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中國外運股份有限公司 SINOTRANS LIMITED

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

(Stock Code: 00598)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Sinotrans Limited (the “**Company**”) held the meeting of the board of directors (the “**Board**”) on 22 March 2024, which has considered and approved, among others, the resolution in relation to the proposed amendments to the articles of association of Sinotrans Limited (the “**Articles of Association**”).

On 17 February 2023, the State Council (the “**State Council**”) of the People's Republic of China (“**PRC**”) issued the Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》) (the “**Decision**”), which includes the repeal of the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) issued by the State Council on 4 August 1994. On the same date, the China Securities Regulatory Commission (the “**CSRC**”) issued the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and relevant guidelines, which includes the repeal of the Notice on the Implementation of the Mandatory Provisions for Companies Listing Overseas (《關於執行〈到境外上市公司章程必備條款〉的通知》) (the “**Mandatory Provisions**”). The Decision and the Trial Measures (the “**New PRC Regulations**”) have been effective since 31 March 2023. From the effective date of the New PRC Regulations, PRC issuers shall formulate their articles of association with reference to the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) instead of the Mandatory Provisions. In light of the above New PRC Regulations, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) has made consequential amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) which have come into effect since 1 August 2023 to, amongst others, reflect the changes in the New PRC Regulations.

In addition, the CSRC issued the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (2023 Revision) 《(上市公司監管指引第3號—上市公司現金分紅(2023年修訂))》, the Guidelines on the Articles of Association of Listed Companies (2023 Revision) (《上市公司章程指引(2023年修訂)》) and other relevant laws and administration regulations on 1 August 2023 and 15 December 2023, respectively, to strengthen the management of independent directors and cash dividends. In view of the aforesaid change in laws and regulations and having regard to its actual circumstances, the Company proposed to amend the existing Articles of Association to comply with the requirements of the Hong Kong Listing Rules and the relevant laws and regulations of the PRC.

The main aspects of the proposed amendments to the Articles of Association include, among others, (i) deletion or addition of wordings to reflect recent relevant changes in PRC laws and regulations and the corresponding updates on Hong Kong Listing Rules; (ii) amendments to certain provisions relating to the independent directors in accordance with the Management Measures for Independent Directors of Listed Companies; and (iii) improvements to the Company’s dividend policy. The proposed amendments also include other amendments to the existing Articles of Association, taking into account the actual operational needs of the Company.

None of the proposed amendments will introduce any change to the existing rights of class shareholders of the Company or existing arrangement relating to shareholders’ class meeting. Details of the proposed amendments to the Articles of Association are set out in the Appendix to this announcement. Save for the proposed amendments as set out in the Appendix to this announcement, other provisions in the Articles of Association remain unchanged.

The Articles of Association after the proposed amendments conforms with the Core Shareholder Protection Standards set out in Appendix A1 of the Hong Kong Listing Rules. The Board believes that the proposed amendments to the Articles of Association have neither material impact on Shareholders’ rights nor adverse impact on the business operation of the Company, and they are in the interests of the Company and its shareholders as a whole.

In addition, to further improve corporate governance and in line with the proposed amendments to the Articles and Association, the Company also proposed to make certain amendments to some of its internal rules and regulations, including (among others), the Procedural Rules for General Meetings of the Company, the Procedural Rules for Meetings of the Board of Directors of the Company, the Procedural Rules for Meetings of the Supervisory Committee of the Company, the Policy for the Management of Connected Transactions of the Company, the Working Manual for the Independent Directors of the Company and the Policy for the Management of External Guarantees to be Provided by the Company simultaneously.

The proposed amendments to the Articles of Association shall be subject to the approval by the shareholders of the Company (the “**Shareholders**”) by way of a special resolution at the general meeting. The proposed amendments to the rest internal rules and regulations as mentioned in paragraph above shall be subject to the approval by the Shareholders by way of an ordinary resolution at the general meeting. A circular containing, among others, details of the proposed amendments to the Articles of Association and such internal rules and regulations will be published and/or despatched to the Shareholders in due course.

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 22 March 2024

As at the date of this announcement, the board of directors of the Company comprises Wang Xiufeng (Chairman), Song Rong (executive director), Luo Li (non-executive director), Yu Zhiliang (non-executive director), Tao Wu (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.

APPENDIX – DETAILS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Details of proposed amendments to the Articles of Association are set out as follows, with amendments underlined:

1. Original Article 1 is proposed to be amended as:

To safeguard the legitimate rights and interests of Sinotrans Limited (the “**Company**”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), ~~the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the “**Special Regulations**”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (“**Mandatory Provisions**”),~~ the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Companies, the Guidelines on Articles of Association of Listed Companies (the “**Guidelines**”) and other relevant requirements under the laws, administrative rules and regulations.

2. Original Article 2 is proposed to be amended as:

The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, ~~the Special Regulations~~ and other applicable laws and administrative rules of the People’s Republic of China (the “**PRC**”).

The Company was approved by the State Economic and Trade Commission on 20 November 2002 to be established by way of promotion and was registered with the State Administration for Industry and Commerce of the PRC and a business license was obtained. The unified social credit code of the Company being 911100007109305601. The reference number of the approval is Guo Jing Mao Qi Gai [2002] No. 863.

The promoter of the Company is SINOTRANS & CSC Holdings Co., Ltd. (formerly known as China National Foreign Trade Transportation (Group) Corporation)

3. Original Article 4 is proposed to be amended as:

Address of the Company: ~~A43 Xizhimen Beidajie, Haidian District, Beijing, the PRC~~1101, 11th Floor of 101, 1st to 22nd Floor, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, the PRC

Postal Code: ~~100044~~100029

Telephone No.: ~~(010) 6229 5984~~

Fax No.: ~~(010) 6229 5988~~

4. Original Article 7 is proposed to be amended as:

In accordance with the Company Law, the ~~Special Regulations, the Mandatory Provisions Securities Law~~ and other laws and administrative regulations of the State, ~~the Company convened a shareholders' general meeting on 20 November 2002. On the meeting, the original Articles of Association (the "Original Articles of Association") were amended and these Articles of Association of the Company (the "Articles of Association") were formulated.~~

5. Original Article 9 is proposed to be amended as:

~~The Original Articles of Association became effective on the date of establishment of the Company.~~

These Articles of Association shall become effective upon being adopted at the shareholders' general meeting of the Company by way of a special resolution ~~and upon being approved by the relevant authorities of the State. After these Articles of Association come into effect, the original Articles of Association shall be superseded by these Articles of Association.~~

From the date on which the Articles of Association come into effect, the Articles of Association constitute the legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

The Articles of Association are binding on the Company and its shareholders, directors, supervisors, president and other senior management; all of whom may, according to the Articles of Association, assert their rights in respect of the affairs of the Company.

~~Subject to Chapter 22 of these Articles of Association, a A shareholder may take legal action against other shareholders, the Company, directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association. The Company may take action against a shareholder, directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association. A shareholder may also take action against another shareholder, and may take action against the directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association.~~

~~The legal actions above mentioned include the legal proceedings taken in court or applications for arbitration with an arbitration body.~~

6. Original Article 10 is proposed to be amended as:

“Other senior management” referred to in these Articles of Association mean the Company’s vice presidents, chief financial officer, chief digital officer, board secretary, ~~the~~ general counsel (chief compliance officer) and other senior management appointed by the Board.

7. Original Article 11 is proposed to be deleted:

~~The Company may invest in other limited liability companies and joint stock limited companies and shall be liable to the invested companies to the extent of the capital invested.~~

8. Original Article 16 is proposed to be deleted:

~~The Company shall at any time issue ordinary shares. The ordinary shares to be issued by the Company shall include domestic shares and foreign shares. The Company may only issue other types of shares where it is required by the Company and approval is obtained from the examination and approval department authorized by the State Council.~~

9. Original Article 19 is proposed to be amended as:

Subject to ~~the~~ registration or filing with China Securities Regulatory Commission (the “**CSRC**”) and approval of the authority in charge of securities of the State Council competent state-owned regulatory authorities, the Company may issue shares to Domestic Investors and Foreign Investors.

10. Original Article 22 is proposed to be amended as:

Upon approval by the examination and approval departments authorized by the State Council, the total number of ordinary shares that the Company ~~may issue~~issued as at the date hereof is 7,294,216,875 shares, including 5,255,916,875 domestic listed shares (A shares), accounting for 72.06% of total share capital, and 2,038,300,000 overseas listed foreign shares (H shares) representing 27.94% of total share capital.

11. Original Article 23 is proposed to be amended as:

China National Foreign Trade Transportation (Group) Corporation (as the promoter of the Company) injected part of the transportation and logistics business into the Company through asset injection on 20 November 2002, accordingly ~~the~~ Company issued 2,624,087,200 shares (all of which were domestic shares) to the promoters ~~upon incorporation and after~~ China National Foreign Trade Transportation (Group) Corporation. After the incorporation, the Company made an issue of 1,787,406,000 overseas listed foreign shares (H shares) (including 162,491,000 H shares placed by the promoters), all of which were H shares and listed on the Stock Exchange on February 2003. ~~In July 2014, with the approval of China Securities Regulatory Commission (the “CSRC”), the Company made an addition issue of 357,481,000 ordinary shares. In October 2017, with the approval of the Company Approval Department authorized by State Council, the Company made an additional issue of 1,442,683,444 shares of ordinary shares, all of which were domestic shares. In November 2018, with the approval of the CSRC, the Company launched an initial public offering, through which 1,351,637,231 shares of domestically listed domestic shares (“A shares”) were issued and listed on Shanghai Stock Exchange on January 2019.~~

~~Based on the general mandate granted at the general meetings, the Company repurchased and cancelled 106,587,000 overseas listed foreign shares (H shares) after the consideration and approval by the Board of the Company. After that, the share capital structure of the Company shall be 5,255,916,875 ordinary shares, of which 1,600,597,439 domestic shares will be directly held by China Merchants Group Limited, representing approximately 21.94% of the total share capital of the Company and 2,472,216,200 domestic shares will be directly held by SINOTRANS & CSC, representing approximately 33.89% of the total share capital of the Company. 192,978,000 overseas listed shares (H shares) will be held by China Merchants Group Limited in aggregate, accounting for approximately 2.65% of the total share capital of the Company, and 1,845,322,000 shares will be held by the other holders of the overseas-listed foreign shares (H shares), representing approximately 25.30% of the total share capital of the Company.~~

12. Original Article 25 is proposed to be deleted:

~~The Board of the Company may arrange separate implementation plans for the issuance of overseas listed foreign shares and domestic listed shares approved by securities authorities of the State Council.~~

~~Pursuant to the aforesaid provision, in making separate plans for the issuance of overseas listed foreign shares and domestic shares, the Company may implement such plans within 15 months from the date of approval granted by the CSRC.~~

13. Original Article 26 is proposed to be deleted:

~~Within the aggregate number of shares specified in the Company's issuance plan, separate issues of the overseas listed foreign shares and domestic shares shall be subscribed for in full at the same time. In the event of special circumstances where share are not fully subscribed at the same time, issues may be made on several occasions upon approval of the Securities Committee of the State Council.~~

14. New Article 24 is proposed to be added:

The Company or its subsidiaries (including the affiliates of the company) shall not provide any assistance in the form of gift, fund, guarantee, compensation, loan or others to any person who purchases or intends to purchase shares of the Company.

15. Original Article 28 is proposed to be amended as:

According to the needs of its operation and development, The Company may increase its capital by the following means in accordance with laws, regulations and these Articles of Association, subject to resolutions of shareholders' general meetings:

- (i) public offer of shares;
- (ii) non-public offer of shares;
- (iii) ~~allot new~~distribute bonus shares to the existing shareholders;
- ~~(iv) distribute new shares to the existing shareholders;~~
- (iv~~v~~) increase in capital by transfers from reserves;

(vii) in such other manners as permitted by laws, administrative regulations and the relevant competent authorities.

Upon obtaining an approval in line with the provisions of these Articles of Association, the capital enlargement and the new issue of the Company shall be handled in accordance with relevant laws and administrative regulations of the State.

16. Original Article 29 is proposed to be amended as:

Unless otherwise provided by laws and administrative regulations, shares in the Company may be transferred freely ~~and with no lien attached~~.

17. Original Article 36 is proposed to be amended as:

~~If the~~The Company ~~repurchases~~may purchase its own shares due to the reasons as stated in (i), (ii) or (iv) of paragraph one of Article 35 hereof, it may do so by one of the following methods:by way of public and centralized transaction(s), or other ways allowed by the laws, administrative regulations listing rules of the place where the Company is listed or the relevant securities regulators.

~~(i) making a buyback offer to its shareholders for the repurchase of shares on a pro rata basis;~~

~~(ii) by way of public trading at the appropriate securities exchange;~~

~~(iii) by entering into independent agreements for the repurchase of the Company's shares outside the appropriate securities exchange; or~~

~~(iv) other ways allowed by the laws and administrative regulations, listing rules of the place where the Company is listed, and as approved by the relevant competent authorities.~~

If the Company repurchases its own shares due to the reasons as stated in (iii), (v) and (vi) of paragraph one of Article ~~35~~32 hereof, the transaction(s) shall be carried out in a public and centralized manner.

The Company shall perform its information disclosure obligation according to the provisions of the relevant laws and administration regulations in repurchasing its own shares.

18. Original Article 37 is proposed to be deleted:

~~Where the Company repurchases its own shares by way of agreements outside the appropriate securities exchange, it must first obtain the prior approval of the shareholders' in general meeting in accordance with these Articles of Association. The Company may rescind or vary such agreements, or waive its rights under any such agreements executed entered into if the prior approval of the shareholders in general meeting is obtained.~~

~~The agreement to repurchase shares referred to in the preceding clause includes, but is not limited to, an agreement to assume an obligation to repurchase shares of the Company or an agreement to acquire the rights to repurchase shares of the Company.~~

~~The Company shall not assign or transfer the agreement to repurchase its shares or any rights prescribed therein.~~

~~For the redeemable shares which can be repurchased by the Company, if they are not repurchased in the market or by tender, the repurchase price shall be limited to the highest price. If the shares are repurchased by tender, all shareholders shall be invited to tender on the same terms.~~

19. Original Article 39 is proposed to be deleted:

~~Unless the Company is in liquidation, it shall repurchase its issued outstanding shares in accordance with the following provisions:~~

- ~~(i) where the Company repurchases its shares at par value, payment shall be made out of the available balance of its distributable profits and/or out of the proceeds from any issuance of new shares made for the purpose of repurchasing these shares;~~
- ~~(ii) where the Company repurchases its shares at a premium, payment up to the par value of those shares may be made out of the available balance of the distributable profits of the Company and/or out of the proceeds from any issue of new shares made for the purpose of repurchasing these shares. Payment of the portion in excess of the par value of those shares shall be made as follows:
 - ~~(1) if the shares being repurchased were issued at par value, payment shall be made out of the available balance of the distributable profits of the Company; and~~~~

~~(2) if the shares being repurchased were issued at a premium, payment shall be made out of the available balance of the distributable profits of the Company and/or out of the proceeds from any issuance of new shares made for the purpose of repurchasing those shares, provided that the amount paid out of the said proceeds do not exceed the aggregate amount of the premiums received by the Company on the issuance of the shares being repurchased nor exceed the current amount of the Company's share premium account or capital reserve fund account (including the aggregate of premiums received on the new shares issued) at the time of repurchase;~~

~~(iii) any payment made by the Company for the following purposes shall be paid out of the Company's distributable profits:~~

~~(1) acquire the right to repurchase its own shares;~~

~~(2) modify the agreement to repurchase its own shares; and~~

~~(3) secure the release of any of its obligations under the agreement to repurchase its own shares.~~

~~(iv) Following the deduction of the aggregate par value of cancelled shares from the registered capital of the Company in accordance with relevant provisions, the difference of amount between the par value and the distributable profits for the repurchase of shares shall be incorporated in the share premium account or the capital reserve account of the Company.~~

20. Original Chapter 5 Financial Assistance for the Acquisition of Shares (including original Articles 40 to 42) is proposed to be deleted:

~~Chapter 5 Financial Assistance for the Acquisition of Shares~~

~~Article 40 The Company or its subsidiaries shall not at any time and in any manner provide any financial assistance to a buyer or a potential buyer, including those directly or indirectly undertake any obligations in respect of acquisition of the Company's shares.~~

~~The Company or its subsidiaries shall not at any time or in any manner provide any financial assistance for the purpose of reducing the aforesaid obligators' obligations.~~

~~The provision of this Article shall not apply to the circumstances described in Article 42 of this Chapter.~~

~~Article 41 For these purposes, “financial assistance” referred to in this Chapter includes, (without limitation), the following meanings:~~

- ~~(i) a gift, advance;~~
- ~~(ii) security (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligors), indemnity (other than indemnity against liability incurred due to the Company’s own fault) or release or waiver of any rights;~~
- ~~(iii) loans, or entering into contracts under which the Company has already performed its obligations to the other; and the modification of the said loan or parties to the contract concerned or the transfer of the rights under the said loan or contract; and~~
- ~~(iv) any other forms of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.~~

~~The obligations mentioned in this Chapter include the obligations assumed by the obligator by means of entering into a contract or by making arrangements (no matter whether the contract or the arrangements is enforceable or whether the responsibility is to be assumed individually or jointly with others) or where responsibilities have arisen due to changes in the financial circumstances of the Company caused by any other means.~~

~~Article 42 The following activities shall not be deemed to be prohibited activities by Article 40 of this Chapter:~~

- ~~(i) financial assistance provided by the Company which is made in good faith in the interests of the Company, and where the main purpose of such financial assistance is not for the acquisition the shares of the Company but is an ancillary part of a larger project of the Company;~~
- ~~(ii) the lawful distribution of the Company’s assets by way of dividends;~~
- ~~(iii) the allotment of bonus shares as dividends;~~
- ~~(iv) the reduction of registered capital, repurchase of shares or a reorganization of the shareholding structure of the Company effected in accordance with these Articles of Association;~~

- (v) ~~within its scope of business the provision of loans for its normal business activities (provided that this shall not lead to the reduction in the Company's net assets or, in case reduction is resulted, such financial assistance is deducted from the Company's distributable profits); and~~
 - (vi) ~~the provision of funds contributed by the Company to the staff and workers' share schemes (provided that the net assets of the Company are not thereby reduced or to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).~~
21. Original Chapter 6 Shares Certificate and Register of Shareholders (including original Articles 43 to 54) is proposed to be deleted:

~~Chapter 6 Shares Certificate and Register of Shareholders~~

~~Article 43 The Company's shares shall be issued in registered form.~~

~~The Company's share certificate shall contain the following major particulars:~~

- ~~(i) the Company's name;~~
- ~~(ii) the date of the incorporation of the Company;~~
- ~~(iii) the type, the nominal value of and the number of shares represented by the relevant share certificate;~~
- ~~(iv) the number of the share certificate;~~
- ~~(v) such other particulars as may be required by the Company Law, the Special Regulations and the stock exchanges on which the shares of the Company are listed.~~

~~The Company may issue overseas listed foreign shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the listing place.~~

~~Article 44 Share certificates shall be signed by the Chairman of the Board. In the event that the signatures of other senior officers of the Company are required, they should also be signed by such senior officers. Share certificates shall become valid upon the affixing of the seal of the Company (including the securities chop of the Company). Affixing of the seal or the securities chop of the Company on share certificates shall be subject to the authorization of the Directors. The signatures of the Chairman of the Board or other senior officers on the share certificates may take the printed signatures.~~

~~Article 45 The Company shall maintain a register of shareholders as a record of the following matters:~~

- ~~(i) the name (title), address (domicile), and occupation or nature of occupation of each shareholder;~~
- ~~(ii) the class(es) and number of shares of each class held by each shareholder;~~
- ~~(iii) the amount(s) paid up or payable for the shares held by each shareholder;~~
- ~~(iv) the serial numbers of the shares held by each shareholder;~~
- ~~(v) the date on which each shareholder is registered as a shareholder; and~~
- ~~(vi) the date on which a person ceases to be a shareholder.~~

~~The Company shall keep a shareholders' register according to the vouchers provided by the securities registration authority. The shareholders' register shall be adequate proof of the shareholders' holding of the Company's shares, unless there is evidence to the contrary. Shareholders shall enjoy the rights and assume the obligations in accordance with the class of shares they hold. Shareholders holding shares of the same class are entitled to the same rights and assume the same obligations.~~

~~Article 46 The original of the shareholders' register of the Company for foreign shares listed overseas may be kept at some overseas place in accordance with such understanding and agreement between the State Council's regulatory authority for securities and the securities regulatory authority of the overseas listing place, and an agent at the overseas listing place shall be appointed for its management. The original of the Company's shareholders' register for foreign shares listed in Hong Kong shall be kept in Hong Kong.~~

~~The Company is required to keep a copy of the shareholders' register for foreign shares listed overseas at the Company's address; the appointed overseas agent shall at all times maintain the consistency between the original and the copy of the shareholders' register.~~

~~Where the original and duplicate of the register of holders of overseas listed investment shares are inconsistent, the original shall prevail.~~

~~Article 47 The Company shall keep a complete register of shareholders.~~

~~The register of shareholders shall comprise of the following parts:~~

- ~~(i) register(s) maintained at the Company's domicile shall be the register of all the shareholders other than those registered in accordance with sub-paragraphs (ii) and (iii) below;~~
- ~~(ii) register(s) of holders of foreign shares listed overseas maintained at the place(s) where the stock exchange on such shares are listed is/are located; and~~
- ~~(iii) register(s) of shareholders maintained at such other place(s) as the Board may deem necessary for listing purpose.~~

~~Article 48 There shall not be any overlapping in any parts of the shareholders' register. The transfer of shares registered in one part of the register shall not be registered in any other part of the register during the continuation of the registration of such shares.~~

~~All fully paid up overseas listed foreign shares listed in Hong Kong shall be freely transferable in accordance with the Articles of Association, subject to the right of the Board to refuse recognition of any transfer document, without providing any reason for such refusal, unless and until the following conditions are satisfied:~~

- ~~(i) payment of a fee of HK\$2.50 for each transfer document, or such larger amount as may be from time to time approved by the Hong Kong Stock Exchange, to the Company for the registration of any transfer document(s) or other document(s) relating to or affecting the ownership of the shares in question;~~
- ~~(ii) the instrument of transfer only involves overseas listed foreign H shares listed in Hong Kong;~~
- ~~(iii) the stamp duty chargeable on the instrument of transfer has been paid;~~
- ~~(iv) the relevant share certificate and, upon the reasonable request of the Board, any evidence in relation to the right of the transferor to transfer the shares shall be submitted;~~
- ~~(v) if it is intended to transfer the shares to joint holders, then the maximum number of joint holders shall not exceed four; and~~
- ~~(vi) the Company does not have any lien on the relevant shares.~~

The H shares of the Company shall be transferred in writing by an instrument of transfer in usual or common form or in such form as may be accepted by the Board of Directors. The instrument of transfer can only be signed by hand or affixed with a valid seal of the Company (if the Company is the transferor or the transferee). If the transferor or the transferee is a clearing house or its nominee, the instrument of transfer can be signed by hand or printed by machine. All instruments of transfer must be kept at the legal address of the Company or such other place as may be designated by the Board of Directors.

The alteration and correction of each part of the shareholders' register shall be carried out in accordance with the laws of the place where that part of the register is maintained.

Article 49 If the laws, administrative regulations, rules of regulatory authorities, other normative rules and the securities regulatory authorities located at the places where the Company's shares are listed stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall apply. Upon receipt of an application for inquiry of the register of shareholders during the aforesaid period, the Company shall issue the certificate signed by the company secretary to the applicant to specify the approval authority and duration of the abovementioned period of closure.

Article 50 The Board shall specify a particular date (the record date) for ascertaining the share title of shareholders when the Company decides to hold shareholders' general meeting, distribute dividends, liquidate the Company and do other acts which require the determination of the title to shares. At the close of business of such date, the shareholder whose name appears on the shareholders' register shall be a deemed shareholder of the Company.

Article 51 Any person who queries the accuracy of the shareholders' register and requests to put his name on the register or delete his name from the register may apply to the court of jurisdiction for correction of the shareholders' register.

Article 52 Any shareholder registered in the shareholders' register or person who requests to be registered in the shareholders' register may apply to the Company for issuance of a replacement certificate in respect of the relevant shares (the "**relevant shares**") if his share certificate is lost (the "**original share certificates**").

Applications for the replacement of share certificates from holders of domestic investment shares who have lost their certificates shall be dealt with in accordance with relevant requirements of the Company Law.

~~Shareholders of overseas listed foreign shares who lose his share certificates shall apply for a replacement of share certificates in accordance with the law, regulations of stock exchange or other relevant rules in the place where the shareholders' register of overseas listed foreign shares are maintained.~~

~~A holder of the H Shares who loses his or her share certificates may have his or her share certificates replaced if the following requirements are satisfied:~~

- ~~(i) the applicant shall apply for a replacement of share certificate in the prescribed form accompanied by a notarial certificate or a statutory declaration setting out the reason, the incident and evidence of the loss and a statement that no other person may apply for registration as a shareholder for relevant shares.~~
- ~~(ii) the Company has not received any statement of application from any person other than the applicant seeking to be registered as a shareholder.~~
- ~~(iii) the Company should publish a public announcement of its intention to issue a replacement share certificate in newspapers prescribed by the Board at least once every 30 days during the 90-day period.~~
- ~~(iv) prior to the publication of such a public announcement, a copy of the public announcement should be submitted to the Stock Exchange on which the Company's shares are listed. The public announcement may be made upon receiving the confirmation from the stock exchange that the public announcement has been displayed in the securities exchange. The public announcement should be exhibited at such Stock Exchange for a period of 90 days.~~

~~The Company should send a copy of the public announcement to the registered shareholder if the application for the replacement of share certificate is not approved by such registered shareholder of the relevant shares.~~

- ~~(v) if, by the expiration of the 90-day period for the public announcement stipulated in clauses (iii) and (iv) of this article, the Company has not received any objection to the replacement from any person, the Company may issue a replacement share certificate.~~
- ~~(vi) the original share certificate shall be cancelled upon the issuance of the replacement share certificate in accordance with this article and the replacement and issuance of the share certificate shall be recorded in the shareholders' register.~~

~~(vii) the applicant shall be responsible for the expenses relating to the cancellation of the original share certificate and the issuance of the replacement share certificate. The Company may refuse to take any action until reasonable security is provided by the applicant.~~

~~Article 53 After the issuance of the replacement share certificate in accordance with the Articles of Association, the name of the bona fide purchaser of the replacement share certificate or the bona fide purchaser of shares to which the replacement share certificate relates and who subsequently becomes registered as the shareholder may not be removed from the register of shareholders.~~

~~Article 54 The Company is not liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replaced share certificate unless the claimant proves fraud on the part of the Company had acted deceitfully.~~

22. Original Article 55 is proposed to be amended as:

A shareholder of the Company is a person who lawfully holds shares and who is registered in the shareholders' register. The Company shall keep a shareholders' register according to the vouchers provided by the securities registration authority, and the shareholders' register shall be adequate proof of the shareholders' holding of the Company's shares.

Shareholders enjoy rights and assume obligations according to the class and amount of shares held by them. Shareholders holding shares of the same class enjoy the same rights and assume the same obligations.

.....

23. New Article 36 is proposed to be added:

The board of directors or the convenor the shareholders' general meeting shall specify a particular date (the record date) for ascertaining the share title of shareholders when the Company decides to hold shareholders' general meeting, distribute dividends, liquidate the Company and do other acts which require the determination of the title to shares. At the close of business of such date, the shareholder whose name appears on the shareholders' register shall be a deemed shareholder of the Company.

If the laws, administrative regulations, rules of regulatory authorities, other normative rules and the securities regulatory authorities located at the places where the Company's shares are listed stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall apply. Upon receipt of an application for inquiry of the register of shareholders during the aforesaid period, the Company shall issue the certificate signed by the company secretary to the applicant to specify the approval authority and duration of the abovementioned period of closure.

24. Original Article 56 is proposed to be amended as:

Each holder of ordinary shares in the Company has the following rights:

- (i) to receive dividends and other forms of distributions in accordance with the amount of his shareholding;
- (ii) to request, convene, chair, attend, or appoint a proxy to attend a shareholders' meeting, and to exercise his speaking and voting rights;

.....

25. Original Article 58 is:

In the event that any resolution of the shareholders' general meeting or the board of directors violates any laws and administrative regulations, the shareholders shall have the right to request the court to invalidate the resolution.

In the event that convening procedures or voting methods of the shareholders' general meeting or the board of directors' meeting violate any laws, administrative regulations or these Articles of Association, or if the resolution violates these Articles of Association, the shareholders may request the court to revoke the resolution within 60 days from the date on which the resolution is passed.

26. Original Article 59 is proposed to be amended as:

~~Subject to Chapter 22 of these Articles of Association, in~~In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles of Association by the directors or senior management when performing their duties, shareholders who holds more than 1% of the Shares, individually or jointly, for more than 180 consecutive days shall have the right to request the supervisory committee in writing to initiate litigation before the court; in the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles of Association by the supervisory committee when performing its duties, the shareholders may request the board of directors in writing to initiate litigation before the court.

.....

27. Original Article 61 is proposed to be amended as:

Holders of ordinary shares of the Company shall have the following obligations:

- (i) to comply with laws, administrative regulations and these Articles of Association;
- (ii) to pay subscription monies according to the amount of shares subscribed by them and the method of subscription;
- (iii) not to demand the return of capital unless under situations otherwise specified under laws and regulations;
- (iv) to refrain from causing damages to the interest of the Company or other shareholders by abusing the rights of shareholders and causing damages to the interest of the creditors of the Company by abusing its legal person status and the limited liability of the shareholders;
- (v) to undertake other obligations imposed by laws, administrative regulations and the Articles of Association.

The shareholders of the Company who abuse their rights and cause damages to the interest of the Company or other shareholders shall be liable for compensation in accordance with laws.

The shareholders of the Company who abuse the legal person status and the limited liability of shareholders to evade from debts and cause material damages to the interest of the creditors of the Company shall assume joint and several liability to the debts of the Company.

~~A shareholder is not liable to make further contribution to share capital other than as agreed by the subscriber of the relevant shares on subscription.~~

28. Original Article 64 is proposed to be deleted:

~~The term “controlling shareholder” referred to in these Articles of Association means a person who satisfies any one of the following conditions:~~

- ~~(i) he, acting alone or in concert with others has the power to elect more than half of the number of the directors;~~
- ~~(ii) he, acting alone or in concert with others has the power to exercise or to control the exercise of 30 per cent or more of the voting rights in the Company;~~
- ~~(iii) he, acting alone or in concert with others holds 30 per cent or more of the Shares of the Company;~~
- ~~(iv) he, acting alone or in concert with others in any other manner controls the Company in fact.~~

~~The definition of “acting in concert” in this Article refers to two or more persons acting in concert by way of agreement (no matter in verbal or written form) with an aim that either one acquires the voting power of the Company so as to reach the goal of or consolidate controlling of the Company.~~

29. Original Article 68 is proposed to be amended as:

Shareholders’ general meetings are divided into annual general meetings (i.e. annual general meeting, similarly hereinafter) and extraordinary general meetings. Shareholders’ general meetings shall be convened by the Board. Shareholders’ general meetings are required to be held once every year within six months after the end of the previous accounting year.

In any of the following circumstances, the Board shall convene an extraordinary general meeting within two months from the date thereof:

- (i) when the number of Directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (ii) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;

- (iii) the shareholders individually or jointly holding more than ten percent (inclusive) of total voting shares issued of the Company make a written request of convening an extraordinary general meeting in writing;
- (iv) when deemed necessary by the Board or as requested by the supervisory committee;
- (v) More than half of the independent directors, which shall not be less than two, propose the convening of such meeting;
- (vi) other cases as required by laws, administrative regulations, rules of regulatory authorities, listing rules where the Company is listed or these Articles of Association.

30. Original Article 80 is proposed to be amended as:

A notice for a shareholders' meeting shall comply with the following requirements:

- (i) be in writing;
- (ii) specifying the place, the time and the duration of the meeting;
- (iii) stating the matters and proposals to be discussed at the meeting;
- (iv) ~~providing such information and explanation as necessary to enable the shareholders to make an informed judgment on the proposals to be discussed. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction should be provided in detail together with copies of the relevant contract, if any, and the cause and effect of such transaction should be properly explained;~~
- (v) ~~containing a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, president or other senior administrative officer in the matter to be discussed, and if the effect of the matter to be discussed on them in their capacity as shareholders is different from the effect on the interests of the shareholders of the same class, such difference should be specified;~~
- (vi) ~~containing the full text of any special resolution(s) proposed to be adopted at the meeting;~~

- (~~iv~~) containing conspicuously a statement that all shareholders are entitled to attend the general meeting. The shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that a proxy need not be a shareholder; and
- (~~v~~) specifying the time and place for lodging proxy forms for the relevant meeting.
- (~~vi~~) containing the record date on which shareholders have the right to attend the shareholders' general meeting;
- (~~vii~~) containing the names and telephone numbers of permanent contact persons for the affairs of the meeting;
- (~~viii~~) the voting time and voting procedures through the network or by other means.

The notice and supplementary notice of the general meeting shall fully and completely cover all the details of the proposals to be disclosed at the meeting.

In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of shareholders' general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.

Voting at the shareholders' general meeting on the network or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site shareholders' general meeting, and not later than 9:30 am on the day of the on-site shareholders' general meeting, and shall finish not earlier than 3:00 pm on the day of closing the on-site shareholders' general meeting.

31. Original Article 81 is proposed to be amended as:

Notices of shareholders' general meeting shall be sent to the shareholders (whether or not entitled to vote at the meeting) by ~~hand or prepaid mail to their addresses as shown in the shareholders' register. For the holders of domestic shares, notices of the general meetings may be issued by way of public announcement~~the means of notice as provided in the Articles of Association or other means as permitted by the stock exchange(s) where the shares of the Company are listed.

~~The public announcement for the shareholders of domestic shares stated in the previous paragraph shall be published in one or more newspapers designated by the State Council authorities in charge of securities. Upon the publication of such announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.~~

~~For shareholders of H shares, the general meeting notice can be delivered or provided in other means stated in Chapter 21 of the Articles of Association, subject to the laws and regulations and listing rules of the jurisdiction where the shares of the Company are listed.~~

~~The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive the notice shall not invalidate the resolutions adopted at that meeting.~~

32. Original Article 87 is proposed to be amended as:

Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his or her proxies to attend and vote on behalf of him or her. ~~and a proxy so appointed may exercise the following rights pursuant to authorization by that shareholder:~~

- ~~(i) to have the same right as the shareholder to speak at the meeting;~~
- ~~(ii) to demand or join others to demand a poll; and~~
- ~~(iii) to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.~~

If the shareholder is the recognized clearing house as defined by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (or its nominees), he may authorize corporate representatives or one or more than one representative as he may deem fit to attend any shareholders' general meeting or any meeting of the shareholders of any class or creditors' meetings on his behalf and those proxies or corporate representatives shall enjoy rights equivalent to the rights of other shareholders, including the rights to speak and vote. However, if more than one representative is appointed, the power of attorney shall specify the number and the type of the shares in respect of which each representative is authorized. An authorized representative may act on behalf of the recognized clearing house (or any of its "**nominees**") as if he were an individual shareholder of the Company.

33. Original Article 88 is proposed to be amended as:

A shareholder should appoint a proxy in writing under the hand of the appointer or his attorney duly authorize in writing, the appointer is a legal person, either under seal of the legal person or under the hand of a director or a senior officer or a duly authorized attorney. The power of attorney issued by a shareholder to appoint another party to attend a shareholders' general meeting shall contain the following particular:

- (i) the name of the principal and the name of his proxy;
- (ii) whether the proxy has the right to vote;
- (iii) the instructions to vote in favour of or against, or to abstain from voting on, each matter set out on the agenda of the shareholders' general meeting;
- (iv) the date and validity of the power of attorney;
- (v) the signature (or seal) of the principal. In case the principal is a corporate shareholder, it shall be affixed with the seal of the legal entity;
- ~~(vi) the portion of shares of the principal represented by the proxy;~~
- ~~(vii) in the event that several people are appointed as proxies, the proxy form shall indicate the portions of shares represented by each proxy.~~

34. Original Article 89 is proposed to be amended as:

~~The~~If the instrument appointing a proxy shall be deposited at the address of the Company or at such other place as is specified for that purpose in the notice convening the meeting, no later than 24 hours before the time for holding the meeting or 24 hours prior to the specified time for voting.

~~If such instrument~~ is signed by a person authorized by the appointer, the power of attorney and other authorizing documents shall be notarized. Both the notarized letter of the power of attorney and other authorizing documents and the instrument appointing a proxy shall be kept at the address of the Company or at such other place as is specified in the notice convening the meeting.

Where the appointer is a legal person, its legal representative or Board or other person authorized by a decision-making body shall be entitled as a representative to attend the shareholders' meeting of the Company.

35. Original Article 90 is proposed to be amended as:

~~Any~~A form issued to a shareholder by the Board for use by him for appointing a proxy shall enable the shareholder, according to his intention, to instruct the proxy to vote in favour of or against proposals, and should be able to give instruction on each resolution subject to voting at the meeting. Such a form shall contain a statement that in default of instructions, whether the proxy may vote as he thinks fit.

36. Original Article 91 is proposed to be deleted:

~~If the appointer dies prior to voting, loses his capacity to act, withdraw his appointment withdraws his authorization of his power of attorney, or the relevant shares have been transferred, the proxy vote for the shareholder shall remain valid provided that the company does not receive any written notice of these matters before the commencement of the relevant meeting.~~

37. Original Article 101 is proposed to be amended as:

A convenor shall ensure that the particulars of meeting minutes are true, accurate and complete. Directors, supervisors, secretary of the Board of Directors, convenor or his representative and the chairman of the meeting who attended the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the valid data on the signature book of shareholders physically present at the meeting, powers of attorney of proxies present, details of voting on the network and other voting methods shall be kept for a period of not less than ten years permanently.

38. Original Article 105 is proposed to be amended as:

Voting at a shareholders' general meeting shall take place by open ballot or other methods required under the listing rules of the place of listing.

~~A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting decides, and any matters other than that upon which a poll has been demanded may be proceeded with. The result of the poll shall be deemed to be a resolution adopted at the meeting.~~

39. Original Article 106 is proposed to be deleted:

~~On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for or against.~~

40. Original Article 125 is proposed to be deleted:

~~The results of counting of votes conducted in a general meeting shall be recorded in the minutes of shareholders' meeting.~~

41. Original Article 126 is proposed to be deleted:

~~Shareholders may inspect photocopies of the minutes of shareholders' meetings during office hours free of charge. If requested by shareholders the Company shall upon the receipt of reasonable fees send the copies of the minutes of shareholders' meeting to the shareholders within seven days of receiving the payment of reasonable charges.~~

42. Original Article 137 is proposed to be amended as:

Directors may request to resign before expiry of their terms of office. The directors to resign shall submit to the Board a written report in relation to their resignation. The Board shall disclose the relevant information within two (2) days.

In the event that the resignation of any director results in the number of members of the Board falling below the quorum, the existing director shall continue to perform his duties in accordance with the laws, administrative regulations, rules of regulatory authorities and the provisions of the Articles of Association until the re-elected director assumes office. His resignation report shall take into effect only upon the new director taking up the vacancy. ~~The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy left by the resignation of the director. Until the general meeting has passed a resolution on electing a director, the powers of the resigning director and the remaining directors shall be subject to reasonable restrictions.~~ Other than the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation report to the Board.

Upon a director's resignation becoming effective or at the expiry of his office, the director shall complete all handover procedures to the Board, and his fiduciary obligations to the Company and the shareholders shall not necessarily cease after the termination of tenure and shall remain effective ~~within a reasonable period stipulated under the Articles of Association~~ six (6) months after his departure from office.

The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain. The term of survival of his or her other obligations shall be decided upon according to the principle of fairness, the time elapsed between the director's departure from office and the occurrence of the event, and the circumstances and conditions of the termination of his or her relationship with the Company.

43. Original Article 140 is proposed to be amended as:

The Company shall have independent directors who shall act in accordance with laws, administrative regulations, and rules of regulatory authorities.

Independent director of the Company refers to a director who holds no position other than as a director of the Company, has no direct or indirect interests or any other connection with the Company and its substantial shareholders (defined as shareholders severally or jointly holding 5% or more interests in total number of shares of the listed company in the Company with voting rights, or a shareholder who holds less than five percent of the shares but has significant influence on the listed company), its de facto controller or directors which might hamper affect his independent and objective judgment, and complies with the requirements on independence as stipulated in the rules of the stock exchange(s) on which the Company's shares are listed.

.....

Independent directors shall have the following special powers in addition to those vested to directors of the Company by the Company Law and other laws, administrative regulations, rules of regulatory authorities and the Articles of Association:

- ~~(i) material related party transactions (as determined based on the criteria issued by the competent regulator from time to time) shall be submitted to the Board for deliberation after the approval of the independent directors; before rendering their judgment, independent directors may engage an intermediary organization to issue an independent financial consultant report for use as a basis for rendering their judgment.~~
- ~~(ii) proposing the engagement or dismissal of an accounting firm to the Board;~~
- (i) independently engaging intermediary to audit, consult or review on specific matters of the listed company;
- ~~(iii) proposing to the Board the calling of an extraordinary general meeting;~~
- ~~(iv) proposing the calling of meetings of the Board;~~
- ~~(iv) openly soliciting shareholders' voting rights before the holding of a general meeting in accordance with law;~~
- (v) expressing independent opinions on matters that may damage the rights and interests of the listed company or minority shareholders;
- (vi) other functions and powers set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

Independent directors shall seek the consent of more than half of all the independent directors before exercising the powers under (i) to ~~(iiiiv)~~ above ~~and shall seek the consent of all the independent directors before exercising the power under (vi) above.~~ If the independent directors exercise the powers in paragraph 1, the Company shall disclose it in a timely manner. If the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

44. Original Article 141 is proposed to be amended as:

The Company establishes the Board of Directors, which is accountable to the general meeting. Board of directors consists of eleven (11) directors, of which external directors (referring to directors who do not hold a post in the Company, the same below) shall account for over half of the total directors and there shall be at least 3 independent directors which shall account for no less than one third of the total directors.

The Board of Directors consists of one chairman and one vice chairman, all of which shall be elected by a simple majority of votes of all directors.

The Board of Directors shall set up the audit committee, the remuneration committee and the nomination committee, and to meet needs, ~~the executive committee,~~ the strategy committee and relevant specialized committees. The specialized committees shall be responsible to the Board of Directors and shall perform their duties as stipulated in the Articles of Association and as authorized by the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval. All members of the specialized committees shall be directors, and independent directors shall account for the majority of members of the audit committee, the nomination committee and the remuneration committee, and shall serve as the chairmen. The members of the audit committee shall be directors who are not the senior officers of the listed company, and t~~The convener of the audit committee~~ shall be an accounting professional. The Board of Directors shall be responsible for formulating the rules of procedures for the specialized committees to regulate their operations.

45. Original Article 142 is proposed to be amended as:

The Board is accountable to the shareholders' general meeting and shall exercise the following powers:

- (i) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders' general meeting;

- (ii) to implement the resolutions of the shareholders' general meetings;
- (iii) to decide on the Company's business plans and investment plans;
- (iv) to formulate the Company's annual budget and final financial accounts;
- (v) to formulate the Company's profit distribution plan and plan for making up losses;
- (vi) to formulate plans for the Company's proposals for increases or reductions of its registered capital and the issue of and listing of corporate debentures or other securities;
- (vii) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;
- (viii) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset pledge, asset management mandate, related party transactions, external guarantee and external donation within the authorisation of the general meeting;
- (ix) to determine the establishment of the Company's internal management structure;
- (x) to determine the appointment or dismissal of the Company's president and 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 vice presidents, the chief financial officer, the chief digital officer, the general counsel (chief compliance officer) and other senior officers of the Company and decide on their remuneration rewards and penalties;
- (xi) to establish the Company's basic management system, including basic compliance management system;
- (xii) to formulate proposals for any amendment to the Company's Articles of Association;
- (xiii) to deal with information disclosure of the Company;
- (xiv) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company;
- (xv) to receive work report submitted by the president, to review his performance and to appraise effectiveness of the compliance management of the Company;
- (xvi) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities, listing rules of the stock exchange(s) on which the Company is listed or the Articles of Association and conferred by the shareholders at general meetings.

Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.

Except the Board's resolutions in respect of the matters specified in the above items (vi), (vii) and (xii), which shall be passed by two-thirds or more of all Directors, the Board resolutions in respect of all other matters may be passed by more than half of all Directors unless otherwise expressly specified in the listing rules of the jurisdiction where the Company is listed or the Articles of Association. The resolution in respect of the external guarantees shall be approved by more than half of all members of the Board and signed by more than two-thirds of all Directors present at the meeting of the Board of Directors.

~~No resolution on any related party transaction of the Company shall be valid unless it is signed by the independent directors.~~

46. Original Article 146 is proposed to be deleted:

~~The Board shall not, without the prior approval of shareholders in a general meeting, dispose or agree to dispose of, any fixed assets of the Company where the aggregate of the expected value of the proposed disposition, and the value given for any such disposition of any fixed assets of the Company that has been completed in the period of four(4) months immediately preceding the proposed disposition, exceeds 33 percent of the value of the Company's fixed assets as shown in the last balance sheet placed before the shareholders' general meeting.~~

~~The disposition of fixed assets referred to in this Article shall include the transfer of the interests in certain assets, excluding the provision of fixed assets as security.~~

~~The validity of a disposition by the Company of its fixed assets shall not be affected by the breach of the first paragraph of this Article.~~

47. Original Article 148 is proposed to be amended as:

The chairman of the Board shall exercise the following powers:

- (i) to preside over shareholders' general meetings and to convene and preside over meetings of the Board of directors;
- (ii) to supervise and review the implementation of the Board resolutions;
- (iii) ~~to sign the securities issued by the Company; and~~

(iii) to exercise other powers as granted by the Board.

The Vice Chairman shall assist the Chairman in performing his duties. If the Chairman is unable or fails to perform his duties, such duties shall be performed by the Vice Chairman. If the Vice Chairman is unable or fails to perform his duties, a director shall be elected jointly by half or more of all directors to perform such duties.

48. Original Article 149 is proposed to be amended as:

Board meetings include regular meetings and extraordinary meetings. Meetings of the Board shall be held at least ~~twice~~four times every year and convened by the chairman of the Board. Notice of the regular Board meeting shall be served on all of the Directors ~~ten~~fourteen (~~10~~14) days before the date of the meeting. ~~In case of any urgent matters, upon requisition by the chairman or by more than one-third of the directors or by the president, an extraordinary meeting of the Board may be held, notwithstanding the time limit set forth in the aforesaid notice of the meeting.~~

The Chairman of the Board shall convene an extraordinary board meeting within ten (10) days if:

- (i) it is proposed by shareholders ~~holding~~representing more than one-tenth of the Company's voting shares;
- (ii) it is proposed by more than one-third of the Directors;
- (iii) it is proposed by the Supervisory Committee;
- (iv) the Chairman of the Board deems it necessary;
- (v) it is proposed by the president;
- (vi) other circumstance specified in laws, administrative regulations and these Articles of Association arises.

49. Original Article 150 is proposed to be amended as:

~~The notice of the Board meeting shall be given in the following manner:~~

- (i) ~~if the date, the time and the venue of the regular meetings of the Board have been fixed by the Board in advance in accordance with Article 149 hereof, no notice is required;~~The Board may vote by means of written resolution when holding an extraordinary board meeting, and the time limit for notice may not be subject to fourteen (14) days in advance, but the notice must be delivered to the directors and supervisors in a timely and effective manner. Except for force majeure factors, major business management matters shall not be voted by means of written resolution.

- ~~(ii) if the date, the time and the venue of a meeting have not been fixed in advance, the directors, supervisors, president and secretary of Board of Directors shall be informed of the same by telex, telegraph, fax, courier or registered post or through the persons specially assigned for this purpose at least 10 days in advance, unless otherwise provided in Article 149;~~
- (iii) ~~w~~Where the circumstance is urgent and it is necessary to hold an temporary extraordinary meeting of the Board of Directors, the notice on the meeting may be circulated at any time by phone or any other oral means, but the convener shall make explanations at the meeting and relevant matters shall be recorded in the minutes of the meeting.

50. Original Article 151 is proposed to be amended as:

A written notice of board meeting shall include:

- (i) time and venue of the meeting;
- (ii) the form of the meeting;
- (iii) duration of the meeting;
- (iv) the reasons for holding the meeting and the topics to be discussed thereat;
- (v) date on which the notice is sent, contact person and means of contact.

A notice given orally shall, at minimum, include the particulars set forth in items (1) and (2) above and an explanation to the effect that circumstances are urgent and an extraordinary board meeting needs to be held as soon as possible.

~~Notice of meetings shall be served in Chinese, with an English translation attached thereto when necessary, and in each case accompanied by a meeting agenda. Any director may waive his or her right to receive notice of a board meeting.~~

51. Original Article 152 is proposed to be amended as:

In strict compliance with the required procedures, all executive and external directors shall be notified about the material matters that shall be decided by the Board of Directors as stipulated in Article ~~150~~124 and 125, and sufficient materials shall be provided at the same time. Directors may request for supplementary information. If more than one-fourth of the directors or more than two external directors consider that the information provided is not sufficient or the supporting arguments are not clear, they may jointly propose to postpone the meeting or postpone the discussion of certain matters on the agenda of the meeting and the Board of Directors shall accept such proposal. The directors who advise postponing the vote shall put forward clear requirements of the conditions for resubmitting such proposal for review.

~~If a director attends a meeting but he does not object or before the meeting that he has not received any notice, he shall be deemed as having been given the notice of the meeting.~~

52. Original Article 153 is proposed to be amended as:

Meetings of the Board of Directors shall be held only if ~~half or~~ more than half of the Directors (including the directors who are appointed in writing as the proxies of other directors pursuant to Article ~~154~~129 herein) are present. Each Director shall have one vote. The Board may pass resolutions only upon a majority vote of all the Directors attended in the meeting unless otherwise provided in the Articles of Association. Where the number of votes cast for and against a resolution is equal, the chairman of the Board of Directors shall have a casting vote.

The supervisors may attend the meetings of the Board of Directors as non-voting participants, and the president and the secretary of the Board of Directors who do not hold the concurrent post of the director shall attend the meetings of the Board of Directors as non-voting participants. The general counsel shall attend the meeting as a non-voting participant and give legal opinions in case of any legal issues involved in the deliberation of the board of directors. When the Chairman of the Board of Directors deems necessary, other relevant persons may be notified to attend the meetings of the Board of Directors as non-voting participants.

53. Original Article 155 is proposed to be amended as:

The chairperson of the meeting shall call directors participating in the meeting to make decisions promptly after the full discussion of each proposal. The decisions on the meetings shall be made by “one person, one vote” in the form of disclosed ballot or in writing. The voting intentions of the directors shall be classified as agreement, disagreement and abstention. The participating directors shall choose one of the above intentions; failing to make choice or choosing more than two intentions simultaneously, the relevant directors shall be required by the Chairman of the meeting to make a choice again; and the relevant director who refuses to make a choice shall be regarded as an abstainer. The director who leaves the meeting place halfway without making a choice shall be regarded as an abstainer.

Meetings of Board of Directors (including video conferences) shall be voted through disclosed ballot. Where directors attend meeting through teleconference or telecommunication equipment, as long as all directors participating in the meeting can hear and communicate with each other clearly, all such directors shall be deemed to be present in person at the meeting. Provided that the directors have fully expressed their views, the extraordinary meeting of Board of Directors may be convened by means of communication and resolution(s) may be made at such meeting, and the directors attending the meeting shall sign accordingly.

~~The Board may accept that a written resolution can be circulated instead of convening a meeting. When the Board votes by written resolution, However, the draft of the resolution shall be delivered to each director by hand, by mail, by cable or, by fax or by email. If the Board has circulated the resolution to all directors and the number of directors who have signed the resolution to show their agreement has reached the quorum for making a decision, the resolution so passed shall, upon being delivered to the secretary of the Board, become a resolution of the Board and no meeting shall be convened.~~

Where a director is related to a company involved in a resolution at the meeting of Board of Directors or shall avoid voting in accordance with the listing rules of the stock exchange where the Company is listed, the director may not exercise his or her voting right for the resolution or exercise voting right on behalf of other directors and the Board of Directors and may not resolve matters by way of written resolution ~~in lieu of the convening of a Board meeting~~. The meetings of the Board of Directors may be convened with the attendances of the majority of the unrelated directors, and the formed resolutions shall be passed by more than half of the unrelated directors. If the unrelated directors attending the meeting are less than three (3), such matters shall be submitted to the general meeting for review.

54. Original Article 156 is proposed to be amended as:

The Board of Directors shall keep minutes of all decisions on matters considered by the convened and the unconvened board meetings in the Chinese language. The opinions of the independent directors shall be specified in the resolutions of the Board meetings. The minutes of each Board meeting shall be delivered to all directors for their comments as soon as possible. Directors who wish to amend or supplement the minutes shall, within one week upon receipt of the minutes, deliver their proposed amendments to the Chairman. After the minutes have been finalized, directors who were present at the relevant meeting, secretary of the Board and the person who recorded the proceedings of the relevant meeting shall sign the minutes. The minutes of the Board meetings shall be kept at the address of the Company in the PRC. A full copy of the minutes of shall be delivered to each director as soon as possible.

Minutes of meetings of the Board of Directors shall contain the following particulars:

- (i) the date and venue of the meeting and the name of the convener;
- (ii) the names of the attending directors and the names of the directors (proxies) attending the meeting upon appointment by other directors;
- (iii) the meeting agenda;
- (iv) the gist of the statements;
- (v) the voting method for, and outcome of, each matter that was the subject of a resolution (the results of the vote shall state the number of votes for, votes against and abstentions).

The Directors shall accept responsibility for the Board resolutions. Where the Board resolutions are in breach of laws, administrative rules or the Articles of Association and resolutions of shareholders' general meetings, resulting in heavy losses to the Company, the Directors involved in the resolutions shall keep the Company indemnified, unless they have been proved to have raised objection to such resolutions, and this has been noted in the minutes.

Minutes of board meetings shall be kept as the Company's archives ~~for at least ten (10) years~~permanently.

55. Original Article 157 is proposed to be amended as:

The Company shall have one secretary of the Board, who shall be responsible for the preparation and the preservation of documents of the shareholders' general meeting and the meeting of the board of directors, the management of the shareholders' information, and the handling of matters in relation to the information disclosure. The secretary of the Board shall be a senior officer of the Company.

The Board may, pursuant to its needs, establish the secretariat of the Board.

56. Original Article 158 is proposed to be amended as:

The secretary of the Company's Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed and dismissed by the Board.

The major responsibilities of the secretary of the Board are as follows:

- (i) to assist the directors in handling the routine work of the Board; to continuously provide the directors with, to remind them of, and to ensure that they understand the laws and regulations, the policies and the requirements of the domestic and the overseas regulatory authorities on the business operation of the Company; to assist the directors and the president in complying with the domestic and the overseas laws and regulations, these Articles of Association and other pertinent rules and regulations when they exercise their powers;
- (ii) to arrange and prepare the documents of the Board meetings and the general meetings of the shareholders; to keep proper records of the proceedings of those meetings; to ensure that the decisions made on those meetings will be in compliance with the legal procedure; and to oversee the execution of the resolutions of the Board meetings;
- (iii) to arrange and coordinate the disclosure of the information; to maintain the relationship with the investors; and to enhance the transparency of the Company;
- (iv) to participate in raising finance in the capital market; and
- (v) to deal with and maintain a good relationship with the intermediaries, the regulatory authorities and the mass media.

The scope of the duties of the secretary of the Board is as follows:

- (i) to arrange and prepare the board meetings and the general meetings of the shareholders; to prepare the materials of the meetings; to handle the routine work of the meetings; to record the proceedings of the meetings; to ensure the accuracy of the records; to keep the documents and the records of the meetings; to take active steps to oversee the execution of the resolutions; and to report any important issue arising out of the execution to the Board and to put forward any recommendation.
- (ii) to ensure that the relevant procedure will be strictly followed when any important matter is decided by the Board; at the request of the Board, to participate in the consultation and the analysis of the matters to be decided by the Board and to provide opinions and recommendations; and to handle other routine work of the Board and its committee.
- (iii) to liaise the securities regulatory authorities on the Company's behalf; to prepare and promptly deliver such documents as may be required by the regulatory authorities; and to receive and finish such tasks as may be communicated by the regulatory authorities.
- (iv) to coordinate and arrange the disclosure of the information of the Company; to establish a sound disclosure system; to attend the meetings relating to the disclosure; and to be promptly aware of the material business operating decisions of the Company and other relevant information.

- ~~(v) to keep confidential the Company's price-sensitive information and establish effective confidentiality systems and measures; to take necessary remedial measures such as explanation and clarification in a timely manner in case of any divulgence of the Company's price-sensitive information due to any reason, and notify the regulatory authorities in overseas jurisdictions where the Company is listed and the CSRC.~~
- ~~(vi) to be responsible for investor relation management and to improve the Company's mechanism for investor communication, reception and services.~~
- ~~(vii) to coordinate reception of visitors, maintain relationship with the media, coordinate replies to enquiries from the public, and arrange for the reporting of relevant matters to the CSRC.~~
- ~~(viii) to assist the Board in formulating the Company's capital market development strategy, planning or implementing the Company's refinancing in the capital market or mergers and acquisitions.~~
- ~~(ix) to ensure that the Company's register of shareholders is duly kept and to ensure that persons with the right to receive relevant Company records and documents receive such records and documents in a timely manner; to be responsible for the Company's equity management, including: maintenance of the shareholding information of the Company's shareholders, matters related to restricted shares, provoking the directors, supervisors, senior management and other related personnel of the Company to comply with the relevant shares trading requirements of the Company as well as other equity management matters.~~
- ~~(x) to assist the directors and the president in their compliance with domestic and foreign laws, regulations, these Articles of Association and other relevant regulations when they are exercising their functions and powers; when becoming aware that the Company has adopted or could adopt a resolution that violates relevant regulations, the secretary is under obligation to make the same known and has the right to truthfully report the same to the CSRC and other regulators.~~
- ~~(xi) to coordinate the provision of necessary information and data to the Company's Supervisory Committee and other review organizations when they are performing their monitoring functions and to assist in the investigations of the performance by the Company's Financial Controller, the Company's directors and the president of their fiduciary duties.~~
- ~~(xii) to organise trainings for directors, supervisors and senior management of the Company on relevant laws and regulations and relevant rules of the Shanghai Stock Exchange, and to assist the aforementioned personnel in understanding their respective responsibilities in information disclosure.~~

~~(xiii) to supervise directors, supervisors and senior management to abide by laws and regulations, relevant rules of the Shanghai Stock Exchange and these Articles of Association, and earnestly fulfill their commitments; to remind the Company, directors, supervisors and senior management and to report to the Shanghai Stock Exchange immediately and truthfully if knowing the Company, directors, supervisors and senior management have made or may make resolutions in violation of relevant regulations.~~

~~(xiv) to be responsible for the management of changes in the Company's shares and derivatives.~~

~~(xv) to perform other functions and powers granted by the Board and other functions and powers required in the place where the Company is listed overseas.~~

57. Original Article 160 is proposed to be amended as:

The secretary of the Board shall comply with the laws, administrative regulations, departmental rules and the relevant provisions of these Articles of Association ~~and shall perform his duties diligently.~~

The secretary of the Board shall assist the Company in complying with the relevant laws of the PRC and the rules of the stock exchanges on which the shares of the Company are listed.

58. Original title of the Chapter 13 is proposed to be amended as:

Chapter ~~10~~13 President and Other Senior Officers

59. Original Article 163 is proposed to be amended as:

The Company shall have one president, who shall be appointed or dismissed by the Board.

The Company shall have certain vice presidents, a chief financial officer, a chief digital officer, a general counsel (chief compliance officer) and certain senior officers (based on the needs of work), who shall assist the president in his work. The vice presidents, the chief financial officer, the chief digital officer, the general counsel (chief compliance officer) and other senior officers shall be nominated by the president and appointed or dismissed by the Board.

The senior officers of the Company include the president, vice president, chief financial officer, secretary of the Board, chief digital officer, general counsel (chief compliance officer) and other senior officers.

The term of office of the president is three (3) years, renewable upon re-election.

.....

60. Original Article 164 is proposed to be amended as:

The president shall be accountable to the Board and exercise the following powers:

- (i) to be in charge of the Company's operation and management and to organize the implementation of the resolutions of the Board, and to report to the Board;
- (ii) to organize the implementation of the Company's annual business plan and investment plan;
- (iii) to sign contracts and agreements on the Company's behalf and to sign off the documents in connection with the routine administrative work;
- (iv) to draft plans for the establishment of an internal management organization in the Company; and pursuant to the needs of the operation, to decide on the general adjustments to the internal structure of the Company;
- (v) to draft the Company's basic management system;
- (vi) to formulate basic rules and regulations for the Company;
- (vii) to propose the appointment or dismissal of the Company's vice president(s), the chief financial officer, the chief digital officer, the general counsel (chief compliance officer) and other senior officers;

.....

61. Original Article 168 is proposed to be amended as:

The president, the vice president, the chief financial officer, the board secretary, the chief digital officer, the general counsel (chief compliance officer) and other senior officers, in performing their functions and powers, shall act honestly and diligently and in accordance with laws, administrative regulations and these Articles of Association. If the senior officers of the Company violates the laws or breaches the Articles of Association in the course of performing duties, which causes losses to the Company, the senior officers shall be liable for damages.

62. Original Article 170 is proposed to be amended as:

Directors, president, vice president, chief financial officer, the board secretary, the chief digital officer, the general counsel (chief compliance officer) and other senior officers of the Company shall not serve concurrently as supervisors.

63. Original Article 173 is proposed to be deleted:

~~The Company shall have a Supervisory Committee. The Supervisory Committee is a standing supervisory organization of the Company. It shall supervise the Board, its members, the president, the vice president, the chief financial officer, the chief digital officer, the general counsel and the board secretary and prevent them from abusing their powers and infringing the legal rights and interests of the shareholders, the Company and the Company's employees.~~

64. Original Article 174 is proposed to be amended as:

The supervisory committee shall be composed of 5 members, of which 1 shall be the shareholder representative, 2 employee representatives of the Company and 2 independent supervisors. The employee representative supervisors shall account for at least one third of the total members of the supervisory committee, and the external supervisors (which shall refer to the supervisors who do not take any office in the Company, including independent supervisors) shall account for at least half of the members of the supervisory committee. The supervisory committee shall have one chairman, and the supervisor shall have the term of office of three years and may be re-elected if re-appointed.

The appointment or the dismissal of the chairman of the Supervisory Committee shall be passed by more than ~~2/3~~half of the members of the Supervisory Committee.

65. Original Article 175 is proposed to be amended as:

Appointment and removal of supervisors who are not appointed from employee representatives shall be subject to election at the general meeting, while appointment and removal of employee representatives in the supervisory committee shall be subject to democratic election of the staff through employee representatives' meeting, staff meeting or otherwise by democratic election.

~~The Supervisory Committee may establish an office to handle its routine work as required.~~

66. Original Article 176 is proposed to be amended as:

The chairman of the supervisory committee shall be responsible for the execution of duties of the Board. The chairman of the supervisory committee shall convene and preside over the supervisory committee meetings; where the chairman is unable or fails to fulfill his duties ~~by convening the meeting~~, one supervisor jointly appointed by more than half of supervisors shall convene and preside over the supervisory committee meeting.

The supervisory committee meetings are categorized into regular meetings and interim meetings. The supervisory committee shall hold at least one regular meeting in the first and the second half of each year respectively, which shall be convened by the chairman of the supervisory committee. Upon the nomination of any supervisor, interim supervisory committee meeting may be held.

No supervisory committee meeting may be held unless attended by more than half of supervisors. Where any supervisor refuses to or fails to attend the meeting, which results in the failure of existence of a statutory quorum in such meeting, other supervisors shall timely report the same to the general meeting or applicable state regulatory organs.

67. Original Article 177 is proposed to be amended as:

The supervisory committee shall ~~be accountable to the general meeting, and shall exercise the following powers according to law:~~

- (i) to review and provide written opinions on the regular reports of the Company prepared by the Board;
- (ii) to examine the Company’s financial situation;
- (iii) to supervise the work of directors and senior management and to propose removal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of general meetings;
- (iv) to demand rectification from a director, ~~president or any other~~ and a senior officer when the acts of such persons are harmful to the Company’s interest;

.....

The Company shall bear the expenses necessary for the Supervisory Committee to perform the above duties.

68. Original Article 179 is proposed to be amended as:

The supervisory committee shall keep minutes of the decisions on matters discussed at the meetings and supervisors who attended the meeting shall sign the minutes of the meeting. The meeting minutes shall include the following:

- (i) numbering and session, time and venue of the meeting;
- (ii) convener and chair of the meeting;
- (iii) attendance of the meeting;
- (iv) agenda of the meeting;

- (v) the proposals considered at the meeting; the gist of speech, key opinions on relevant matters and voting intents for the proposals of supervisors;
- (vi) voting method and result in respect of each proposal (provide the number of votes of “for”, “against” and “abstain” respectively);
- (vii) other matters to be recorded in the opinion of the attending supervisors.

Meetings minutes shall be signed and confirmed by the attending supervisors. Supervisors shall have the right to request a certain statement in respect of his or her speech at the meeting recorded in the minutes. Where a supervisor holds different opinions on the minutes, written explanation may be made upon signing. If necessary, it shall be timely reported to regulatory authorities or announced through public statements.

Where a supervisor neither signs as required by the preceding paragraph nor provides the written explanation for his different opinions or reports to regulatory authorities or gives public statement, the said supervisor shall be deemed as agreeing with the minutes.

Meetings minutes of the supervisory committee shall be kept as the archives of the Company ~~for no less than ten years~~ permanently.

69. Original Article 181 is proposed to be amended as:

The onsite meetings of the supervisory committee (including video meetings) may conduct voting by a show of hands or disclosed ballot. If a Supervisor participates in the onsite meeting through telephone or similar communication equipment, as long as he can make himself heard by the other participants at the meeting and can communicate with them, the Supervisor shall be deemed to be present at the meeting in person. Subject to the protection of supervisors’ rights to sufficiently express their views, the voting on supervisory committee meetings shall be conducted and resolutions made via communication devices, which shall be signed by participating supervisors. The voting procedures via communication devices shall provide for the valid period of voting, and any supervisor failing to express his view within such specified period shall be deemed to have waived his right.

“One person one vote” principle shall be observed in the voting on the supervisory committee meetings, which voting shall be conducted via the means of vote of record or in writing or otherwise. The voting of a supervisor shall be categorized into assent, dissent and abstention. Every participating supervisor shall vote by choosing one of those options, and in the absence of such choice or in the case of choosing two or more options, the meeting chairman shall request such supervisor to make a choice again. If such supervisor refuses to do so as required, he shall be deemed to have waived his right in that regard; any participating supervisor withdrawing from the meeting without returning and without choosing any option shall be deemed to have waived his right.

Any supervisory committee meeting resolution shall be adopted by the affirmative vote of more than ~~two-third~~half of all supervisors.

70. Original Article 182 is proposed to be deleted:

~~Reasonable expenses incurred in exercising the functions and powers by the Supervisory Committee in the appointment of lawyers, registered accountants or practicing auditors and other professionals shall be borne by the Company.~~

71. Original Article 183 is proposed to be amended as:

Supervisors shall faithfully and diligently carry out their duties as supervisors in accordance with the laws, administrative regulations and provisions of these Articles of Association ~~and perform their duties faithfully.~~

72. Original Article 185 is proposed to be deleted:

~~The validity of an act done by a director, the president or any other senior officer on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.~~

73. Original Article 186 is proposed to be deleted:

~~In addition to obligations imposed by laws and administrative regulations and required by listing rules of the stock exchanges on which Shares are listed, each of the Company's directors, supervisors, president and other senior officers shall be responsible to each shareholder in respect of the following duties, in the exercise of the functions and powers of the Company entrusted to him:~~

- ~~(i) not to cause the Company to exceed the scope of the business stipulated in its business license;~~
- ~~(ii) to act honestly in the best interest of the Company;~~
- ~~(iii) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;~~
- ~~(iv) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, but not including a reorganization of the Company submitted to shareholders' general meeting for approval in accordance with the Articles of Association.~~

74. Original Article 187 is proposed to be deleted:

~~Each of the Company's directors, supervisors, president and other senior officers owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.~~

75. Original Article 188 is proposed to be amended as:

Directors, supervisors, presidents and other senior officers of the Company shall be in compliance with the laws and administrative regulations and shall owe the following duties of care to the Company:

- (i) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the state's laws, administrative regulations and economic policies, not going beyond the scope of business specified in the Company's business license;
- (ii) to treat all shareholders impartially;
- (iii) to keep informed of the business operations and management of the Company;
- (iv) to sign the written confirmation with respect to the periodic reports of the Company and to ensure the information disclosed by the Company is true, accurate and complete within the scope of their duties;
- (v) to honestly provide the supervisory committee with relevant information, and not to interfere with the supervisory committee or supervisors in performing their duties and powers;
- (vi) to fulfill other fiduciary obligations stipulated by the laws, administrative regulations, rules of regulatory authorities and these Articles of Association.

76. Original Article 189 is proposed to be amended as:

Each of the Company's directors, supervisors, presidents and other senior officers shall bear the following obligations of loyalty towards the Company when exercise his powers or perform his duties ~~in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) their performance of the following obligations:~~

- ~~(i) to act honestly in the best interests of the Company;~~

- ~~(ii) to exercise powers within the scope of his powers and not to exceed those powers;~~
- ~~(iii) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in² general meeting, not to delegate the exercise of his discretion;~~
- ~~(iv) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;~~
- ~~(v) except in accordance with these Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contracts or conduct ; transactions or arrangement with the Company in violation of the Articles of Association or without the approval of the shareholders' general meeting;~~
- ~~(vi) without the informed consent of shareholders given in general meeting, not to use the Company's property for his own benefit;~~
- ~~(viii) not to exploit his position to accept bribes or other illegal income or seize the Company's property by any means, including (without limitation) opportunities advantageous to the Company;~~
- ~~(viii) without the informed consent of shareholders given in the general meeting, not to accept commissions in connection with the Company's transactions;~~
- ~~(ix) to abide by these Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;~~
- ~~(xiv) not to exploit his position to advance his own or any other person's private benefits from those business opportunities advantageous to the Company, not to self-execute or execute for others the similar business activities, not to compete with the Company in any form unless with the informed consent of shareholders given in general meeting;~~
- ~~(xiv) not to misappropriate the Company's funds and not to open accounts in his own name or other names for the deposit of the Company's assets or funds;~~
- ~~(xvi) not to lend the Company's funds to others or provide a guarantee to a shareholder of the Company or other individuals with the Company's assets in violation of the Articles of Association or without consent of the general meetings or the Board;~~
- ~~(xvii) not to use his relationship to prejudice the Company's interests with its connected relationship;~~

~~(xiviii) unless otherwise permitted by informed shareholders in general meeting, not to disclose the Company's secrets without authorization, to keep in confidence information acquired by him in the course of and during his tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other competent governmental authorities is permitted if:; and~~

- ~~(1) the disclosure is required by laws;~~
- ~~(2) the disclosure is required by the public interests;~~
- ~~(3) the interests of the relevant director, supervisor, president or senior officer are required to be disclosed.~~

~~(xvix) to fulfill other fiduciary duty stipulated by the laws, administrative regulations, rules of regulatory authorities and the Articles of Association.~~

Gains obtained by the directors, supervisors, the president and other senior officers of the Company in violation of this Article shall be counted in the interest of the Company and any loss incurred to the Company shall be compensated.

77. Original Article 190 is proposed to be deleted:

~~Each director, supervisor, president or other senior officer of the Company shall not cause the following persons or institutions (“**associates**”) to do what he is prohibited from doing:~~

- ~~(i) the spouse or minor child of that director, supervisor, president or other senior officer;~~
- ~~(ii) a person acting in the capacity of trustee of that director, supervisor, president or other senior officer or any person referred to in the preceding paragraph (i);~~
- ~~(iii) a person acting in the capacity of partner of that director, supervisor, president or other senior officer or any person referred to in paragraphs (i) and (ii) above;~~
- ~~(iv) a company in which that director, supervisor, president or other senior officer, alone or jointly with one or more persons referred to in paragraphs (i), (ii) and (iii) above and other directors, supervisors, president and other senior officers have a de facto controlling interest; and~~
- ~~(v) the directors, supervisors, presidents and other senior officers of the controlled company referred to in the preceding paragraph (iv).~~

78. Original Article 191 is proposed to be deleted:

~~The fiduciary obligations of the directors, supervisors, president and other senior officers of the Company do not necessarily cease with the termination of their tenure. The obligation of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other obligations may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.~~

79. Original Article 192 is proposed to be deleted:

~~Except for those circumstances stipulated in Article 63, a director, supervisor, president or any other senior officer of the Company may be relieved of liability for specific breaches of his obligations by the informed consent of shareholders given at a general meeting.~~

80. Original Article 193 is proposed to be deleted:

~~Where a director, supervisor, president or any other senior officer of the Company has, directly or indirectly, a material interest in a contract, transaction or arrangement entered into or proposed to be entered into by the Company (other than his contract of service), he shall declare the nature and extent of his interest to the Board at the earliest opportunity, whether or not the matters in question are otherwise subject to the approval of the Board.~~

~~A director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting. A close associate has the meaning as ascribed to it under the Listing Rules.~~

~~Unless the director, supervisor, president or any other senior officer with an interest makes a disclosure to the Board in the manner just described in the paragraph above and the matter is approved by the Board at a meeting at which he was not counted in the quorum and did not vote, the Company may rescind that contract, transaction or arrangement except as against a bona fide party acting in good faith and without knowing the breach of obligation by that director, supervisor, president or other senior officer.~~

~~For the purposes of this provision, a director, supervisor, president or any other senior officer is deemed to have an interest in a contract, transaction or arrangement in which his associates have an interest.~~

81. Original Article 194 is proposed to be deleted:

~~If, prior to the date on which the Company first considered the issue of entering into the relevant contract, transaction or arrangement, the director, supervisor, president or any other senior officer gives the Board a notice in writing stating that by reason of the matters stated in the notice, he has an interest in the contract, transaction or arrangement proposed to be entered into by the Company, then that director, supervisor, president or other senior officer shall be deemed to have made a disclosure for the purpose of and in accordance with this section to the extent of the matters disclosed in that notice.~~

82. Original Article 195 is proposed to be deleted:

~~The Company shall not pay any tax for its directors, supervisors, president and other senior officers in any manner.~~

83. Original Article 196 is proposed to be deleted:

~~The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with the making of a loan for a director, supervisor, president or any other senior officer of the Company or of the Company's parent company or any of their respective associates.~~

~~However, the following transactions are not subject to such prohibition:~~

- ~~(i) the provision by the Company of a loan or a guarantee of a loan to a subsidiary of the Company;~~
- ~~(ii) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, president and other senior officers to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting; and~~
- ~~(iii) the Company may make a loan to, or provide a guarantee in connection with the making of a loan for, any of the relevant directors, supervisors, president and other senior officers or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.~~

84. Original Article 197 is proposed to be deleted:

~~A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.~~

85. Original Article 198 is proposed to be deleted:

~~A guarantee provided by the Company in breach of the provisions of Article 196(i) shall be unenforceable against the Company, unless:~~

- ~~(i) the guarantee was provided in connection with a loan to an associate of any of the directors, supervisors, president and other senior officers of the Company or of the Company's parent company and at the time the loan was advanced the lender did not know the relevant circumstances; or~~
- ~~(ii) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.~~

86. Original Article 199 is proposed to be deleted:

~~For the purpose of the aforesaid provision, a guarantee includes an undertaking or provision of property by the guarantor to secure the performance of obligations by the obligor.~~

87. Original Article 200 is proposed to be deleted:

~~In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president, or any other senior officer of the Company is in breach of his obligations to the Company, the Company has rights to:~~

- ~~(i) claim damages from that director, supervisor, president or other senior officers in compensation for losses sustained by the Company as a result of such breach;~~
- ~~(ii) rescind any contract or transaction entered into by the Company with that director, supervisor, president or other senior officers or with a third party (where such third party knows or should know that there is such a breach of obligations by that director, supervisor, president or other senior officers);~~
- ~~(iii) demand that director, supervisor, president or other senior officers to account for any and all benefits obtained from breach of his obligations;~~
- ~~(iv) recover any monies received by that director, supervisor, president or other senior officers, which should otherwise have been paid to the Company, including (without limitation) commissions;~~

~~(v) demand payment by that director, supervisor, president or other senior officers of the interest accrued or to be accrued on the monies that should otherwise have been paid to the Company.~~

88. Original Article 201 is proposed to be deleted:

~~The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a director or supervisor wherein his emoluments are stipulated. The aforesaid emoluments include:~~

- ~~(i) emoluments in respect of his service as a director, supervisor or senior officer of the Company;~~
- ~~(ii) emoluments in respect of his service a director, supervisor or senior officer of any subsidiary of the Company;~~
- ~~(iii) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries; and~~
- ~~(iv) payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.~~

~~Except under a contract entered into in accordance with the foregoing, no proceedings may be initiated by a director or supervisor against the Company for anything due to him in respect of the above matters.~~

~~The compensation in relation to early dismissal of directors, supervisors and senior officers stipulated in Articles of Association or relevant contracts shall follow the principle of fairness and shall not damage the legitimate rights and interests of the Company or transfer interests.~~

89. Original Article 202 is proposed to be deleted:

~~The contract concerning the emoluments between the Company and its directors or supervisors should provide that, in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A "takeover of the Company" referred to in this paragraph means either:~~

- ~~(i) an offer made by any person to all the shareholders; or~~
- ~~(ii) an offer made by any person with a view to the offeror becoming a controlling shareholder.~~

~~If the relevant director or supervisor does not comply with the provisions of these articles, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in distributing such sum pro-rata amongst those persons shall be borne by the relevant director or supervisor and not paid out of that sum.~~

90. Original Article 205 is proposed to be deleted:

~~The Board of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by any laws and administrative regulations and directives promulgated by regional and central government and competent authorities.~~

91. Original Article 206 is proposed to be deleted:

~~The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports mentioned in this Chapter.~~

~~The Company shall deliver the aforementioned reports to shareholders by any means as approved by the stock exchange of the place of listing (including but not limited to mail, email, facsimile, announcement, dissemination through the website of the stock exchange of the listing locations of the Company and/or shares of the Company) twenty-one days before the annual general meeting is convened. If the report is sent to each of holders of overseas listed foreign shares by prepaid mail, it shall be sent to the recipient's address shown in the register of members.~~

92. Original Article 212 is proposed to be amended as:

No dividend shall be distributed and no other distribution in the form of bonus shall be made prior to making up for the losses and allocating to the statutory reserve by the Company. ~~No interest will accrue on dividends distributed by the Company, unless the Company fails to distribute the dividends to the shareholders on the due date of dividend payment.~~

93. Original Article 214 is proposed to be amended as:

The common reserve funds can only be used to make up the loss of the Company, to expand the scale of operation of the Company or to enlarge the Company's capital. However, capital reserve shall not be applied to make up for the losses of the Company.

~~When the Company transfers the reserve funds to its capital after the shareholders have passed a resolution in the general meeting, it may issue new shares to the shareholders in proportion to their respective original shareholding or increase the nominal value of each share. However, when the statutory common reserve fund is transferred to the Company's capital, the amount of the statutory common reserve fund to be retained shall not be less than 25% of the Company's registered capital before the transfer.~~

94. Original Article 215 is proposed to be amended as:

~~The Company may distribute dividends in the following manner:~~

- ~~(i) in cash;~~
- ~~(ii) by issuing shares.~~

The Company's policies on profit distribution are set out below:

(i) Principle of profit distribution:

1. The Company will place an emphasis on the return to investors, and will pay shareholders dividends based on a percentage of distributable profits realized in the current year of the parent company;
2. The sustainability and stability of the Company's profit distribution policies will be maintained, with an eye towards the long-term interests, overall shareholders' interests and sustainability of the Company;
3. The Company will place a priority on the profit distribution in the form of bonus payment;
4. In the event of any of the following circumstances, the Company may not distribute profits: (1) when the Company's audit report for the latest year is not an unqualified opinion or is a qualified opinion with a significant uncertainty paragraph related to the going concern; (2) the gearing ratio is higher than 70%; (3) the operating cash flow is negative.

(ii) The specific policies for profit distribution:

.....

(iii) The policy for differentiated cash dividend distribution

In connection with the dividend payment, the Company's Board of Directors shall take into account the features of the industry where the Company operates, development stage, operation model, profitability, solvency and the existence of major capital expenditures and investors' return and other factors, and put forward a policy of differentiated cash dividend distribution according to the following different circumstances, pursuant to the procedures set forth in these Articles of Association:

.....

(iv) Decision-making procedures and mechanism for Profit Distribution

1. The profit distribution plan shall, after formulated by the management of the Company, be submitted for consideration and approval to the Board of Directors and supervisory committee. The Board shall conduct sufficient discussions on the reasonableness of the profit distribution plan and form a specific proposal, which shall be submitted to the general meeting for its consideration and approval. Where the Company is profitable in the previous accounting year, however the Board determines not to conduct dividend payment in cash or the profit distribution is made less than the cash dividend payment percentage set forth in the Articles of Association, ~~the independent directors shall express their independent opinions.~~ The Company shall arrange the online voting mechanism to facilitate the participation by social shareholders in the voting at the general meeting.
2. During the formulation of the Company's details of cash bonus scheme, the Board of Directors shall earnestly study and demonstrate the timing, condition, lowest proportion, adjustment condition and its decision-making program requirement for the cash bonus of the Company. ~~The independent directors shall express their independent opinions. The independent directors may solicit the opinions of the minority shareholders to make the bonus proposal for direct submission to the Board of Directors for consideration.~~ Where independent directors consider that the detailed cash dividend plan might jeopardize the listed Company's or its minority shareholders' interests, they have the right to publish independent opinions. If the Board of Directors does not adopt or fully adopt the recommendations of the independent directors, the independent directors' opinions and specific reasons for not adopting them shall be recorded in the Board's resolution and disclosed.
3. Prior to the consideration of specific plan for cash dividend at the general meeting, active communication and exchange with shareholders, especially medium-sized and minority shareholders, through various channels (including but not limited to via telephone, fax, email and acceptance onsite) are encouraged in order to fully collect views and demands of medium-sized and minority shareholders. The concerns of medium-sized and minority shareholders shall also be addressed and replied to promptly;
4. Where the Company determines not to conduct the cash dividend payment due to any special circumstances, the Board of Directors shall provide special explanation on the details of causes for no cash dividend payment, the accurate use of the retained profits, estimated investment return, etc., which shall, ~~after commented by the independent directors,~~ be submitted to the general meeting, and be disclosed in such media designated by the Company.

.....

95. Original Article 216 is proposed to be amended as:

Cash dividends or other payments declared by the Company to be payable to holders of domestic shares shall be declared in RMB. Cash dividends and other amounts payable to holders of foreign shares can be calculated and declared in RMB, and paid in Hong Kong Dollars, or paid in RMB. For payments in foreign currencies to holders of foreign shares, the amount of foreign currency needed shall be obtained in accordance with the State's provisions in relation to foreign exchange.

96. Original Article 217 is proposed to be amended as:

Unless the pertinent laws and administrative rules otherwise provide, the dividend and other sums to be distributed in Hong Kong Dollars shall adopt the ~~average of the sell~~central parity rates quoted from the People's Bank of China ~~during the calendar week~~ on the trading day before the date of the declaration of the dividend and the distribution of other monies.

97. Original Article 218 is proposed to be amended as:

Subject to the satisfaction of the above conditions for cash dividend payment, the Company shall distribute dividends in cash once each year in principle, and under the authorization of the shareholders' general meeting, the Board of the Company may submit a proposal for interim cash dividend payment to the Company based on the profitability and capital needs of the Company.

98. Original Article 220 is proposed to be amended as:

The Company shall appoint receiving agents on behalf of the overseas listed foreign Shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of their shares, and hold such payment on behalf of the Shareholders pending payment to them.

The receiving agent appointed by the Company shall comply with the laws of the place of listing or the relevant requirements of the relevant stock exchange.

~~The receiving agents appointed on behalf of holders of the overseas listed foreign Shares listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.~~

99. Original Article 221 is proposed to be deleted:

~~Any amount paid up in advance of calls on any of the Company's shares may carry interest, but shall not entitle the holder of such share(s) to participate in respect thereof in a dividend subsequently declared.~~

~~In accordance with the relevant laws and regulations of the PRC, the Company may exercise its power to forfeit any unclaimed dividends, provided that such power may only be exercised after the expiry of the effective period set for the relevant dividends declared.~~

100. Original Article 222 is proposed to be deleted:

~~The Company may exercise the power to cease sending dividend warrants by post if such warrants have been left unclaimed on two consecutive occasions, provided that the Company may do so on the first occasion on which such undelivered warrants are returned.~~

~~The Company shall not exercise the power to sell the shares of a holder who is untraceable unless each item set forth below has been satisfied:~~

- ~~(i) dividends have been declared in relation to the relevant shares for at least three times within a period of twelve years, and the dividends were unclaimed within that period;~~
- ~~(ii) upon the expiry of the twelve-year period, the Company has published an announcement on one or more newspapers of the listing locations expressing its intention to sell the shares and notified the stock exchange on which such shares are listed.~~

101. Original Article 223 is proposed to be amended as:

~~Upon a resolution on the profit distribution proposal is passed at the general meeting, the Directors of the Company shall complete the distribution of dividends (or shares) within two months after the general meeting a resolution on the profit distribution proposal is passed at the general meeting or the formulation by the Board of Directors of a specific plan based on the next year's interim dividend conditions and cap considered and approved at the annual general meeting.~~

102. Original Article 225 is proposed to be amended as:

~~The Company shall appoint an independent accounting firm which is qualified under the relevant provisions of the Securities Law to audit the Company's annual financial report and verify the Company's other financial reports conduct the auditing of the financial statements, examination of net assets and other relevant consultation services. Their period of appointment is one year which can be renewed.~~

103. Original Article 226 is proposed to be amended as:

~~The appointment of accountants' by the Company shall be determined at a shareholders' general meeting, and the Board shall not engage an accounting firm before any resolution adopted at a shareholders' general meeting. The accounting firm shall be effective from the conclusion of the current annual general meeting until the conclusion of the next annual general meeting. At the expiry of the term of office of the accounting firm, the appointment may be renewed.~~

104. Original Article 227 is proposed to be deleted:

~~The accounting firm appointed by the Company shall have the right to:~~

- ~~(i) inspect the books, records or vouchers of the Company, and to require the Directors, the president or other senior officers to provide any relevant information and explanations;~~
- ~~(ii) require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanations as are necessary for the accounting firm to perform his duties; and~~
- ~~(iii) attend shareholders' general meetings, obtain all notices of, and other information relating to, such meetings which shareholders are entitled to receive, and to present its views at any shareholders' general meetings on matters that are of his concern as the accounting firm of the Company.~~

105. Original Article 229 is proposed to be deleted:

~~If there is a vacancy or the position of the accounting firm of the Company, the board may entrust a certified public accountants' firm to fill such position prior to the holding of the shareholders' general meeting. During this period of vacancy, if there is another certified public accountants' firm providing accounting services to the Company, then that certified public accountants' firm may still handle such matters.~~

106. Original Article 230 is proposed to be deleted:

~~The shareholders in general meeting may, by ordinary resolution, remove the accounting firm before the expiration of its term of office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.~~

107. Original Article 231 is proposed to be amended as:

~~The remuneration of audit fee for the accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders' in general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.~~

108. Original Article 232 is proposed to be deleted:

~~The Company's appointment of, removal of and non-reappointment of an accounting firm shall be resolved by shareholders in general meeting. The resolution of the shareholders' general meeting shall be filed with the State Council authorities in charge of securities for the record.~~

~~Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm or re-appointment of a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or removal of the accounting firm before the expiration of its term of office, the following provisions shall apply:~~

~~(i) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post (leaving includes leaving by removal, resignation and retirement) during the relevant fiscal year.~~

~~(ii) If the firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations are received too late):~~

~~(1) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and~~

~~(2) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.~~

~~(iii) If the firm's representations are not sent in accordance with the preceding paragraph (ii), the relevant accounting firm may require that the representations be read out at the meeting and may lodge further complaints.~~

~~(iv) An accounting firm which is leaving its post shall be entitled to attend:~~

~~(1) the shareholders' general meeting at which its term of office would otherwise have expired;~~

~~(2) any shareholders' general meeting at which it is proposed to fill the vacancy caused by his removal; and~~

~~(3) any shareholders' general meeting convened on its resignation;~~

~~and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accounting firm of the Company.~~

109. Original Article 233 is proposed to be amended as:

Where the accounting firm is removed or not re-appointed, prior notice should be given to the accounting firm fifteen days in advance, and the accounting firm is entitled to state its opinion at the shareholders' general meeting. Where the accounting firm resigns, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

~~Any accounting firm may resign its office by depositing a resignation notice at the Company's legal residence. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:~~

- ~~(i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company;
or~~
- ~~(ii) a statement of any such circumstances.~~

~~Such notifications shall come into effect on the date when they are placed at the legal address of the Company or such a later date as stated in the said notifications.~~

~~Upon receipt of the deposited notice as referred to in the preceding paragraph (1), the Company shall within fourteen (14) days send a copy of the notice to the relevant competent authority. If the notice contains a statement under the preceding paragraph (1) (ii), a copy of such statement shall be placed at the Company's residence for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to each shareholder who is entitled to receive the report regarding financial conditions of the Company at the address registered in the register of shareholders.~~

~~Where the accounting firm's notice of resignation contains a statement as referred to in the preceding paragraph (1) (ii) which should be brought to the notice of the shareholders or creditors of the Company, it may require the Board to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.~~

110. Original Article 234 is proposed to be deleted:

~~Proposal for the merger or division of the Company shall be put forward by the Board of the Company to be adopted in accordance with the procedures provided by these Articles of Association, and the relevant examination and approval procedures shall be carried out in accordance with law. Shareholders objecting to the merger or division proposal are entitled to demand that their shares be purchased by the Company or shareholders agreeing to the merger or division at a reasonably fair price.~~

~~Details of the merger or division resolution shall be converted into special papers for the inspection by the shareholders. The aforesaid document shall also be delivered by any means permitted by the stock exchange(s) on which shares of the Company are listed (including, but not limited to, by post, email, facsimile, announcement or by publication on the Company's website and/or the website(s) of the stock exchange(s) on which the shares of the Company are listed) to shareholders. If delivered by post, the addresses of recipients shall be the registered addresses recorded in the register of members.~~

111. Original Article 240 is proposed to be deleted:

~~In the event the Board decides to carry out a liquidation (other than as a result of the Company's declaration of bankruptcy), a statement shall be made in the notice to convene a shareholders' general meeting for such purpose that the Board has conducted a comprehensive investigation as to the affairs of the Company and that it is of the view that the Company will be able to repay all the liabilities of the Company within 12 months from the start of the liquidation.~~

~~Upon the passing of the resolution for the liquidation of the Company, the functions and powers of the Board of the Company shall cease forthwith.~~

~~The liquidation committee shall adhere to the instructions of the shareholders' general meeting and report to the shareholders' general meeting at least once a year as to the income and expenditure of the committee and the business and the progress of the liquidation. It will also have to make a final report to the shareholders' general meeting at the conclusion of the liquidation.~~

112. Original Article 245 is proposed to be amended as:

~~After the liquidation of the Company, the liquidation committee should prepare a liquidation report and statements of income and expenditure as well as books of financial accounts during the liquidation period, which, upon the certification by a PRC Certified Public Accountant, they it shall be presented to the shareholders' general meeting or the People's Court for confirmation.~~

~~The liquidation committee should, within 30 days after the confirmation by the shareholders' general meeting or the People's Court, deliver it for registration with the company registration authority for the cancellation of the registration of the Company, and make a public announcement concerning the termination of the Company.~~

113. Original title of Chapter 21 is proposed to be amended as:

Chapter 21 Notice and Announcement

114. New Article 202 is proposed to be added:

The Company designates the website of the Hong Kong Stock Exchange, the website of the Shanghai Stock Exchange, the Company’s website and the media accredited by the CSRC and the Hong Kong Stock Exchange as the media to publish the Company announcements and other information that required to be disclosed.

115. Original Chapter 22 Resolving of Disputes (including Article 255) is proposed to be deleted:

~~Chapter 22 Resolving of Disputes~~

~~Article 255 The Company will comply with the following dispute resolutions set out below:~~

~~(i) Whenever any disputes or claims involving the affairs of the Company arising between shareholders of the overseas listed foreign shares and the Company, shareholders of the overseas listed foreign shares and the Company’s directors, supervisors, president or other senior officers, or shareholders of the overseas listed foreign shares and shareholders of domestic shares, based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration. Article 163 of the Mandatory Provisions; Article 11 of “Zheng Jian Hai Han”~~

~~Where a dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration provided that such person is the Company or a shareholder, director, supervisor, the president or any other senior officer of the Company. Disputes in relation to the identification of shareholders and disputes in relation to the share register need not be referred to arbitration.~~

~~(ii) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for carrying out the arbitration in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.~~

~~(iii) If any disputes or claims of rights arising from (i) above are to be resolved by arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided by laws and administrative regulations.~~

~~(iv) The award of an arbitration body shall be final and conclusive and binding on all parties.~~

116. Original Article 259 is proposed to be amended as:

“Controlling shareholder” referred to herein shall mean any person who is or group of persons who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the applicable regulations on the supervision of securities of the place where the Company is listed as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over the Company) or more of the voting power at general meetings of the Company or who is or are in a position to control the composition of a majority of the Board.

“Connected relationship” referred to herein shall mean the relationship between a controlling shareholder, de facto controller, director, supervisor or senior officer of the Company and its directly or indirectly controlled enterprise and other relationships which may result in the transfer of the Company’s interests. However, state- owned enterprises may have connected relationships not merely because they are under common control of the State.

~~For the purpose of these Articles, an “accounting firm” shall have the same meaning as the “auditors”.~~

“The above”, “within”, “the following” shall be inclusive of the stated figure; while “other than”, “lower than”, “more than” are not inclusive of the stated figure.

Notes:

1. Due to addition and removal of certain articles, the serial number of relevant articles and cross references of the Articles of Association have been adjusted accordingly without separate explanation.
2. The English version of the proposed amendments to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.