the relevant shareholder.</p>
<p>If the Supervisory Committee fails to issue a notice of the general meeting, it will be deemed that the Supervisory Committee will not convene or preside over the meeting. Therefore, the shareholders who individually or collectively hold more than 10% of the total shares of the Company for over 90 consecutive days can convene and preside over the meeting by themselves.</p>	<p>If the Supervisory Committee fails to issue a notice of the general meeting, it will be deemed that the Supervisory Committee will not convene or preside over the meeting. Therefore, the shareholders who individually or collectively hold more than 10% of the total shares of the Company for over 90 consecutive days can convene and preside over the meeting by themselves.</p>
<p>If any general meeting or class meeting is called by the shareholders themselves, the shares held by those shareholders shall not be less than 10% of the total shares of the Company, before announcing the resolutions of the meeting.</p>	<p>If any general meeting <del>or class meeting</del> is called by the shareholders themselves, the shares held by those shareholders shall not be less than 10% of the total shares of the Company, before announcing the resolutions of the meeting.</p>
<p>If the independent non-executive directors or the Supervisory Committee requests to convene an extraordinary general meeting, the following procedures are required to be followed:</p>	<p>If the independent non-executive directors or the Supervisory Committee requests to convene an extraordinary general meeting, the following procedures are required to be followed:</p>
<p>(I) Sign one or more written requests with the same format and contents, which request the Board to hold the extraordinary general meeting and explain the topic of the meeting. Within ten days after receiving the above-mentioned written request, the Board must provide written feedback regarding approval or rejection of the request.</p>	<p>(I) Sign one or more written requests with the same format and contents, which request the Board to hold the extraordinary general meeting and explain the topic of the meeting. Within ten days after receiving the above-mentioned written request, the Board must provide written feedback regarding approval or rejection of the request.</p>
<p>(II) If the Board approves the request, it shall provide a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the original requester.</p>	<p>(II) If the Board approves the request, it shall provide a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the original requester.</p>

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<p>(III) If the Board rejects the request from the independent non-executive directors, it shall explain and make a public announcement of the relevant reasons.</p> <p>(IV) If the Board rejects the request from the Supervisory Committee, or provides no feedback within ten days after receiving the request, the Board shall be deemed to be unable to or will not fulfill the obligations of convening the meeting and the Supervisory Committee can convene and preside over the meeting itself.</p> <p>If the meeting is convened by the Supervisory Committee or the shareholders themselves, a written notice shall be sent to the Board and kept on file in the branch office of the CSRC where the Company is situated and in the relevant stock exchange(s). The Supervisory Committee and the meeting convener shall submit relevant supporting documents to the branch office of the CSRC where the Company is situated and the relevant stock exchange(s) when issuing the notice regarding convening the meeting, as well as an announcement about the resolution of the meeting.</p> <p>Where the Supervisory Committee or the shareholders convene a general meeting, the Board and secretary to the Board shall provide necessary assistance. The Board shall provide the register of the shareholders as recorded on the relevant registration date. The Company shall assume the necessary costs of the meeting where it is convened by the Supervisory Committee or the shareholders.</p>	<p>(III) If the Board rejects the request from the independent non-executive directors, it shall explain and make a public announcement of the relevant reasons.</p> <p>(IV) If the Board rejects the request from the Supervisory Committee, or provides no feedback within ten days after receiving the request, the Board shall be deemed to be unable to or will not fulfill the obligations of convening the meeting and the Supervisory Committee can convene and preside over the meeting itself.</p> <p>If the meeting is convened by the Supervisory Committee or the shareholders themselves, a written notice shall be sent to the Board and kept on file in <del>the branch office of the CSRC where the Company is situated</del> and in the relevant stock exchange(s). The Supervisory Committee and the meeting convener shall submit relevant supporting documents to <del>the branch office of the CSRC where the Company is situated</del> and the relevant stock exchange(s) when issuing the notice regarding convening the meeting, as well as an announcement about the resolution of the meeting.</p> <p>Where the Supervisory Committee or the shareholders convene a general meeting, the Board and secretary to the Board shall provide necessary assistance. The Board shall provide the register of the shareholders as recorded on the relevant registration date. The Company shall assume the necessary costs of the meeting where it is convened by the Supervisory Committee or the shareholders.</p>

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<p><b>CHAPTER 10 SPECIAL VOTING PROCEDURES FOR CLASS SHAREHOLDERS</b> <b>Article 107 to Article 114</b></p>	<p>Deleted</p>
<p>Article 124 A director may resign prior to the expiration of his term by tendering a written resignation to the Board. The Board shall disclose the relevant information within two days.</p> <p>If the number of directors of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. Any person appointed by the Board as a director to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of the issuer after his appointment, and shall then be eligible for re-election.</p>	<p><u><b>Article 106</b></u> A director may resign prior to the expiration of his term by tendering a written resignation to the Board. The Board shall disclose the relevant information within two days.</p> <p>If the number of directors of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. <del>Any person appointed by the Board as a director to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of the issuer after his appointment, and shall then be eligible for re-election.</del></p>
<p>Article 137 The Board shall be accountable to the general meeting and exercise the following functions and powers:</p> <p>(I) To be responsible for convening general meetings and reporting its work to the general meetings;</p> <p>(II) To execute resolutions of general meetings;</p> <p>(III) To resolve on the Company’s business plans and investment plans;</p> <p>(IV) To prepare the Company’s annual financial budgets and final accounting plans;</p>	<p><u><b>Article 119</b></u> The Board shall be accountable to the general meeting and exercise the following functions and powers:</p> <p>(I) To be responsible for convening general meetings and reporting its work to the general meetings;</p> <p>(II) To execute resolutions of general meetings;</p> <p>(III) To resolve on the Company’s business plans and investment plans;</p> <p>(IV) To prepare the Company’s annual financial budgets and final accounting plans;</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(V) To prepare the Company's profit distribution plans and loss recovery plans;</p> <p>(VI) To formulate the plan for increase or reduction of the Company's registered capital, and the plan for issue of the Company's bonds;</p> <p>(VII) To prepare plans for the Company's merger, division, dissolution or transformation;</p> <p>(VIII) To resolve on the buyback of the Company's shares under the circumstances as provided in (III), (V) and (VI) of Article 29 of the Articles of Association;</p> <p>(IX) To decide on the internal management structure of the Company;</p> <p>(X) To appoint or dismiss the Company's general manager; to appoint or dismiss the Company's vice president, chief financial officer and other senior executives as nominated by the general manager and determine their remunerations;</p> <p>(XI) To work out the basic management system of the Company;</p> <p>(XII) To formulate the plan for any amendment to the Articles of Association;</p> <p>(XIII) Manage information disclosure of the Company;</p> <p>(XIV) Propose to the general meeting to appoint or replace the accounting firm which conduct auditing for the Company;</p> <p>(XV) Listen to the work report of the company managers and inspect the tasks managed by the managers;</p> <p>(XVI) To exercise other functions and powers as stipulated by laws, regulations and the listing rules of the stock exchange with which the Company is listed or conferred by the general meetings and the Articles of Association.</p>	<p>(V) To prepare the Company's profit distribution plans and loss recovery plans;</p> <p>(VI) To formulate the plan for increase or reduction of the Company's registered capital, and <u>the plan for issue of the Company's bonds <b>issue of bonds or other securities</b></u>;</p> <p>(VII) To prepare <u>plans for the Company's material acquisition, repurchase of the Company's share, merger, division, dissolution and transformation</u>; <del>plans for the Company's merger, division, dissolution or transformation</del>;</p> <p><del>(VIII) To resolve on the buyback of the Company's shares under the circumstances as provided in (III), (V) and (VI) of Article 29 of the Articles of Association;</del></p> <p><u><b>(VIII) To determine matters relating to the Company's external investment, asset acquisition and disposal, asset pledge, external guarantee matters, asset management mandate, related party transactions and external donation within the authorisation of the general meeting</b></u>;</p> <p>(IX) To decide on the internal management structure of the Company;</p> <p><u><b>(X) To determine the appointment or dismissal of the Company's general manager, the secretary of the Board and other senior officers and decide on their remunerations, rewards and penalties; and pursuant to the president's nominations to determine the appointment or dismissal of the deputy general managers, the senior officers including chief financial officer of the Company and decide on their remuneration rewards and penalties</b></u><del>To appoint or dismiss the Company's general manager; to appoint or dismiss the Company's vice president, chief financial officer and other senior executives as nominated by the general manager and determine their remunerations;</del></p>

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<p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XII), of which approval of more than two-thirds of the directors is required. The directors shall perform their duties in accordance with laws and administrative regulations of the state, the Listing Rules, the Articles of Association and resolutions of general meetings.</p>	<p>(XI) To work out the basic management system of the Company;</p> <p>(XII) To formulate the plan for any amendment to the Articles of Association;</p> <p>(XIII) Manage information disclosure of the Company;</p> <p>(XIV) Propose to the general meeting to appoint or replace the accounting firm which conduct auditing for the Company;</p> <p>(XV) Listen to the work report of the company general managers and inspect the tasks managed by the managers;</p> <p>(XVI) To exercise other functions and powers as stipulated by laws, regulations and the listing rules of the stock exchange with which the Company is listed or conferred by the general meetings and the Articles of Association.</p> <p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XII), of which approval of more than two-thirds of the directors is required. The directors shall perform their duties in accordance with laws and administrative regulations of the state, the Listing Rules, the Articles of Association and resolutions of general meetings.</p>



Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 141 The Board shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the general meeting.</p> <p>Disposals of the fixed assets mentioned herein include transfer of certain asset interests, but do not include guarantee provided by pledge of fixed assets.</p> <p>The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 1 herein.</p>	Deleted
<p>Article 143 Board meetings include regular meetings and provisional meetings. The Board shall hold at least four meetings per year, which shall be convened by the chairman. Notice of the regular meeting of the Board shall be given at least 14 days in advance and that of a provisional meeting shall be given at least 3 days in advance. Notice deadlines of the said meetings may be exempted upon the consent of directors of the Company. Where a provisional board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.</p>	<p><b>Article 124</b> Board meetings include regular meetings and provisional meetings. The Board shall hold at least four <b>regular</b> meetings per year, which shall be convened by the chairman. Notice of the regular meeting of the Board shall be given at least 14 days in advance and that of a provisional meeting shall be given at least 3 days in advance. Notice deadlines of the said meetings may be exempted upon the consent of directors of the Company. Where a provisional board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>An extraordinary board meeting may be held, if:</p> <p>(I) Proposed by shareholders representing more than 10% of the voting rights;</p> <p>(II) Jointly proposed by more than one-third of the directors;</p> <p>(III) Proposed by the Supervisory Committee;</p> <p>(IV) Deemed necessary by the chairman of the Board.</p> <p>The chairman shall convene and preside over a board meeting within 10 days after receipt of the resolution.</p>	<p>An extraordinary board meeting may be held, if:</p> <p>(I) Proposed by shareholders representing more than 10% of the voting rights;</p> <p>(II) Jointly proposed by more than one-third of the directors;</p> <p>(III) <b><u>Proposed by more than half of the independent directors;</u></b></p> <p><b><u>(IV)</u></b> Proposed by the Supervisory Committee;</p> <p><b><u>(V)</u></b> Deemed necessary by the chairman of the Board.</p> <p>The chairman shall convene and preside over a board meeting within 10 days after receipt of the resolution.</p>
<p>Article 145 Unless otherwise provided herein, board meetings shall be held only if more than half of the directors (including directors attending the meeting on behalf of others pursuant to Article 146 of the Articles of Association) are present.</p> <p>Every director shall have the right to one vote. Unless otherwise provided in the Articles of Association, a resolution of the Board must be passed by the majority of the directors of the Company. If pros and cons are equal, the chairman shall be entitled to an additional vote.</p>	<p><b><u>Article 126</u></b> Unless otherwise provided herein, board meetings shall be held only if more than half of the directors (including directors attending the meeting on behalf of others pursuant to Article <del>127</del><b>126</b> of the Articles of Association) are present.</p> <p>Every director shall have the right to one vote. Unless otherwise provided in the Articles of Association, a resolution of the Board must be passed by the majority of the directors of the Company. <del>If pros and cons are equal, the chairman shall be entitled to an additional vote.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 149 The secretary to the Company's Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed or removed by the Board. The major duties of the secretary shall be:</p> <p>(I) To ensure that the Company has complete organization documents and records;</p> <p>(II) To ensure that the Company legally prepares and submits reports and documents as required by relevant authorities as well as to accept and organize the implementation of any assignment from the regulatory authorities;</p> <p>(III) To ensure that the shareholders' register of the Company is established appropriately and that the persons who have the right of access to the relevant documents and records of the Company obtain the same in due time; and</p> <p>(IV) To exercise other functions and powers as conferred by the Board as well as other functions and powers as required by the stock exchange with which the Company is listed.</p>	<p><b><u>Article 129 The secretary to the Company's Board shall be responsible for preparing general meetings and board meetings, keeping documents and managing shareholders' information, and handling information disclosure matters.</u></b></p> <p><b><u>The secretary to the board of directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.</u></b></p> <p><del>The secretary to the Company's Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed or removed by the Board. The major duties of the secretary shall be:</del></p> <p><del>(I) To ensure that the Company has complete organization documents and records;</del></p> <p><del>(II) To ensure that the Company legally prepares and submits reports and documents as required by relevant authorities as well as to accept and organize the implementation of any assignment from the regulatory authorities;</del></p> <p><del>(III) To ensure that the shareholders' register of the Company is established appropriately and that the persons who have the right of access to the relevant documents and records of the Company obtain the same in due time; and</del></p> <p><del>(IV) To exercise other functions and powers as conferred by the Board as well as other functions and powers as required by the stock exchange with which the Company is listed.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 150 A director or other senior executives of the Company may serve concurrently as secretary to the Board of Directors. Any accountant of the certified public accountants engaged by the Company shall not act in the capacity of the secretary to the Board of Directors.</p> <p>In the event a director also acts in the capacity of the secretary to the Board, where any act requires to be made by the director and the secretary to the Board separately, such director who also acts in the capacity of the secretary to the Board shall not make such actions in both capacities.</p>	Deleted
<p>Article 156 The Supervisory Committee shall comprise four members, including one chairman. The term of office of a supervisor shall be three years, and is renewable upon re-election.</p> <p>The chairman shall be appointed or removed by the votes of more than two-thirds of the members of the Supervisory Committee.</p>	<p><b>Article 135</b> The Supervisory Committee shall comprise four members, including one chairman. The term of office of a supervisor shall be three years, and is renewable upon re-election.</p> <p><del>The chairman shall be appointed or removed by the votes of more than two-thirds of the members of the Supervisory Committee.</del></p>
<p><b>Article 160</b> The Supervisory Committee shall be accountable to the general meeting and shall exercise the following powers according to laws:</p> <p>(I) To review the financial operations of the Company;</p> <p>(II) To supervise the performance of directors and senior executives of their duties to the Company, and propose dismissal of directors and senior executives who have violated laws, administrative regulations, the Listing Rules, the Articles of Association or the resolutions of general meetings;</p>	<p><b>Article 139</b> The Supervisory Committee shall be accountable to the general meeting and shall exercise the following powers according to laws:</p> <p>(I) To review the financial operations of the Company;</p> <p>(II) To supervise the performance of directors and senior executives of their duties to the Company, and propose dismissal of directors and senior executives who have violated laws, administrative regulations, the Listing Rules, the Articles of Association or the resolutions of general meetings;</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(III) To demand redress from the Company’s directors and senior executives should their acts be deemed harmful to the Company’s interests;</p> <p>(IV) To examine financial information such as financial reports, business reports and profit distribution plans as proposed by the Board to the general meeting, and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the examination;</p> <p>(V) To propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings, to convene and preside over the general meetings;</p> <p>(VI) To propose motions to the general meeting;</p> <p>(VII) To negotiate with directors on behalf of the Company or pursue legal actions against the directors and senior executives according to laws and the Articles of Association; and</p> <p>(VIII) Other issues specified in the Articles of Association. The supervisor may attend board meetings and make inquiries or suggestions in relation to the resolutions of board meetings. The Supervisory Committee may directly report to CSRC and other relevant authorities.</p> <p>If there are any unusual circumstances in the Company’s operations, the Supervisory Committee shall conduct investigation, and if necessary, engage an accounting firm to assist in its work at the expense of the Company.</p>	<p>(III) To demand redress from the Company’s directors and senior executives should their acts be deemed harmful to the Company’s interests;</p> <p>(IV) To examine financial information such as financial reports, business reports and profit distribution plans as proposed by the Board to the general meeting, and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the examination;</p> <p>(V) To propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings, to convene and preside over the general meetings;</p> <p>(VI) To propose motions to the general meeting;</p> <p>(VII) To negotiate with directors on behalf of the Company or pursue legal actions against the directors and senior executives according to laws and the Articles of Association; and</p> <p>(VIII) Other issues specified in the Articles of Association. The supervisor may attend board meetings and make inquiries or suggestions in relation to the resolutions of board meetings.</p> <p><b><u>The supervisors shall ensure the information disclosed by the Company is true, accurate and complete, and sign written confirmations of the regular reports.</u></b></p> <p>The Supervisory Committee may directly report to CSRC and other relevant authorities.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
	<p>If there are any unusual circumstances in the Company’s operations, the Supervisory Committee shall conduct investigation, and if necessary, engage an accounting firm to assist in its work at the expense of the Company.</p>
<p><b>Article 161</b> Meetings of the Supervisory Committee shall not be held unless more than two-thirds of supervisors are present. The resolutions of the Supervisory Committee shall be adopted by open ballot, and each supervisor shall have one vote. Supervisors shall attend meetings of the Supervisory Committee in person. Where any supervisor cannot attend the meeting for any reason, he may appoint another supervisor to attend the meeting on his behalf, with the power of attorney in writing specifying the scope of authorization.</p> <p>Resolutions of the meeting of the Supervisory Committee shall be approved by more than two-thirds of the members of the Supervisory Committee.</p>	<p><b>Article 140</b> Meetings of the Supervisory Committee shall not be held unless more than <del>two-thirds</del> <b>half</b> of <b>the</b> supervisors are present. The resolutions of the Supervisory Committee shall be adopted by open ballot, and each supervisor shall have one vote. Supervisors shall attend meetings of the Supervisory Committee in person. Where any supervisor cannot attend the meeting for any reason, he may appoint another supervisor to attend the meeting on his behalf, with the power of attorney in writing specifying the scope of authorization.</p> <p><b><u>Resolutions of the meeting of the Supervisory Committee shall be approved by more than half of the supervisors.</u></b></p> <p><del>Resolutions of the meeting of the Supervisory Committee shall be approved by more than two-thirds of the members of the Supervisory Committee.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p><b>Article 165</b> A person shall not serve as director, supervisor, general manager or other senior executives of the Company if the said person:</p> <p>(I) Is without capacity or with limited capacity for civil conduct;</p> <p>(II) Was imposed criminal penalty due to taking graft or committing bribery, infringing upon property, embezzling property or disrupting socialism market economic order and it is less than five years since the completion of enforcement of the criminal penalty; or is deprived of political rights due to criminal offence and it is less than five years since the completion of enforcement of the penalty;</p> <p>(III) Was once the director or factory manager, the manager of any company or enterprise which was bankrupted due to bad operation and was responsible for the bankruptcy of the said company or enterprise, and it is less than three years since the completion of liquidation for the bankruptcy of the said company or enterprise;</p> <p>(IV) Ever was the legal representative of any company or enterprise which was revoked business license or ordered to close down due to illegal activities and was responsible for such illegal activities, and it is less than three years since the revocation of the business license;</p> <p>(V) Has large outstanding personal debts;</p>	<p><b>Article 144</b> A person shall not serve as director, supervisor, general manager or other senior executives of the Company if the said person:</p> <p>(I) Is without capacity or with limited capacity for civil conduct;</p> <p>(II) Was imposed criminal penalty due to taking graft or committing bribery, infringing upon property, embezzling property or disrupting socialism market economic order and it is less than five years since the completion of enforcement of the criminal penalty; or is deprived of political rights due to criminal offence and it is less than five years since the completion of enforcement of the penalty;</p> <p>(III) Was once the director or factory manager, the manager of any company or enterprise which was bankrupted <del>due to bad operation</del>—and was responsible for the bankruptcy of the said company or enterprise, and it is less than three years since the completion of liquidation for the bankruptcy of the said company or enterprise;</p> <p>(IV) Ever was the legal representative of any company or enterprise which was revoked business license or ordered to close down due to illegal activities and was responsible for such illegal activities, and it is less than three years since the revocation of the business license;</p> <p>(V) Has large outstanding personal debts;</p> <p><del>(VI) Is under investigation by the judiciary institution for suspected violation of the criminal law, and the result is still pending;</del></p>

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<p>(VI) Is under investigation by the judiciary institution for suspected violation of the criminal law, and the result is still pending;</p> <p>(VII) Is disqualified as corporate leader in laws and administrative regulations;</p> <p>(VIII) Is not a natural person;</p> <p>(IX) Was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and such ruling was made less than five years ago;</p> <p>(X) Is such a person as specified in the Listing Rules or the laws and rules of the places in which the Company's shares are listed.</p> <p>Any election, appointment or employment of directors, supervisors or other senior executives in violation of the above provisions shall be invalid.</p> <p>The Company shall dismiss the director, supervisor and senior executive if he is involved in the said circumstances set out in Paragraph 1 herein during his term of office.</p>	<p><del>(VI)</del> Is disqualified as corporate leader in laws and administrative regulations;</p> <p><del>(VII)</del> Is not a natural person;</p> <p><del>(IX)</del> Was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and such ruling was made less than five years ago;</p> <p><b><u>(VIII) Has been prohibited from participating in securities market by the CSRC and such duration has not expired.</u></b></p> <p><del>(IX)</del> Is such a person as specified in the Listing Rules or the laws and rules of the places in which the Company's shares are listed. <b><u>Other circumstances as permitted by laws, administrative regulations and Listing Rules of the place in which the Company's shares are listed.</u></b></p> <p>Any election, appointment or employment of directors, supervisors or other senior executives in violation of the above provisions shall be invalid.</p> <p>The Company shall dismiss the director, supervisor and senior executive if he is involved in the said circumstances set out in Paragraph 1 herein during his term of office.</p>
<p>Article 166 The validity of an act of a director, the general manager or other senior executives on behalf of the Company for a goodwill third person is not affected by any incompliance in the appointment, election or qualification thereof.</p>	<p>Deleted</p>



Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 169 In fulfilling duties, the directors, supervisors, the general manager and other senior executives of the Company shall observe the principle of honesty and shall not set themselves in a position where their own interests may conflict with their obligations. The principle includes (but is not limited to) the following obligations:.....</p>	<p>Deleted</p>
<p>Article 170 Directors, supervisors, general manager and other senior executives of the Company shall not tell the following persons or institutions (“connected persons”) to do anything that the directors, supervisors, general manager and other senior executives cannot do:</p> <p>(I) Spouses or minor offspring of directors, supervisors, general manager and other senior executives of the Company;</p> <p>(II) Trustees of directors, supervisors, general manager and other senior executives of the Company or persons set out in (I) herein;</p> <p>(III) Partners of directors, supervisors, general manager and other senior executives of the Company or persons set out in (I) and (II) herein;</p> <p>(IV) Companies effectively and independently controlled by directors, supervisors, general manager and other senior executives of the Company or companies effectively and jointly controlled by the persons set out in (I), (II) and (III) herein or other directors, supervisors, general manager and other senior executives of the Company; and</p> <p>(V) Directors, supervisors, general manager and other senior executives of the companies as set out in (IV) herein.</p>	<p>Deleted</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 171 The honesty obligation of the directors, supervisors, general manager and other senior executives of the Company shall not necessarily end with the expiry of their terms of office, and their confidentiality obligation to the Company in respect of commercial secrets shall continue after expiry of their terms of office. Other obligations may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances under which the relationship between the Company and them was terminated.</p>	<p><b><u>Article 147</u></b> <del>The honesty obligation of the Directors, supervisors, general manager and other senior executives of the Company's shall not necessarily end with the expiry of their terms of office, and their confidentiality obligation to the Company in respect of commercial secrets shall continue after expiry of their terms of office. Other obligations may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances under which the relationship between the Company and them was terminated.</del> <b><u>duty of loyalty owed to the Company and the shareholders shall not be relieved absolutely after the tenure expires and shall remain valid for a reasonable period of time as set forth in the Articles of Association.</u></b></p>
<p>Article 172 The liability of directors, supervisors, general manager and other senior executives of the Company for breaching a given obligation may be waived by the shareholders' general meeting which has knowledge of the circumstances, save for the circumstances specified in Article 60 of the Articles of Association.</p>	<p>Deleted</p>
<p>Article 174 If, before the Company concludes relevant contract, transaction or arrangement for the first time, the directors, supervisors, general manager and other senior executives of the Company have notified the Board in writing that they will have interests in the contract, transaction or arrangement concluded by the Company in the future because of the reasons set out in the notice, they shall be deemed as having executed disclosure as specified in the preceding paragraph of this chapter to the extent specified in the notice.</p>	<p>Deleted</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
Article 175 The Company shall not pay taxes in any form for its directors, supervisors, general manager and other senior executives.	Deleted
<p>Article 176 The Company shall not directly or indirectly provide loan or loan guarantee to the directors, supervisors, general manager and other senior executives of the Company or its parent company, or to the connected persons of the aforesaid persons.</p> <p>The preceding paragraph does not apply to the following circumstances:</p> <p>(I) The Company provides loan or loan guarantee for its subsidiaries;</p> <p>(II) The Company, in accordance with the engagement contracts approved at the general meeting, provides loan, loan guarantee or other monies to the directors, supervisors, general manager and other senior executives of the Company so that they may pay the expenses incurred for the Company or for fulfilling their duties for the Company; and</p> <p>(III) If the normal business scope of the Company includes provision of loan and loan guarantee, the Company may provide loan and loan guarantee to relevant directors, supervisors, general manager and other senior executives and their connected persons, but the conditions for providing loan or loan guarantee shall be normal business conditions.</p>	Deleted
Article 177 If the Company provides loan in violation of the preceding article, the recipient of the loan shall return the same immediately to the Company regardless of the loan conditions.	Deleted

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 178 The Company shall not be forced to execute loan guarantee provided in violation of Paragraph 1 of Article 176 except in the following circumstances:</p> <p>(I) The loan provider does not know that it has provided loan to the connected persons of the directors, supervisors, general manager and other senior executives of the Company or its parent company;</p> <p>(II) The guarantee provided by the Company has been sold by the loan provider lawfully to a goodwill buyer.</p>	Deleted
<p>Article 179 The guarantee as referred to in the preceding articles includes the act of the guarantor to undertake the responsibility or provide property to ensure that the obligor fulfils the obligations.</p>	Deleted
<p>Article 181 The Company shall conclude written contracts with every director, supervisor and senior executive, covering at least the following matters:</p> <p>(I) Directors, supervisors or senior executives shall undertake to the Company to observe Company Law, the Articles of Association, and Code on Takeovers and Mergers and Code on Share Repurchase approved (revised from time to time) by the Securities and Futures Commission of Hong Kong and other provisions of the Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under the Articles of Association and that the said contracts and their positions as director, supervisor or senior executive shall not be transferred;</p> <p>(II) Directors, supervisors or senior executives shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in the Articles of Association;</p> <p>(III) Arbitration clauses specified in Article 221 of the Articles of Association.</p>	<p><b>Article 150</b> The Company shall conclude written contracts with every director, supervisor and senior executive., covering at least the following matters:</p> <p><del>(I) Directors, supervisors or senior executives shall undertake to the Company to observe Company Law, the Articles of Association, and Code on Takeovers and Mergers and Code on Share Repurchase approved (revised from time to time) by the Securities and Futures Commission of Hong Kong and other provisions of the Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under the Articles of Association and that the said contracts and their positions as director, supervisor or senior executive shall not be transferred;</del></p> <p><del>(II) Directors, supervisors or senior executives shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in the Articles of Association;</del></p> <p><del>(III) Arbitration clauses specified in Article 221 of the Articles of Association.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 182 The Company shall conclude written contracts with its directors and supervisors in relation to their remunerations, subject to prior approval at a general meeting. The aforesaid remunerations include:</p> <p>(I) Remunerations as directors, supervisors or senior executives of the Company;</p> <p>(II) Remunerations as directors, supervisors or senior executives of subsidiaries of the Company;</p> <p>(III) Remunerations for providing other services for the management of the Company and subsidiaries thereof; and</p> <p>(IV) Compensations for the said directors or supervisors for losing their positions or for retirement.</p> <p>Save as specified in the aforesaid contracts, the directors or supervisors shall not pursue legal action against the Company for the aforesaid interests.</p>	<p>Deleted</p>
<p>Article 183 The Company shall specify in the contracts concluded with the directors or supervisors in relation to remunerations that if the Company is acquired, the directors or supervisors of the Company have the right to seek compensations or other monies for losing their positions or for retirement under the conditions approved at the general meeting.</p> <p>The acquisition in the preceding paragraph refers to any of the following circumstances:</p> <p>(I) Tender offer of any person to all the shareholders; or</p>	<p>Deleted</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(II) Tender offer of any person to become a controlling shareholder of the Company. The definition of a controlling shareholder is the same as that in Article 61 of the Articles of Association.</p> <p>Any monies received by the relevant directors or supervisors in violation of the provisions herein shall belong to those who sell their shares in response to the aforesaid tender offer, and the said directors or supervisors shall bear the expenses for distributing the said monies in proportion, which shall not be deducted from the said monies.</p>	
<p>Article 184 The Company shall formulate its financial accounting system in accordance with relevant laws, administrative regulations and the PRC accounting standards formulated by the competent financial authority of the State Council.</p>	<p><b>Article 151</b> The Company shall formulate its financial accounting system in accordance with relevant laws, administrative regulations and <del>the PRC accounting standards</del> requirements formulated by <del>the competent financial authority of the State Council</del> <b>the relevant authorities of the state.</b></p>
<p>Article 186 The Board of the Company shall, at each annual general meeting, submit to the shareholders the financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, normative documents issued by local governments and competent authorities and the Listing Rules.</p>	Deleted
<p>Article 187 The financial reports of the Company shall be kept in the Company and accessible to the shareholders 20 days before convening of the annual general meeting. Every shareholder of the Company shall have the right to access the aforesaid financial reports.</p>	Deleted

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>The Company shall, at least 21 days before convening of the annual general meeting, send by prepaid mail to all holders of overseas listed foreign shares the aforesaid reports or directors' reports and the balance sheet (including each document required by laws and regulations to be attached to the balance sheet) and income statement or income and expenditure statement; and the addresses of addressees shall be those recorded in the shareholders' register.</p>	
<p>Article 188 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the accounting standards required under the rules of the places in which the Company's shares are listed. If the financial statements prepared under the two accounting standards are discrepant significantly, such discrepancy shall be explained in the notes to the financial statements. The Company shall distribute the after-tax profit of the relevant fiscal year as per the less of the after-tax profits in the aforesaid two financial statements.</p>	Deleted
<p>Article 192 Capital reserve includes the following:</p> <p>(I) Premium arising from issue above the par value of shares; (II) Other revenues required by the competent financial authority under the State Council to be stated as capital reserve.</p>	Deleted

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>Article 196 The Company shall appoint collection agents for holders of overseas listed foreign shares. The collection agents shall, on behalf of the related shareholders, collect dividends distributed by the Company for the overseas listed foreign shares and other payables.</p> <p>The collection agents appointed by the Company shall meet the requirements of the laws or the stock exchange of the listing place.</p> <p>The collection agents appointed by the Company for holders of foreign shares listed on the Hong Kong Stock Exchange shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.</p> <p>The Company shall have the right to stop sending dividend coupons by post to a holder of overseas listed foreign shares when the dividend coupons are not cashed for two consecutive times. However, the Company may also exercise such a right when the dividend coupons are returned after they are sent to the addressee for the first time.</p> <p>Regarding exercise of right to issue warrants to anonymous holders, the Company shall not issue any new warrant to replace the lost one, unless it is sure beyond reasonable doubt that the original warrant has been destroyed.</p>	<p><del>Article 159</del> <del>The Company shall appoint collection agents for holders of overseas listed foreign shares. The collection agents shall, on behalf of the related shareholders, collect dividends distributed by the Company for the overseas listed foreign shares and other payables.</del></p> <p><b><u>The Company shall appoint one or more collection agents in Hong Kong in charge of receiving dividends and other payables distributed by the Company in respect of its H Shares listed on the Hong Kong Stock Exchange, who shall hold such monies in trust for the holders of such securities pending payment to such holders.</u></b></p> <p>The collection agents appointed by the Company shall meet the requirements of the laws or the stock exchange of the listing place.</p> <p><del>The collection agents appointed by the Company for holders of foreign shares listed on the Hong Kong Stock Exchange shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.</del></p> <p><del>The Company shall have the right to stop sending dividend coupons by post to a holder of overseas listed foreign shares when the dividend coupons are not cashed for two consecutive times. However, the Company may also exercise such a right when the dividend coupons are returned after they are sent to the addressee for the first time.</del></p>



Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>The Company shall have the right to sell the shares of the holders of overseas listed foreign shares who cannot be reached in a manner deemed as appropriate by the Board, but it shall comply with the following conditions:</p> <p>(I) Dividends have been distributed for the said shares for at least three times in 12 years, but are not claimed in the said period; and</p> <p>(II) Upon expiry of the 12-year period, the Company shall announce its intent to sell the shares in one or more newspapers at the listing place of the Company, and notify the stock exchange on which the said shares are listed.</p> <p>Provided that the relevant PRC laws and regulations are observed, the Company may exercise the right to seize dividends not collected, but the said right shall not be exercised before expiry of the applicable validity period.</p> <p>Monies paid for any shares before dunning shall have dividends, but the holders of shares are not entitled to dividends announced later for the said monies.</p>	<p><del>Regarding exercise of right to issue warrants to anonymous holders, the Company shall not issue any new warrant to replace the lost one, unless it is sure beyond reasonable doubt that the original warrant has been destroyed.</del></p> <p><del>The Company shall have the right to sell the shares of the holders of overseas listed foreign shares who cannot be reached in a manner deemed as appropriate by the Board, but it shall comply with the following conditions:</del></p> <p><del>(I) Dividends have been distributed for the said shares for at least three times in 12 years, but are not claimed in the said period; and</del></p> <p><del>(II) Upon expiry of the 12-year period, the Company shall announce its intent to sell the shares in one or more newspapers at the listing place of the Company, and notify the stock exchange on which the said shares are listed.</del></p> <p><del>Provided that the relevant PRC laws and regulations are observed, the Company may exercise the right to seize dividends not collected, but the said right shall not be exercised before expiry of the applicable validity period.</del></p> <p><del>Monies paid for any shares before dunning shall have dividends, but the holders of shares are not entitled to dividends announced later for the said monies.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
Article 197 The Company shall appoint qualified the relevant state requirements, independent certified public accountants to audit the annual financial reports and other financial reports of the Company.	<b>Article 160</b> The Company shall appoint qualified the relevant state <u>Securities Law</u> ; <del>independent</del> certified public accountants to audit the annual financial reports and other financial reports of the Company <b>to perform audits of accounting statements, verification of net assets and other related advisory services for a term of one year, which may be renewed.</b>
Article 198 The term of appointment of certified public accountants for the Company shall be from conclusion of one annual general meeting to conclusion of the next annual general meeting. The appointment may be extended upon expiry of the period of appointment.	Deleted
Article 200 In the event of vacancy of certified public accountants, the Board may appoint certified public accountants to fill the said vacancy before convening of a general meeting. During duration of the said vacancy, if the Company has any incumbent certified public accountants, the said certified public accountants may still fulfil their duties.	Deleted
Article 202 The remunerations of the certified public accountants or the method for determining the same shall be subject to the decision of the general meeting. The remunerations of the certified public accountants appointed by the Board shall be determined by the Board.	<b>Article 163</b> <del>The remunerations of the certified public accountants or the method for determining the same shall be subject to the decision of the general meeting.</del> <b><u>The audit fees of the certified public accountants shall be subject to the decision of the general meeting.</u></b>
Article 203 Appointment, dismissal or non-appointment of certified public accountants by the Company shall be subject to decision at the general meeting and shall be filed with the securities regulatory authority under the State Council.	<b>Article 164</b> Appointment, dismissal or non-appointment of certified public accountants by the Company shall be subject to decision at the general meeting <del>and shall be filed with the securities regulatory authority under the State Council.</del>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>The general meeting shall comply with the following provisions in passing a resolution to appoint non-incumbent certified public accountants to fill any vacancy of certified public accountants or continue appointing certified public accountants appointed by the Board to fill the vacancy or dismiss incumbent certified public accountants before the expiry of its term:</p> <p>(I) The proposal for appointment or dismissal shall, before the notice of general meeting is sent, be served to certified public accountants to be appointed or to terminate service or having terminated service in the relevant fiscal year.</p> <p>Termination of service shall include dismissal, resignation or retirement.</p> <p>(II) If the certified public accountants about to terminate service make a written statement and request the Company to notify the shareholders of the said statement, the Company shall take the following actions unless the statement is received too late:</p> <ol style="list-style-type: none"> <li>1. Describe in the notice issued for the resolution that the certified public accountants about to terminate service have made a statement; and</li> <li>2. Send to the shareholders entitled to receive the notice of general meetings a copy of the statement as an attachment to the notice in the form specified in the Articles of Association.</li> </ol> <p>(III) If the Company fails to send out the statement of the certified public accountants as per (II) herein, the relevant certified public accountants may require that the said statement be read at the general meeting and may further lodge a complaint.</p>	<p><del>The general meeting shall comply with the following provisions in passing a resolution to appoint non-incumbent certified public accountants to fill any vacancy of certified public accountants or continue appointing certified public accountants appointed by the Board to fill the vacancy or dismiss incumbent certified public accountants before the expiry of its term:</del></p> <p><del>(I) The proposal for appointment or dismissal shall, before the notice of general meeting is sent, be served to certified public accountants to be appointed or to terminate service or having terminated service in the relevant fiscal year.</del></p> <p><del>Termination of service shall include dismissal, resignation or retirement.</del></p> <p><del>(II) If the certified public accountants about to terminate service make a written statement and request the Company to notify the shareholders of the said statement, the Company shall take the following actions unless the statement is received too late:</del></p> <ol style="list-style-type: none"> <li><del>1. Describe in the notice issued for the resolution that the certified public accountants about to terminate service have made a statement; and</del></li> <li><del>2. Send to the shareholders entitled to receive the notice of general meetings a copy of the statement as an attachment to the notice in the form specified in the Articles of Association.</del></li> </ol> <p><del>(III) If the Company fails to send out the statement of the certified public accountants as per (II) herein, the relevant certified public accountants may require that the said statement be read at the general meeting and may further lodge a complaint.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>(IV) Certified public accountants about to terminate service have the right to attend the following meetings:</p> <ol style="list-style-type: none"> <li>1. The general meeting at which their term of appointment expires;</li> <li>2. The general meeting for filling vacancy because of their termination of service; and</li> <li>3. The general meeting held because of their resignation.</li> </ol> <p>The certified public accountants about to terminate service have the right to receive all the notices of the aforesaid meetings or other information relating to the meetings, and deliver speeches at the meetings in relation to the matters concerning the certified public accountant.</p>	<p><del>(IV) Certified public accountants about to terminate service have the right to attend the following meetings:</del></p> <ol style="list-style-type: none"> <li><del>1. The general meeting at which their term of appointment expires;</del></li> <li><del>2. The general meeting for filling vacancy because of their termination of service; and</del></li> <li><del>3. The general meeting held because of their resignation.</del></li> </ol> <p><del>The certified public accountants about to terminate service have the right to receive all the notices of the aforesaid meetings or other information relating to the meetings, and deliver speeches at the meetings in relation to the matters concerning the certified public accountant.</del></p>
<p>Article 204 Where the Company dismisses or does not continue appointing the certified public accountants, prior notice shall be given to the certified public accountants, and the certified public accountants shall have the right to state their opinions to the general meeting. Where the certified public accountants tender their resignation, they shall state to the general meeting whether the Company has anything inappropriate.</p> <p>The certified public accountants may resign by placing a written notice of resignation at the legal address of the Company. The said notice shall take effect on the date of delivery to the legal address of the Company or on a later date specified in the notice. The said notice shall include the following statements:</p> <ol style="list-style-type: none"> <li>(I) A statement that their resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or</li> <li>(II) statement of any such information to be disclosed.</li> </ol>	<p><del>Article 165 Where the Company dismisses or does not continue appointing the certified public accountants, prior notice shall be given to the certified public accountants, and the certified public accountants shall have the right to state their opinions to the general meeting. Where the certified public accountants tender their resignation, they shall state to the general meeting whether the Company has anything inappropriate.</del></p> <p><b><u>Where the Company dismisses or does not continue appointing the certified public accountants, it shall notify the certified public accountants five days in advance, and the certified public accountants shall be allowed to present its opinion when the general meeting of the Company votes on the termination of the appointment of the certified public accountants.</u></b></p> <p><del>The certified public accountants may resign by placing a written notice of resignation at the legal address of the Company. The said notice shall take effect on the date of delivery to the legal address of the Company or on a later date specified in the notice. The said notice shall include the following statements:</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p>The Company shall send a copy of the written notice mentioned in the preceding paragraph to relevant competent authority within 14 days after receipt of the said notice. If the notice contains the statement mentioned in (II) of the preceding paragraph, the Company shall keep a copy of the said statement in the Company for reference by the shareholders. The Company shall also send a copy of the aforesaid statement to every shareholder who has the right to obtain the financial reports of the Company, as per the addresses in the shareholders' register.</p> <p>If the notice of resignation of the certified public accountants contains the statement mentioned in (II) of Paragraph 2 herein, the certified public accountants may require the Board to convene an extraordinary general meeting to listen to their explanation about the resignation.</p>	<p><del>(I) A statement that their resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or</del></p> <p><del>(II) A statement of any such information to be disclosed.</del></p> <p><del>The Company shall send a copy of the written notice mentioned in the preceding paragraph to relevant competent authority within 14 days after receipt of the said notice. If the notice contains the statement mentioned in (II) of the preceding paragraph, the Company shall keep a copy of the said statement in the Company for reference by the shareholders. The Company shall also send a copy of the aforesaid statement to every shareholder who has the right to obtain the financial reports of the Company, as per the addresses in the shareholders' register.</del></p> <p><del>If the notice of resignation of the certified public accountants contains the statement mentioned in (II) of Paragraph 2 herein, the certified public accountants may require the Board to convene an extraordinary general meeting to listen to their explanation about the resignation.</del></p>
<p>Article 205 In respect of the merger or division of the Company, the Board shall propose a plan and have it adopted following the procedure specified in the Articles of Association, and go through relevant examination and approval formalities pursuant to law. Any shareholder objecting to merger or division of the Company shall have the right to require the Company or the shareholders approving merger or division of the Company to buy his shares at a fair price. Resolution on merger or division of the Company shall be archived as special document for reference by the shareholders.</p>	<p><b>Article 166</b> In respect of the merger or division of the Company, the Board shall propose a plan and have it adopted following the procedure specified in the Articles of Association, and go through relevant examination and approval formalities pursuant to law. Any shareholder objecting to merger or division of the Company shall have the right to require the Company or the shareholders approving merger or division of the Company to buy his shares at a fair price. Resolution on merger or division of the Company shall be archived as special document for reference by the shareholders.</p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
The aforesaid document shall also be served by post to holders of overseas listed foreign shares, as per the addresses in the shareholders' register.	<del>The aforesaid document shall also be served by post to holders of overseas listed foreign shares, as per the addresses in the shareholders' register.</del>
<p>Article 211 If the Board decides to liquidate the Company (save for liquidation when the Company is declared bankrupt), the notice of general meeting to be held therefor shall contain a statement that the Board has made a thorough investigation on the conditions of the Company and that the Company may repay all its debts within 12 months after commencement of liquidation.</p> <p>After the resolution on liquidation is adopted at the general meeting, the functions and powers of the Board shall terminate immediately.</p> <p>The liquidation group shall, as per the instructions of the general meeting, report to the general meeting at least once a year about the revenues and expenses of the liquidation group, the businesses of the Company and the progress of liquidation, and deliver a final report to the general meeting at the end of liquidation.</p>	Deleted
<p>Article 216 After completion of liquidation of the Company, the liquidation group shall prepare a liquidation report and income and expenditure statements and account books in respect of the liquidation period and, after verification of the Chinese certified public accountants, shall submit the same to the general meeting or the relevant competent authority for confirmation.</p> <p>The liquidation group shall, within 30 days after obtaining confirmation from the general meeting or the relevant competent authority, submit the aforesaid documentation to the company registration authority, and apply to cancel registration of the Company and announce termination of the Company.</p>	<p><b><u>Article 176</u></b> After completion of liquidation of the Company, the liquidation group shall prepare a liquidation report and income and expenditure statements and account books in respect of the liquidation period and, after verification of the Chinese certified public accountants, shall submit the same to the general meeting or the relevant competent authority for confirmation, <b><u>and submit it to the company's registration authority to apply to cancel registration of the Company and announce termination of the Company.</u></b></p> <p><del>The liquidation group shall, within 30 days after obtaining confirmation from the general meeting or the relevant competent authority, submit the aforesaid documentation to the company registration authority, and apply to cancel registration of the Company and announce termination of the Company.</del></p>

Existing Terms of Articles of Association	Proposed Amendments to Articles of Association
<p><b>CHAPTER 23 SETTLEMENT OF DISPUTES</b></p> <p><b>Article 221</b></p>	Deleted
<p>Article 222 The phrases “more than”, “within” and “less than” as mentioned in the Articles of Association are inclusive while “exceeding” and “beyond” are exclusive.</p>	<p><b>Article 181</b> The phrases “more than”, “within”, “less than” and <b>“no more than”</b> as mentioned in the Articles of Association are inclusive while “exceeding” and “beyond” are exclusive.</p>
<p>Article 224 The term “accounting firm” as used in the Articles of Association has the same meaning as “auditor”.</p> <p>All the circulars or other documents that the Company shall submit to the Hong Kong Stock Exchange shall be compiled in English or attached with a signed and certified English version.</p> <p>The Articles of Association shall be executed in Chinese. In the event of any conflict between the Chinese version and other language versions, the Chinese version shall prevail.</p> <p>Should there be any inconsistency between the Articles of Association and relevant laws, regulations, normative documents and the listing rules of the stock exchange on which the Company’s shares are listed in respect of the issue, the latter shall prevail.</p> <p>Any matters not covered herein shall be handled in accordance with the relevant laws, regulations, normative documents, the listing rules of the stock exchange on which the Company’s shares are listed.</p>	<p><b>Article 182</b> The term “accounting firm” as used in the Articles of Association has the same meaning as “auditor”.</p> <p><del>All the circulars or other documents that the Company shall submit to the Hong Kong Stock Exchange shall be compiled in English or attached with a signed and certified English version.</del></p> <p>The Articles of Association shall be executed in Chinese. In the event of any conflict between the Chinese version and other language versions, the Chinese version shall prevail.</p> <p>Should there be any inconsistency between the Articles of Association and relevant laws, regulations, normative documents and the listing rules of the stock exchange on which the Company’s shares are listed in respect of the issue, the latter shall prevail.</p> <p>Any matters not covered herein shall be handled in accordance with the relevant laws, regulations, normative documents, the listing rules of the stock exchange on which the Company’s shares are listed.</p>

The article numbers, text, and punctuation marks to the Articles of Association have been optimized and adjusted, which does not constitute a substantive revision. Save as disclosed in this announcement, no amendment to the Articles of Association have been made.

**APPENDIX XI      TABLE OF AMENDMENTS TO THE PROCEDURE  
RULES OF THE GENERAL MEETING**

<b>Existing Terms of the Procedural Rules of the General Meetings</b>	<b>Proposed Amendments to the Procedural Rules of the General Meetings</b>
<p>Article 5 The general meeting shall be the authority of power of the Company and exercise the following functions and powers:</p> <p>(I) To decide the business operation guideline and investment plan for the Company;</p> <p>(II) To elect and replace directors and to decide on matters relating to remuneration of the directors;</p> <p>(III) To elect and replace supervisors who are not the employee representative and to decide on matters relating to remuneration of the supervisors;</p> <p>(IV) To examine and approve reports of the Board;</p> <p>(V) To examine and approve reports of the Supervisory Committee;</p> <p>(VI) To examine and approve the annual financial budgets and final accounting plans of the Company;</p> <p>(VII) To examine and approve the Company's profit distribution plan and loss recovery plan;</p> <p>(VIII) To resolve on increase or decrease of the registered capital of the Company;</p> <p>(IX) To resolve on the merger, division, dissolution, liquidation or transformation of the Company;</p> <p>(X) To resolve on the issuance of corporate bonds and other securities and the listing of the Company;</p> <p>(XI) To resolve on the appointment, removal or non-reappointment of certified public accountants of the Company;</p> <p>(XII) To amend the Articles of Association;</p> <p>(XIII) To examine proposals made by shareholders severally or jointly representing more than 3% of the voting shares of the Company;</p>	<p>Article 5 The general meeting shall be the authority of power of the Company and exercise the following functions and powers:</p> <p>(I) To decide the business operation guideline and investment plan for the Company;</p> <p>(II) To elect and replace directors and to decide on matters relating to remuneration of the directors;</p> <p>(III) To elect and replace supervisors who are not the employee representative and to decide on matters relating to remuneration of the supervisors;</p> <p>(IV) To examine and approve reports of the Board;</p> <p>(V) To examine and approve reports of the Supervisory Committee;</p> <p>(VI) To examine and approve the annual financial budgets and final accounting plans of the Company;</p> <p>(VII) To examine and approve the Company's profit distribution plan and loss recovery plan;</p> <p>(VIII) To resolve on increase or decrease of the registered capital of the Company;</p> <p>(IX) To resolve on the merger, division, dissolution, liquidation or transformation of the Company;</p> <p>(X) To resolve on the issuance of corporate bonds and other securities and the listing of the Company;</p> <p>(XI) To resolve on the appointment, removal or non-reappointment of certified public accountants of the Company;</p> <p>(XII) To amend the Articles of Association;</p> <p>(XIII) To examine proposals made by shareholders severally or jointly representing more than 3% of the voting shares of the Company;</p>



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<b>Existing Terms of the Procedural Rules of the General Meetings</b>	<b>Proposed Amendments to the Procedural Rules of the General Meetings</b>
<p>(XIV) To examine the Company’s purchase or disposal of major assets within one year or matters with the amount guaranteed exceeding 30% of the total assets of the Company; and</p> <p>(XV) To resolve on other matters which, in accordance with the laws, administrative regulations, listing rules of the stock exchange with which the Company’s shares are listed and the Articles of Association, shall be approved by a general meeting.</p>	<p><b><u>(XIV) To considerate and approve the guarantees which shall be considered and approved at the general meeting according to the Articles of Association;</u></b></p> <p>(XV) To examine the Company’s purchase or disposal of major assets within one year or matters with the amount guaranteed exceeding 30% of the total assets of the Company;</p> <p><b><u>(XVI) To considerate and approve any changes to the use of proceeds;</u></b></p> <p><b><u>(XVII) To considerate share incentive plans and employee stock ownership plans; and</u></b></p> <p>(XVIII) To resolve on other matters which, in accordance with the laws, administrative regulations, listing rules of the stock exchange with which the Company’s shares are listed and the Articles of Association, shall be approved by a general meeting.</p>
<p>Article 9 The general meeting shall be convened by the Board according to the law, and the chairman of the Board shall act as the presider of the meeting. If the chairman is unable or fails to perform his duties, more than half of the directors may elect a director to convene and act as the presider of the meeting.</p> <p>A general meeting convened by the Supervisory Committee itself shall be presided over by the chief supervisor. Where the chief supervisor cannot or fails to fulfill the duty thereof, the majority of the supervisors shall jointly elect a supervisor to preside.</p> <p>A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.</p>	<p>Article 9 The general meeting shall be convened by the Board according to the law, and the chairman of the Board shall act as the presider of the meeting. If the chairman is unable or fails to perform his duties, more than half of the directors may elect a director to convene and act as the presider of the meeting.</p> <p><b><u>If the Board cannot or fails to convene the general meeting, the Supervisory Committee shall duly convene and preside; if the Supervisory Committee cannot or fails to convene and preside over the general meeting, the shareholders individually or jointly holding more than 10% of the Company’s shares for more than 90 consecutive days may by themselves convene and preside over the general meeting.</u></b> A general meeting convened by the Supervisory Committee itself shall be presided over by the chief supervisor. Where the chief supervisor cannot or fails to fulfill the duty thereof, the majority of the supervisors shall jointly elect a supervisor to preside.</p>

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<b>Existing Terms of the Procedural Rules of the General Meetings</b>	<b>Proposed Amendments to the Procedural Rules of the General Meetings</b>
<p>During the general meeting, if the chairman breaches any procedure rules such that the general meeting is unable to continue, the general meeting may elect a person to serve as the chairman for continuing with the meeting upon obtaining consent of more than 50% of the shareholders present at the meeting who have the voting rights.</p>	<p>A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener. <b><u>In the event that no presider is so elected, the attending shareholders shall elect one person to act as presider of the meeting; if for any reason the shareholders cannot elect a presider, the shareholder (including proxy thereof) holding the most voting shares among the attending shareholders shall preside over the meeting.</u></b> During the general meeting, if the chairman breaches any procedure rules such that the general meeting is unable to continue, the general meeting may elect a person to serve as the chairman for continuing with the meeting upon obtaining consent of more than 50% of the shareholders present at the meeting who have the voting rights.</p>
<p>Article 13 Where the Company convenes a general meeting, a public announcement shall be given at least 20 business days before the date of the annual general meeting and at least 10 business days or 15 days (whichever is longer) before the date of the extraordinary general meeting to notify all the shareholders in the shareholders' register of the issues to be considered at the meeting, and the date and venue of the meeting. The duration of the aforesaid periods shall not include the date of such announcement and the date of the meeting. The "business day" in the Procedural Rules shall mean a day on which the Hong Kong Stock Exchange is open for business for dealing in securities.</p>	<p>Article 13 Where the Company convenes a general meeting, a public announcement shall be given at least <del>20 business days</del> <b><u>20 days</u></b> before the date of the annual general meeting and <del>at least 10 business days or 15 days (whichever is longer)</del> <b><u>15 days</u></b> before the date of the extraordinary general meeting to notify all the shareholders in the shareholders' register of the issues to be considered at the meeting, and the date and venue of the meeting. The duration of the aforesaid periods shall not include the date of such announcement and the date of the meeting. The "business day" in the Procedural Rules shall mean a day on which the Hong Kong Stock Exchange is open for business for dealing in securities.</p>

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<b>Existing Terms of the Procedural Rules of the General Meetings</b>	<b>Proposed Amendments to the Procedural Rules of the General Meetings</b>
<p>Article 14 The notice of a general meeting shall meet the following requirements:</p> <p>(I) is in written form;</p> <p>(II) specifies the venue, date and time of the meeting;</p> <p>(III) states matters to be discussed at the meeting;</p> <p>(IV) provides such necessary information and explanations for shareholders to make an informed judgment on the matters to be considered. Without limitation to the generality of the foregoing, where a proposal is made with respect to the merger of the Company with another company, the repurchase of shares, the restructuring of share capital, or other reorganization of the Company, the terms of the proposed transaction must be provided in detail along with copies of the proposed contract (if any), and the reason(s) and effect of such proposal must be properly explained;</p> <p>(V) Where the opinions of the independent directors are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when or before the notice or supplementary notice of the general meeting is served.</p> <p>(VI) contains a disclosure of the nature and extent of the material interests of any director, supervisor, general manager (chief executive) or other senior executives in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders insofar as it is different from the effect on interests of shareholders of the same class;</p> <p>(VII) contains the full text of any special resolution to be proposed at the meeting;</p>	<p>Article 14 The notice of a general meeting shall meet the following requirements:</p> <p><b><u>(I) specifies the venue, date and time of the meeting;</u></b></p> <p><b><u>(II) submits the matters and proposals to be considered at the meeting;</u></b></p> <p><b><u>(III) sets out an obvious statement that all ordinary shareholders (including the preferred shareholders who have resumed their voting rights) are entitled to attend the general meeting in person, or appoint in writing proxies to attend and vote on his or her behalf and such proxies need not be shareholders of the Company;</u></b></p> <p><b><u>(IV) the equity registration date of shareholders who are entitled to attend the general meeting;</u></b></p> <p><b><u>(V) the name(s) and telephone number(s) of the contact person(s) for the meeting;</u></b></p> <p><b><u>(VI) the time and procedures of voting by network or other means; and</u></b></p> <p><b><u>(VII) other requirements stipulated in the laws, administrative regulations, department rules, listing rules of the stock exchange with which the Company's shares are listed and the Articles of Association.</u></b></p> <p><b><u>The notice and supplementary notice of a general meeting shall adequately and completely disclose the specific contents of all proposals. Where the opinions of the independent directors are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notice or supplementary notice of the general meeting is served.</u></b></p>

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<p>(VIII) contains a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxy need not be a shareholder of the Company;</p> <p>(IX) sets out the equity registration date of shareholders who are entitled to attend the general meeting, and the interval between the equity registration date and the date of the meeting shall be subject to the requirements of the relevant stock exchange or the regulatory authority at the location where the Company's shares are listed;</p> <p>(X) specifies the time and venue for serving the power of attorney for the voting proxy for the meeting; and</p> <p>(XI) lists the name(s) and telephone number(s) of the contact person(s) for the meeting.</p> <p>The notice of general meeting shall be delivered to shareholders (whether or not they are entitled to vote at the general meeting) by personal delivery or by prepaid mail to their addresses as shown in the shareholders' register, or by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with applicable laws, regulations, the Listing Rules and the Articles of Association. For holders of domestic shares, the notice of a general meeting may be issued in the form of public announcement.</p> <p>Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities authority under the State Council. Once the announcement has been published, all holders of domestic shares shall be deemed to have received the notice of relevant general meeting.</p>	<p><b><u>The commencement time of voting by network or other means at a general meeting shall not be earlier than 3:00 p.m. on the day before the on-site general meeting and shall not be later than 9:30 a.m. on the day of the onsite general meeting, and its ending time shall not be earlier than 3:00 p.m. on the day of the conclusion of the on-site general meeting.</u></b></p> <p><b><u>The interval between the equity registration date and the date of the meeting shall be no more than 7 business days. Once the share registration date is confirmed, it shall not be changed.</u></b></p> <p><b>Article 15</b> Once the notice for a general meeting is issued, the general meeting shall not be postponed or cancelled without a valid reason. Resolutions set out in the notice shall not be cancelled without a valid reason. In the event of a postponement or a cancellation, the convener of the meeting shall make a public announcement of the reason at least two working days before the date of the meeting as originally scheduled.</p>

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<p>Once the notice for a general meeting is issued, the general meeting shall not be postponed or cancelled without a valid reason. Resolutions set out in the notice shall not be cancelled without a valid reason. In the event of a postponement or a cancellation, the convener of the meeting shall make a public announcement of the reason at least two working days before the date of the meeting as originally scheduled.</p>	
<p>Article 20 The power of attorney issued by the shareholder to appoint a proxy to attend the general meeting shall include the following contents:</p> <p>(I) Name of the proxy;</p> <p>(II) Whether he/she has the right to vote;</p> <p>(III) Instructions on voting for or against or abstaining from voting in respect to each matter set out in the agenda of the general meeting;</p> <p>(IV) Whether the proxy is entitled to votes for the interim proposals that may be included in the agenda of the general meeting, and specific instruction of voting if voting power is granted;</p> <p>(V) Issuing date and validity period of the power of attorney; and</p> <p>(VI) Signature (or stamp) of the principal. If the principal is a legal person, it shall be under seal or under the hand of a director or a proxy duly authorised.</p> <p>The power of attorney shall specify whether such proxy may vote in default of specific instructions. In the absence of a definite authorisation from the shareholder, the vote by the proxy himself shall prevail.</p>	<p><b>Article 21</b> The power of attorney issued by the shareholder to appoint a proxy to attend the general meeting shall include the following contents:</p> <p>(I) Name of the proxy;</p> <p>(II) Whether he/she has the right to vote;</p> <p>(III) Instructions on voting for or against or abstaining from voting in respect to each matter set out in the agenda of the general meeting;</p> <p>(IV) <del>Whether the proxy is entitled to votes for the interim proposals that may be included in the agenda of the general meeting, and specific instruction of voting if voting power is granted;</del> (V) Issuing date and validity period of the power of attorney;</p> <p>(V)(<del>VI</del>) <b>Signature (or stamp) of the principal. If the principal is a legal person, it shall be under seal or under the hand of a director or a proxy duly authorised;</b></p> <p><b><u>(VI) The number of shares held by the shareholder who is represented by the proxy; and</u></b></p> <p><b><u>(VII) If several persons are appointed as the shareholder’s proxies, the power of attorney shall specify the number of shares to be represented by each proxy.</u></b></p> <p>The power of attorney shall specify whether such proxy may vote in default of specific instructions. In the absence of a definite authorisation from the shareholder, the vote by the proxy himself shall prevail.</p>

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<p>Article 21 The power of attorney for voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time. If the relevant stock exchange or the regulatory authority at the location where the Company’s shares are listed provides otherwise, such regulations shall prevail. Where such a power of attorney is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized power of attorney and other authorization documents shall, together with the power of attorney for voting, be deposited at the Company’s domicile or other location as specified in the notice of the meeting.</p>	<p><b>Article 22</b> The power of attorney for voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time. If the relevant stock exchange or the regulatory authority at the location where the Company’s shares are listed provides otherwise, such regulations shall prevail. Where such a power of attorney is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized power of attorney and other authorization documents shall, together with the power of attorney for voting, be deposited at the Company’s domicile or other location as specified in the notice of the meeting.</p> <p><b><u>Where the principal is a legal person, its legal representative or a person authorized by the Board or other decision making body shall attend the general meeting of the Company on his behalf.</u></b></p>
<p>Article 23 If the independent non-executive directors or the Supervisory Committee requests to convene an extraordinary general meeting, the following procedures are required to be followed:</p> <p>(I) Sign one or more written requests with the same format and contents, which request the Board to hold the extraordinary general meeting and explain the topics of the meeting. Within ten days after receiving the above-mentioned written request, the Board must provide written feedback regarding approval or rejection of the request.</p> <p>(II) If the Board approves the request, it shall provide a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the original requester.</p>	<p><b>Article 24</b> If the independent non-executive directors or the Supervisory Committee requests to convene an extraordinary general meeting, the following procedures are required to be followed:</p> <p>(I) Sign one or more written requests with the same format and contents, which request the Board to hold the extraordinary general meeting and explain the topics of the meeting. Within ten days after receiving the above-mentioned written request, the Board must provide written feedback regarding approval or rejection of the request.</p> <p>(II) If the Board approves the request, it shall provide a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the original requester.</p>

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<p>(III) If the Board rejects the request from the independent non-executive directors, it shall explain and make a public announcement of the relevant reasons.</p> <p>(IV) If the Board rejects the request from the Supervisory Committee, or provides no feedback within ten days after receiving the request, the Board shall be deemed to be unable to or will not fulfill the obligations of convening the meeting and the Supervisory Committee can convene and preside over the meeting itself.</p> <p>(V) If the meeting is convened by the Supervisory Committee or the shareholders themselves, a written notice shall be sent to the Board and kept on file in the branch office of the CSRC where the Company is situated and in the relevant stock exchange(s). The Supervisory Committee and the meeting convener shall submit relevant supporting documents to the branch office of the CSRC where the Company is situated and the relevant stock exchange(s) when issuing the notice regarding convening the meeting, as well as an announcement about the resolution of the meeting.</p>	<p>(III) If the Board rejects the request from the independent non-executive directors, it shall explain and make a public announcement of the relevant reasons.</p> <p>(IV) If the Board rejects the request from the Supervisory Committee, or provides no feedback within ten days after receiving the request, the Board shall be deemed to be unable to or will not fulfill the obligations of convening the meeting and the Supervisory Committee can convene and preside over the meeting itself.</p> <p><del>(V) If the meeting is convened by the Supervisory Committee or the shareholders themselves, a written notice shall be sent to the Board and kept on file in the branch office of the CSRC where the Company is situated and in the relevant stock exchange(s). The Supervisory Committee and the meeting convener shall submit relevant supporting documents to the branch office of the CSRC where the Company is situated and the relevant stock exchange(s) when issuing the notice regarding convening the meeting, as well as an announcement about the resolution of the meeting.</del></p> <p><b><u>If the meeting is convened by the Supervisory Committee or the shareholders themselves, a written notice shall be sent to the Board and kept on file in the relevant stock exchange(s). The Supervisory Committee and the meeting convener shall submit relevant supporting documents to the relevant stock exchange(s) when issuing the notice regarding convening the meeting, as well as an announcement about the resolution of the meeting.</u></b></p>

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<p>Article 24 Shareholder(s) individually or collectively holding more than 10% of the Company’s total voting shares may request convening an extraordinary general meeting or class meeting, and shall follow the procedures below:</p> <p>(I) Shareholder(s) individually or collectively holding more than 10% (inclusive) of the Company’s total voting shares may sign one or several written requests with the same format and content and propose that the Board convene an extraordinary general meeting or class meeting, and specify the topics of the meeting. The Board shall provide a written feedback on whether to agree to convene an extraordinary or class meeting within ten days upon receipt of the aforesaid written request. If the Board agrees to convene an extraordinary or class meeting, it will issue a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the relevant shareholder. The aforesaid amount of shareholding is calculated as of the day when the relevant shareholder makes the written request.</p> <p>(II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the requesting shareholder may itself convene a meeting within four months after the Board receives the said request, and the meeting convening procedure shall to the extent possible be the same as the procedure by which the Board convenes a general meeting.</p> <p>If any general meeting or class meeting is called by the shareholders themselves, the shares held by those shareholders shall not be less than 10% of the total shares of the Company, before announcing the resolutions of the meeting.</p>	<p><u>Article 25</u> Shareholder(s) individually or collectively holding more than 10% of the Company’s total voting shares may request convening an extraordinary general meeting <del>or class meeting</del>, and shall follow the procedures below:</p> <p>(I) Shareholder(s) individually or collectively holding more than 10% (inclusive) of the Company’s total voting shares may sign one or several written requests with the same format and content and propose that the Board convene an extraordinary general meeting <del>or class meeting</del>, and specify the topics of the meeting. The Board shall provide a written feedback on whether to agree to convene an extraordinary <del>or class meeting</del> within ten days upon receipt of the aforesaid written request. If the Board agrees to convene an extraordinary <del>or class meeting</del>, it will issue a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the relevant shareholder. The aforesaid amount of shareholding is calculated as of the day when the relevant shareholder makes the written request.</p> <p>(II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the requesting shareholder may itself convene a meeting within four months after the Board receives the said request, and the meeting convening procedure shall to the extent possible be the same as the procedure by which the Board convenes a general meeting.</p> <p>If any general meeting <del>or class meeting</del> is called by the shareholders themselves, the shares held by those shareholders shall not be less than 10% of the total shares of the Company, before announcing the resolutions of the meeting.</p>



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<p>Article 46 The chairman of the meeting shall determine whether a resolution has been passed pursuant to the voting results, which shall be final, and announce the voting results at the meeting. The voting results of a resolution shall be included in the meeting minutes. If pros and cons are equal, either by show of hands or by ballot, the presider shall be entitled to an additional vote.</p>	<p><b>Article 47</b> The chairman of the meeting shall determine whether a resolution has been <del>passed</del><b>approved</b> pursuant to the voting results, which shall be final, and announce the voting results at the meeting. The voting results of a resolution shall be included in the meeting minutes. <del>If pros and cons are equal, either by show of hands or by ballot, the presider shall be entitled to an additional vote.</del></p>
<p>Article 48 Except for the cumulative voting system, the general meeting will vote all proposals listed on the agenda one by one, and shall not set aside or make no votes for such proposal. If there are different resolutions for the same matter, the annual general meeting shall vote in accordance to the time sequence of the proposals and make resolutions on such matters.</p>	<p><b>Article 49</b> Except for the cumulative voting system, the general meeting will vote all proposals listed on the agenda one by one; <del>and shall not set aside or make no votes for such proposal. If there are different resolutions for the same matter, the annual general meeting shall vote in accordance to the time sequence of the proposals and make resolutions on such matters.</del> <b><u>If there are different proposals for the same matter, voting shall be conducted in accordance to the time sequence of the proposals. Except for cases where the general meeting is suspended or decisions cannot be made due to special reasons such as force majeure, the meeting shall not set aside or make no votes for such proposal.</u></b></p>
<p>Article 55 Resolutions of a general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution must be approved by votes representing more than one half of the voting rights of the shareholders (including proxies) present at the general meeting.</p> <p>A special resolution or a resolution of a class meeting must be approved by the votes representing more than two-thirds of the voting rights of the shareholders (including proxies) present at the general meeting who have the voting rights.</p>	<p><b>Article 56</b> Resolutions of a general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution must be approved by votes representing more than one half of the voting rights of the shareholders (including proxies) present at the general meeting.</p> <p>A special resolution <del>or a resolution of a class meeting</del> must be approved by the votes representing more than two-thirds of the voting rights of the shareholders (including proxies) present at the general meeting who have the voting rights.</p>

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<p>Article 57 The following matters shall be approved by special resolutions at a general meeting:</p> <p>(I) Increase or reduction in share capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(II) Division, merger, dissolution, liquidation or transformation of the Company;</p> <p>(III) Revision of the Articles of Association;</p> <p>(IV) Any other matters confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by a special resolution;</p> <p>(V) The Company’s acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the total assets of the Company; and</p> <p>(VI) Other matters requiring adoption by special resolution pursuant to the Articles of Association and the listing rules of the stock exchange with which the Company’s shares are listed.</p>	<p><u>Article 58</u> The following matters shall be approved by special resolutions at a general meeting:</p> <p>(I) <b>Increase or reduction in share capital the registered capital</b> of the Company <del>and the issue of shares of any class, warrants and other similar securities;</del></p> <p>(II) Division, merger, <b>spin-off</b>, dissolution, liquidation or transformation of the Company;</p> <p>(III) Revision of the Articles of Association;</p> <p><del>(IV) Any other matters confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by a special resolution;</del></p> <p><del>(V) The Company’s acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the total assets of the Company; and</del> <b>(VI) Other matters requiring adoption by special resolution pursuant to the Articles of Association and the listing rules of the stock exchange with which the Company’s shares are listed.</b></p> <p><b><u>(IV) The Company’s acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;</u></b></p> <p><b><u>(V) Share incentive plans; and</u></b></p> <p><b><u>(VI) Any other matters stipulated in the laws, administrative regulations, department rules, listing rules of the stock exchange with which the Company’s shares are listed and the Articles of Association, or confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by a special resolution.</u></b></p>

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<p>Article 58 The voting procedures for a class meeting shall be conducted in accordance with the provisions of the Articles of Association.</p>	<p>Deleted</p>
<p>Article 60 The resolution of the general meeting shall be announced in due time. The announcement of resolution shall specify the number of shareholders and their proxies who attended the meeting, the total number of voting shares held by holders who are entitled to attend the general meeting and have the voting rights and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares held by holders who are entitled to attend the general meeting and are required to abstain from voting in favor of the resolution under the listing rules, the total number of shares required to abstain from voting under the listing rules, the total number of shares that actually voted in favor of the resolution, the total number of shares that actually voted against the resolution, the voting method, the voting result of each resolution and the details of each of the resolutions approved, the identity of the scrutineers, and other disclosures required by the laws, regulations and listing rules.</p> <p>The Company shall record and make announcements on the attendance and voting of the holders of domestic shares and foreign shares respectively.</p> <p>Where the resolutions are not approved or the general meeting has revised a resolution reached at the previous general meeting, it shall be specifically noted in the voting results announcement of the general meeting.</p>	<p>Article 60 The resolution of the general meeting shall be announced in due time. The announcement of resolution shall specify the number of shareholders and their proxies who attended the meeting, the total number of voting shares held by holders who are entitled to attend the general meeting and have the voting rights and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares held by holders who are entitled to attend the general meeting and are required to abstain from voting in favor of the resolution under the listing rules, the total number of shares required to abstain from voting under the listing rules, the total number of shares that actually voted in favor of the resolution, the total number of shares that actually voted against the resolution, the voting method, the voting result of each resolution and the details of each of the resolutions approved, the identity of the scrutineers, and other disclosures required by the laws, regulations and listing rules.</p> <p>The Company shall record and make announcements on the attendance and voting of the holders of <del>domestic shares</del> <u>A</u> Shares and <del>foreign shares</del> <u>H</u> Shares respectively.</p> <p>Where the resolutions are not approved or the general meeting has revised a resolution reached at the previous general meeting, it shall be specifically noted in the voting results announcement of the general meeting.</p>

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CHAPTER 7 SPECIAL PROCEDURES FOR CLASS MEETING Articles 61 to 62	Deleted
<p>Article 63 The general meeting shall keep meeting minutes, which should be the responsibility of the secretary to the Board. The meeting minutes shall include the following contents:</p> <p>(I) Number of shareholders and their proxies who attended the meeting, number of shares with voting rights and its percentage as to the total number of shares in the Company;</p> <p>(II) Meeting time, address, agenda, and names of the meeting conveners;</p> <p>(III) Name of the chairman of the meeting, and agenda of the meeting;</p> <p>(IV) Name of the presider of the meeting as well as the directors, supervisors, the secretary to the Board, general manager and other senior executives who attended or were present at the meeting;</p> <p>(V) Review process, key points and voting results of each spokesperson in respect to each matter considered at the meeting;</p> <p>(VI) Voting results of each matter voted (including the number of pros, cons and abstentions);</p> <p>(VII) Inquires or proposals of the shareholders, and the replies and explanations from the Board and the Supervisory Committee;</p> <p>(VIII) Names of the lawyers, vote counters and scrutineers; and</p>	<p><b>Article 61</b> The general meeting shall keep meeting minutes, which should be the responsibility of the secretary to the Board. The meeting minutes shall include the following contents:</p> <p><del>(I) Number of shareholders and their proxies who attended the meeting, number of shares with voting rights and its percentage as to the total number of shares in the Company;</del></p> <p><del>(II) Meeting time, address, agenda, and names of the meeting conveners;</del></p> <p><del>(III) Name of the chairman of the meeting, and agenda of the meeting;</del></p> <p><del>(IV) Name of the presider of the meeting as well as the directors, supervisors, the secretary to the Board, general manager and other senior executives who attended or were present at the meeting;</del></p> <p><del>(V) Review process, key points and voting results of each spokesperson in respect to each matter considered at the meeting;</del></p> <p><del>(VI) Voting results of each matter voted (including the number of pros, cons and abstentions);</del></p> <p><del>(VII) Inquires or proposals of the shareholders, and the replies and explanations from the Board and the Supervisory Committee;</del></p> <p><b><u>(I) Meeting time, address, agenda, names of the meeting conveners;</u></b></p>

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<p>(IX) Other contents as may be required to be included in the meeting minutes by the general meeting, the Articles of Association and the listing rules of the stock exchange with which the Company’s shares are listed.</p>	<p><u>(II) Name of the chairman of the meeting as well as the directors, supervisors, managers and other senior executives who attended the meeting;</u></p> <p><u>(III) Number of shareholders and their proxies who attended the meeting, number of shares with voting rights and its percentage as to the total number of shares in the Company;</u></p> <p><u>(IV) Review process, key points and voting results of each proposed resolution;</u></p> <p><u>(V) Inquires or proposals of the shareholders and the replies and explanations;</u></p> <p><u>(VI)(VIII)—Names of the lawyers, vote counters and scrutineers;</u></p> <p><u>(VII)(IX)—Other contents as may be required to be included in the meeting minutes by the general meeting, the Articles of Association and the listing rules of the stock exchange with which the Company’s shares are listed.</u></p>

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<b>Existing Terms of the Procedure Rules for the Board</b>	<b>Proposed Amendments to the Procedure Rules for the Board</b>
<p>Article 6..... The Chairman of the Board shall convene a meeting with non-executive directors (including independent non-executive directors) at least once a year without the presence of other executive directors.</p>	<p>Article 6..... The Chairman of the Board shall convene a meeting with <b>independent non-executive directors</b> at least once a year without the presence of other executive directors.</p>
<p>Article 10 The Board may authorize the general manager or other institutions to exercise its functions and powers, and shall not delegate all its statutory authorities (especially the functions and powers in respect of which shall be reported to the Board and the Board’s approval is needed prior to making any decision or giving any undertaking on behalf of the Company) permanently to other individuals or institutions. If the Board is to authorize the general manager or other institutions of the Company to exercise its functions and powers, the Board’s resolution on such authorization is needed.</p>	<p><del>Article 10 The Board may authorize the general manager or other institutions to exercise its functions and powers, and shall not delegate all its statutory authorities (especially the functions and powers in respect of which shall be reported to the Board and the Board’s approval is needed prior to making any decision or giving any undertaking on behalf of the Company) permanently to other individuals or institutions. If the Board is to authorize the general manager or other institutions of the Company to exercise its functions and powers, the Board’s resolution on such authorization is needed.</del> <b><u>All legitimate power of the Board shall be exercised by the Board collectively and shall not authorized others to exercise, or be modified or deprived by means of the Articles of Association or the resolutions of general meetings.</u></b></p> <p><b><u>Other powers of the Board specified in the Articles of Association that involve material matters shall be exercised collectively and shall not be delegated to the chairman, general manager or other entities.</u></b></p> <p><b><u>Where the Board authorizes the chairman to exercise part of the powers of the Board during the intersessional period of the Board, the principles and specific contents of the authorization shall be clearly specified in the Articles of Association.</u></b></p> <p><b><u>The Board may authorize the general manager or other institutions of the Company to exercise its functions and powers other than its statutory authorities. If the Board is to authorize the general manager or other institutions of the Company to exercise its functions and powers, the Board’s resolution on such authorization is needed.</u></b></p>

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Article 16 Board meetings include regular meetings and extraordinary meetings. The Board shall hold at least four meetings each year.	Article 16 Board meetings include regular meetings and extraordinary meetings. The Board shall hold at least four <b><u>regular</u></b> meetings each year.
<p>Article 18 In any of the following circumstances, the Board shall convene an extraordinary meeting:</p> <p>(I) When the shareholders representing one-tenth or more of the voting rights propose;</p> <p>(II) When one-third or more of the directors jointly propose;</p> <p>(III) When the Supervisory Committee proposes;</p> <p>(IV) When the chairman deems necessary;</p> <p>(V) In any other circumstance so specified in the Listing Rules and the Articles of Association.</p>	<p>Article 18 In any of the following circumstances, the Board shall convene an extraordinary meeting:</p> <p>(I) When the shareholders representing one-tenth or more of the voting rights propose;</p> <p>(II) When one-third or more of the directors jointly propose;</p> <p><b><u>(III) When half or more of independent directors propose;</u></b></p> <p><b><u>(IV)</u></b> When the Supervisory Committee proposes;</p> <p><b><u>(V)</u></b> When the chairman deems necessary;</p> <p><b><u>(VI)</u></b> In any other circumstance so specified in the Listing Rules and the Articles of Association.</p>
<p>Article 35 The directors shall avoid voting on the relevant proposal in the following circumstances:</p> <p>(I) When the Articles of Association and the Rules for the Management of the Related Party Transactions stipulate the directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal;</p> <p>(II) When the directors deem necessary to avoid voting;</p> <p>(III) When the laws and regulations and Listing Rules stipulate there is a material interest relationship or other situations.</p>	<p>Article 35 The directors shall avoid voting on the relevant proposal in the following circumstances:</p> <p>(I) When the Articles of Association and the Rules for the Management of the Related Party Transactions stipulate the directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal;</p> <p>(II) When the directors deem necessary to avoid voting;</p> <p>(III) When the laws and regulations and Listing Rules stipulate there is a material interest relationship or other situations.</p>

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RULES FOR THE BOARD**

<b>Existing Terms of the Procedure Rules for the Board</b>	<b>Proposed Amendments to the Procedure Rules for the Board</b>
<p>If any director has connection with the enterprise involved in the resolution made at a Board meeting, the said director shall not vote on the said resolution for himself or on behalf of another director. The Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution made shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than 3, the relevant proposal could not be voted while the issue shall be submitted to the general meeting for examination.</p> <p>Unless under the exceptional circumstances specified in Note 1 of Appendix 3 of Listing Rules or approved by the Hong Kong Stock Exchange, a director shall not vote on any resolution of the Board which approves the contract, transaction or arrangement or any other relevant suggestions where he/she or his/her close associates (as defined in the applicable Listing Rules which come into effect from time to time) own a material interest; and shall not be included into the quorum of the meeting.</p> <p>If the connected persons or associates of the directors, supervisors, general manager and other senior executives of the Company have any interests in a given contract, transaction or arrangement, the said directors, supervisors, general manager and other senior executives shall also be deemed as having interests.</p>	<p>If any director has connection with the enterprise involved in the resolution made at a Board meeting, the said director shall not vote on the said resolution for himself or on behalf of another director. The Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution made shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than 3, the relevant proposal could not be voted while the issue shall be submitted to the general meeting for examination.</p> <p>Unless under the exceptional circumstances specified in <del>Note 1 of Appendix 3 of</del> <b>Hong Kong</b> Listing Rules or approved by the Hong Kong Stock Exchange, a director shall not vote on any resolution of the Board which approves the contract, transaction or arrangement or any other relevant suggestions where he/she or his/her close associates (as defined in the applicable Listing Rules which come into effect from time to time) own a material interest; and shall not be included into the quorum of the meeting.</p> <p>If the connected persons or associates of the directors, supervisors, general manager and other senior executives of the Company have any interests in a given contract, transaction or arrangement, the said directors, supervisors, general manager and other senior executives shall also be deemed as having interests.</p>



**APPENDIX XII      TABLE OF AMENDMENTS TO THE PROCEDURE  
RULES FOR THE BOARD**

<b>Existing Terms of the Procedure Rules for the Board</b>	<b>Proposed Amendments to the Procedure Rules for the Board</b>
<p>If the substantial shareholders or directors of the Company has a significant conflict of interest in the matters to be considered, the relevant matters should be handled by holding a Board meeting (instead of a written resolution). Independent non-executive directors who neither themselves nor their affiliates have significant interests in the transaction should attend Board meeting related to these considerations.</p>	<p>If the substantial shareholders or directors of the Company has a significant conflict of interest in the matters to be considered, the relevant matters should be handled by holding a Board meeting (instead of a written resolution). Independent non-executive directors who neither themselves nor their affiliates have significant interests in the transaction should attend Board meeting related to these considerations.</p>
<p>Article 37 Where more than half of the attending directors or more than two independent non-executive directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the presider shall require the meeting to suspend voting on the said proposal.</p> <p>The director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.</p>	<p>Article 37 Where <del>more than half of the attending directors</del> two <b><u>and</u></b> more of than <del>two</del> independent non-executive directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the presider shall require the meeting to suspend voting on the said proposal. <b><u>are of the opinion that the meeting documents are incomplete, the argument is insufficient or the provision is not prompt, they may propose to the Board in writing to postpone the convening of the meeting or postpone the consideration of relevant matters. The Board should accept such a proposal and the Company should promptly disclose relevant information.</u></b></p>

**APPENDIX XII      TABLE OF AMENDMENTS TO THE PROCEDURE  
RULES FOR THE BOARD**

<b>Existing Terms of the Procedure Rules for the Board</b>	<b>Proposed Amendments to the Procedure Rules for the Board</b>
<p>Article 38 The Board shall file resolutions passed at the meeting as minutes. The minutes shall consist of the following:</p> <p>(I) the date and venue of the meeting and the name of the convener;</p> <p>(II) the names of the directors present and names of directors being appointed to attend the Board meeting on the other’s behalf (proxy);</p> <p>(III) the agenda;</p> <p>(IV) the main points of directors’ speeches (including the dissenting opinions);</p> <p>(V) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).</p>	<p>Article 38 The Board shall file resolutions passed at the meeting as minutes. <b><u>The minutes shall be true, accurate and complete, and fully reflect the opinions of the participants on the matters under consideration.</u></b> The minutes shall consist of the following:</p> <p>(I) the date and venue of the meeting and the name of the convener;</p> <p>(II) the names of the directors present and names of directors being appointed to attend the Board meeting on the other’s behalf (proxy);</p> <p>(III) the agenda;</p> <p>(IV) the main points of directors’ speeches (including the dissenting opinions);</p> <p>(V) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).</p>

**APPENDIX XII      TABLE OF AMENDMENTS TO THE PROCEDURE  
RULES FOR THE BOARD**

<b>Existing Terms of the Procedure Rules for the Board</b>	<b>Proposed Amendments to the Procedure Rules for the Board</b>
<p>Article 39 The attending directors shall sign the meeting minutes and resolutions in person or on behalf of the directors appointing them to attend the meeting, and shall be responsible for the resolutions passed at Board meetings. Where the directors disagree over the meeting minutes or resolutions, they may attach written remarks when signing the same.</p> <p>Where any director neither signs as per the preceding paragraph nor provides his different opinions in writing, the said director shall be deemed as agreeing with the minutes and resolutions.</p> <p>The directors shall be responsible for the resolutions passed at Board meetings. If any resolution of the Board runs counter to the laws, regulations, the Listing Rules, or the Articles of Association, thereby incurring any loss to the Company, the directors adopting the said resolution shall be liable for compensating the Company. A director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting may be exempt from liability.</p>	<p>Article 39 <b><u>The directors who attended the meeting, the secretary to the Board, the recorder and other relevant personnel shall sign on the meeting minutes.</u></b> The attending directors shall sign the meeting minutes and resolutions in person or on behalf of the directors appointing them to attend the meeting, and shall be responsible for the resolutions passed at Board meetings. Where the directors disagree over the meeting minutes or resolutions, they may attach written remarks when signing the same.</p> <p>Where any director neither signs as per the preceding paragraph nor provides his different opinions in writing, the said director shall be deemed as agreeing with the minutes and resolutions.</p> <p>The directors shall be responsible for the resolutions passed at Board meetings. If any resolution of the Board runs counter to the laws, regulations, the Listing Rules, or the Articles of Association, thereby incurring any loss to the Company, the directors adopting the said resolution shall be liable for compensating the Company. A director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting may be exempt from liability.</p>
<p>Article 45 In these rules, “above” includes the original number.</p>	<p>Article 45 In these rules, “above” includes the original number; <b><u>“more than” and “less than” do not include the original number.</u></b></p>

**APPENDIX XIII      TABLE OF AMENDMENTS TO THE PROCEDURE  
RULES OF THE SUPERVISORY COMMITTEE**

<b>Existing Terms of the Procedural Rules of the Supervisory Committee</b>	<b>Proposed Amendments to the Procedural Rules of the Supervisory Committee</b>
<p>Article 4 Before issuing the notice of regular meeting of the Supervisory Committee, the person in charge of daily affairs of the Supervisory Committee shall solicit proposals of the meeting from the supervisors and ask for opinions from the staff of the Company for at least two days. In doing so, the person in charge of daily affairs of the Supervisory Committee shall explain that the Supervisory Committee focuses on the supervision of the Company’s regular operations and the performance of duties of directors and senior management rather than the decisions of the Company’s management and operation.</p>	<p>Article 4 Before issuing the notice of regular meeting of the Supervisory Committee, the person in charge of daily affairs of the Supervisory Committee shall solicit proposals of the meeting from the supervisors <del>and ask for opinions from the staff of the Company</del> for at least two days. In doing so, the person in charge of daily affairs of the Supervisory Committee shall explain that the Supervisory Committee focuses on the supervision of the Company’s regular operations and the performance of duties of directors and senior management rather than the decisions of the Company’s management and operation.</p>
<p>Article 7 The regular meeting of the Supervisory Committee shall be notified at least ten days in advance. The interim meeting of the Supervisory Committee shall be notified at least five days in advance. The aforesaid notice period can be waived with the consent of the supervisors of the Company. In the event of emergency where an interim meeting of the Supervisory Committee is required to be held as soon as possible, the meeting notice can be given at any time by telephone or orally, but the convenor shall make an explanation at the meeting.</p>	<p>Article 7 The regular meeting of the Supervisory Committee shall be notified at least ten days in advance. The interim meeting of the Supervisory Committee shall be notified at least <del>five</del><b>three</b> days in advance. The aforesaid notice period can be waived with the consent of the supervisors of the Company. In the event of emergency where an interim meeting of the Supervisory Committee is required to be held as soon as possible, the meeting notice can be given at any time by telephone or orally, but the convenor shall make an explanation at the meeting.</p>
<p>Article 10 A meeting of the Supervisory Committee shall be convened only when more than two-thirds of the supervisors are present.</p>	<p>Article 10 A meeting of the Supervisory Committee shall be convened only when more than <del>two-thirds</del><b>half</b> of the supervisors are present.</p>

**APPENDIX XIII TABLE OF AMENDMENTS TO THE PROCEDURE  
RULES OF THE SUPERVISORY COMMITTEE**

<b>Existing Terms of the Procedural Rules of the Supervisory Committee</b>	<b>Proposed Amendments to the Procedural Rules of the Supervisory Committee</b>
<p>Article 13 Each one shall have one vote when voting at the meetings of the Supervisory Committee, by a show of hands or by open ballot.</p> <p>The voting intention of supervisors is divided into affirmative, negative and abstention. The attending supervisors shall choose one of the above intentions. If a supervisor does not make a choice or simultaneously chooses two or more intentions, the chairman of the meeting shall require the supervisor to make a new choice. If he/she refuses to make a choice, he/she shall be deemed as abstaining from voting. Those who leave the meeting venue halfway and do not return without making a choice shall be deemed as abstaining from voting.</p> <p>Resolutions of the Supervisory Committee shall be passed by more than two-thirds of the members of the Supervisory Committee.</p>	<p>Article 13 Each one shall have one vote when voting at the meetings of the Supervisory Committee, by a show of hands or by open ballot.</p> <p>The voting intention of supervisors is divided into affirmative, negative and abstention. The attending supervisors shall choose one of the above intentions. If a supervisor does not make a choice or simultaneously chooses two or more intentions, the chairman of the meeting shall require the supervisor to make a new choice. If he/she refuses to make a choice, he/she shall be deemed as abstaining from voting. Those who leave the meeting venue halfway and do not return without making a choice shall be deemed as abstaining from voting.</p> <p><del>Resolutions of the Supervisory Committee shall be passed by more than two-thirds of the members of the Supervisory Committee.</del></p>
<p>Article 20 As an annex to the Articles of Association, these rules are drafted by the Supervisory Committee of the Company, and are reviewed and approved by the general meeting of the Company, and any amendment to the rules shall follow the same procedure. The revised draft of these rules shall take effect from the date on which the H shares to be issued by the Company are listed on the main board of The Stock Exchange of Hong Kong Limited. Prior to the completion of the H shares issuance and listing, the Company's current rules continue to be effective.</p>	<p>Article 20 As an annex to the Articles of Association, these rules are drafted by the Supervisory Committee of the Company, and are reviewed and approved by the general meeting of the Company, and any amendment to the rules shall follow the same procedure. <del>The revised draft of these rules shall take effect from the date on which the H shares to be issued by the Company are listed on the main board of The Stock Exchange of Hong Kong Limited. Prior to the completion of the H shares issuance and listing, the Company's current rules continue to be effective.</del></p>

# NOTICE OF THE 2023 FIFTH EXTRAORDINARY GENERAL MEETING



## Red Star Macalline Group Corporation Ltd. 紅星美凱龍家居集團股份有限公司

*(A sino-foreign joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 1528)

### NOTICE OF THE 2023 FIFTH EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 fifth extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “Company”) will be held at 11:00 a.m. on Wednesday, 27 December 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC for the purpose of considering, and if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTIONS

1. To consider and approve the resolution on proposed provision of a guarantee for the financing provided by the financial institution to a wholly-owned subsidiary of the company
2. To consider and approve the resolution on proposed provision of a guarantee for the financing provided by the financial institution to a controlling subsidiary of the company
3. To consider and approve the resolution on the estimated provisions of financial assistance by the Company
4. To consider and approve the resolution on the proposed adoption to the working system for independent non-executive Directors
5. To consider and approve the resolution on the proposed amendments to the rules for management of external guarantees
6. To consider and approve the resolution on the proposed amendments to the rules for the management of the related party transactions
7. To consider and approve the resolution on the proposed amendments to the rules for the management of the proceeds
8. To consider and approve the resolution on the proposed amendments to the rules for management of external investments

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## NOTICE OF THE 2023 FIFTH EXTRAORDINARY GENERAL MEETING

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### SPECIAL RESOLUTIONS

9. To consider and approve the resolution on the proposed amendments to the Articles of Association
10. To consider and approve the resolution on the proposed amendments to the procedure rules of the general meeting
11. To consider and approve the resolution on the proposed amendments to the procedure rules for the Board
12. To consider and approve the resolution on the proposed amendments to the procedure rules of the Supervisory Committee

By order of the Board

**Red Star Macalline Group Corporation Ltd.**

**QIU Zhe**

*Secretary of the Board and Joint Company Secretary*

Shanghai, the PRC  
5 December 2023

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## NOTICE OF THE 2023 FIFTH EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. Unless the context otherwise stated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 5 December 2023.
2. For the purpose of holding the EGM, the register of members of the Company will be closed from Wednesday, 20 December 2023 to Wednesday, 27 December 2023 (both days inclusive), during which period no transfer of shares can be registered. In order for H Share Shareholders to be qualified to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 19 December 2023 for registration.  
  
The Shareholders whose names appear on the register of members of the Company on Wednesday, 20 December 2023 are entitled to attend and vote at the EGM.
3. The Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not to be a Shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorized in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorized to sign the same on its behalf.
5. In order to be valid, the proxy form must be deposited, for H Share Shareholders of the Company, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under the power of attorney or other authority, a notarized copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders of the Company from attending the voting in person at the EGM or any adjourned meetings should they so wish.
6. Shareholders shall produce their identification documents and supporting documents in respect of the shares of the Company held when attending the EGM. If corporate Shareholders appoint authorized representative to attend the EGM, the authorized representative shall produce his/her identification documents and a notarized copy of the relevant authorization instrument signed by the board of directors or other authorized parties of the corporate Shareholders or other notarized documents allowed by the Company. Proxies shall produce their identification documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
7. The EGM is expected to take for less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.
8. All voting at the EGM will be conducted by poll.



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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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### Red Star Macalline Group Corporation Ltd.

### 紅星美凱龍家居集團股份有限公司

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

**(Stock Code: 1528)**

## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 first H Shareholders' Class Meeting (“**H Shareholders' Class Meeting**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) will be held at 11:30 a.m. (or after the conclusion of the 2023 first A Shareholders' Class Meeting (“**A Shareholders' Class Meeting**”), whichever is later) on Wednesday, 27 December 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC for the purpose of considering, and if thought fit, passing the following resolutions:

### SPECIAL RESOLUTIONS

1. To consider and approve the resolution on the proposed amendments to the Articles of Association
2. To consider and approve the resolution on the proposed amendments to the procedure rules of the general meeting
3. To consider and approve the resolution on the proposed amendments to the procedure rules for the Board
4. To consider and approve the resolution on the proposed amendments to the procedure rules of the Supervisory Committee

By order of the Board

**Red Star Macalline Group Corporation Ltd.**

**QIU Zhe**

*Secretary of the Board and Joint Company Secretary*

Shanghai, the PRC

5 December 2023

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. Unless the context otherwise stated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 5 December 2023.
2. For the purpose of holding the H Shareholders' Class Meeting, the register of members of the Company will be closed from Wednesday, 20 December 2023 to Wednesday, 27 December 2023 (both days inclusive), during which period no transfer of shares can be registered. In order for H Share Shareholders to be qualified to attend and vote at the H Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 19 December 2023 for registration.

The Shareholders whose names appear on the register of members of the Company on Wednesday, 20 December 2023 are entitled to attend and vote at the H Shareholders' Class Meeting.

3. The Shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not to be a Shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorized in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorized to sign the same on its behalf.
5. In order to be valid, the proxy form must be deposited, for H Share Shareholders of the Company, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the H Shareholders' Class Meeting. If the proxy form is signed by a person under the power of attorney or other authority, a notarized copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders of the Company from attending the voting in person at the H Shareholders' Class Meeting or any adjourned meetings should they so wish.
6. Shareholders shall produce their identification documents and supporting documents in respect of the shares of the Company held when attending the H Shareholders' Class Meeting. If corporate Shareholders appoint authorized representative to attend the H Shareholders' Class Meeting, the authorized representative shall produce his/her identification documents and a notarized copy of the relevant authorization instrument signed by the board of directors or other authorized parties of the corporate Shareholders or other notarized documents allowed by the Company. Proxies shall produce their identification documents and the proxy form signed by the Shareholders or their attorney when attending the H Shareholders' Class Meeting.
7. The H Shareholders' Class Meeting is expected to take for less than half a day. Shareholders attending the H Shareholders' Class Meeting shall be responsible for their own travel and accommodation expenses.
8. All voting at the H Shareholders' Class Meeting will be conducted by poll.