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

If you have sold or transferred all your shares in Shenwan Hongyuan Group Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



申萬宏源集團股份有限公司
SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6806)

- (1) 2023 WORK REPORT OF THE BOARD OF DIRECTORS**
 - (2) 2023 WORK REPORT OF THE BOARD OF SUPERVISORS**
 - (3) 2023 ANNUAL FINANCIAL REPORT**
 - (4) 2023 PROFIT DISTRIBUTION PLAN**
 - (5) 2023 ANNUAL REPORT**
 - (6) GRANTING OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE ADDITIONAL SHARES OF THE COMPANY**
 - (7) ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2024**
 - (8) ARRANGEMENT OF INTERIM PROFIT DISTRIBUTION FOR 2024**
 - (9) PUBLIC ISSUANCE OF CORPORATE BONDS**
 - (10) AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
 - (11) AMENDMENTS TO THE RULES OF PROCEDURE OF THE GENERAL MEETING**
 - (12) AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS**
 - (13) AMENDMENTS TO THE INDEPENDENT NON-EXECUTIVE DIRECTOR SYSTEM**
- AND**
- NOTICE OF THE 2023 ANNUAL GENERAL MEETING**
-

The 2023 annual general meeting of Shenwan Hongyuan Group Co., Ltd. will be held at 2:00 p.m. on Friday, June 28, 2024 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice of the AGM is set out on pages 17 to 19 of this circular.

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM carefully and to complete the proxy form published on Thursday, June 6, 2024 in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by hand or by post no later than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

June 6, 2024

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DEFINITIONS

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

“AGM”	the 2023 annual general meeting of the Company to be held at 2:00 p.m. on Friday, June 28, 2024 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC
“A Share(s)”	domestic Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid up in RMB and is/are listed for trading on the Shenzhen Stock Exchange (Stock Code: 000166)
“A Shareholder(s)”	holder(s) of A Share(s)
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Central Huijin”	Central Huijin Investment Ltd. (中央匯金投資有限責任公司), a company with limited liability incorporated in the PRC on December 16, 2003
“Company”	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively
“Company Law”	Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which is/are subscribed for in HKD and is/are listed for trading on the Hong Kong Stock Exchange (Stock Code: 6806)
“H Shareholder(s)”	holder(s) of H Share(s)
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director System”	the Independent Non-executive Director System of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“JIC”	China Jiayin Investment Ltd. (中國建銀投資有限責任公司), a company incorporated in the PRC with limited liability, which is a Substantial Shareholder of the Company
“Latest Practicable Date”	June 3, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure of the Board of Directors”	the Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Rules of Procedure of the General Meeting”	the Rules of Procedure of the General Meeting of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Securities Law”	Securities Law of the People’s Republic of China (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s) of the Company, including A Shareholder(s) and H Shareholder(s)
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“%”	per cent

DEFINITIONS

Unless otherwise specified, the financial data involved in this circular are under the Accounting Standards for Enterprises of China.

In this circular, there may be individual data as the sum of relevant data is different from the aggregate amount of the relevant data, which is caused by the rounding in calculation.

LETTER FROM THE BOARD



申萬宏源集團股份有限公司
SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6806)

Executive Directors:

Mr. Liu Jian (*Chairman*)
Mr. Huang Hao

Non-executive Directors:

Mr. Ren Xiaotao
Mr. Zhang Yigang
Mr. Zhu Zhilong
Ms. Zhang Ying
Mr. Shao Yalou

Independent Non-executive Directors:

Ms. Yeung Siuman Shirley
Mr. Wu Changqi
Mr. Chen Hanwen
Mr. Zhao Lei

Registered Office:

Room 2001, 20/F
Dacheng International Building
358 South Beijing Road
Urumqi High-tech Zone
Xinjiang, the PRC

Principal Place of Business in the PRC:

20/F, Dacheng International Building
358 South Beijing Road
Urumqi High-tech Zone
Xinjiang, the PRC

No. 19, Taipingqiao Street
Xicheng District
Beijing, the PRC

Principal Place of Business in Hong Kong:

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

June 6, 2024

To the H Shareholders

Dear Sir or Madam,

LETTER FROM THE BOARD

- (1) 2023 WORK REPORT OF THE BOARD OF DIRECTORS
 - (2) 2023 WORK REPORT OF THE BOARD OF SUPERVISORS
 - (3) 2023 ANNUAL FINANCIAL REPORT
 - (4) 2023 PROFIT DISTRIBUTION PLAN
 - (5) 2023 ANNUAL REPORT
 - (6) GRANTING OF GENERAL MANDATE TO THE BOARD OF DIRECTORS
TO ISSUE ADDITIONAL SHARES OF THE COMPANY
 - (7) ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2024
 - (8) ARRANGEMENT OF INTERIM PROFIT DISTRIBUTION FOR 2024
 - (9) PUBLIC ISSUANCE OF CORPORATE BONDS
 - (10) AMENDMENTS TO THE ARTICLES OF ASSOCIATION
 - (11) AMENDMENTS TO THE RULES OF PROCEDURE OF THE GENERAL
MEETING
 - (12) AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF
DIRECTORS
 - (13) AMENDMENTS TO THE INDEPENDENT NON-EXECUTIVE DIRECTOR
SYSTEM
- AND**
- NOTICE OF THE 2023 ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed for consideration at the AGM.

The following ordinary resolutions and special resolutions (special resolutions are marked by *) will be proposed at the AGM to approve:

- (1) the 2023 Work Report of the Board of Directors;
- (2) the 2023 Work Report of the Board of Supervisors;
- (3) the 2023 Annual Financial Report;
- (4) the 2023 Profit Distribution Plan;
- (5) the 2023 Annual Report;
- (6) * the Resolution regarding the Granting of General Mandate to the Board of Directors to Issue Additional Shares of the Company;
- (7) the Resolution regarding the Estimated Ordinary Related Party Transactions for 2024;
- (8) the Resolution regarding the Arrangement of Interim Profit Distribution for 2024;
- (9) * the Resolution regarding the Public Issuance of Corporate Bonds;

LETTER FROM THE BOARD

- (10) * the Resolution regarding the Amendments to the Articles of Association;
- (11) * the Resolution regarding the Amendments to the Rules of Procedure of the General Meeting;
- (12) * the Resolution regarding the Amendments to the Rules of Procedure of the Board of Directors; and
- (13) the Resolution regarding the Amendments to the Independent Non-executive Director System.

1. 2023 WORK REPORT OF THE BOARD OF DIRECTORS

An ordinary resolution will be proposed at the AGM to approve the 2023 Work Report of the Board of Directors.

The 2023 Work Report of the Board of Directors has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

Details of the 2023 Work Report of the Board of Directors are set out in Appendix I to this circular.

2. 2023 WORK REPORT OF THE BOARD OF SUPERVISORS

An ordinary resolution will be proposed at the AGM to approve the 2023 Work Report of the Board of Supervisors.

The 2023 Work Report of the Board of Supervisors has been considered and approved at the meeting of the Board of Supervisors held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

Details of the 2023 Work Report of the Board of Supervisors are set out in Appendix II to this circular.

3. 2023 ANNUAL FINANCIAL REPORT

An ordinary resolution will be proposed at the AGM to approve the 2023 Annual Financial Report.

The 2023 Annual Financial Report has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

Details of the 2023 Annual Financial Report are set out in Appendix III to this circular.

4. 2023 PROFIT DISTRIBUTION PLAN

An ordinary resolution will be proposed at the AGM to approve the 2023 Profit Distribution Plan.

As audited and confirmed by PricewaterhouseCoopers Zhong Tian LLP, in 2023, the Company realised a consolidated net profit attributable to shareholders of the parent company of RMB4,606,340,168.13. The balance of the audited retained profit of the parent company of the Group at the beginning of 2023 was RMB2,878,778,760.24, plus the net profit of the parent company of the Group of RMB732,465,715.52 in 2023; after deducting the cash dividend of RMB751,198,336.80 in 2022; after deducting the statutory surplus reserve of RMB73,246,571.55 at 10% of the net profit realized in 2023 according to the requirements of the Company Law and the Articles of Association. The balance of profit available for distribution of the parent company of the Group at the end of 2023 was RMB2,786,799,567.41.

LETTER FROM THE BOARD

I. Reasons for the Proposed Profit Distribution for 2023

After giving comprehensive consideration to the requirements of the securities regulatory authorities and clear proportion regulations on cash dividends under the Articles of Association, in order to maintain the continuity and stability of the cash dividend policy, the cash dividend plan will be implemented for 2023 based on the actual situation of the Company as well as industry practices as a response to certain Shareholders' request for cash dividend.

II. Specific Plan on Profit Distribution for 2023

1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31, 2023, a cash dividend of RMB0.56 (tax inclusive) for every 10 shares will be distributed to A Shareholders and H Shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB1,402,236,895.36. The retained profits of the parent company of RMB1,384,562,672.05 following the cash dividend distribution will be carried forward to the next year.
2. Cash dividend will be denominated and declared in RMB and paid to A Shareholders in RMB and to H Shareholders in HKD. The actual distribution amount in HKD will be calculated at the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the AGM of the Company.

If there is any change in the total share capital of the Company during the period from the date of disclosure of the dividend distribution proposal to the record date for the implementation of the dividend distribution, the Company intends to maintain the total distribution amount unchanged and adjust the distribution ratio per share accordingly.

The 2023 Profit Distribution Plan has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval. Subject to the approval at the AGM, it is expected that the Company will distribute cash dividends in accordance with the distribution plan within two months after the AGM.

The Company will make further notice on the record date for the dividend distribution and the date on which the share register of shareholders will be closed.

5. 2023 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to approve the 2023 Annual Report.

The 2023 Annual Report has been considered and approved at the Board meeting and the meeting of the Board of Supervisors held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

The 2023 Annual Report has been published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.swhygh.com) on April 22, 2024.

6. RESOLUTION REGARDING THE GRANTING OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE ADDITIONAL SHARES OF THE COMPANY

A special resolution will be proposed at the AGM to approve the granting of general mandate (the "General Mandate") to the Board of Directors to issue additional Shares of the Company.

LETTER FROM THE BOARD

In accordance with applicable PRC laws and regulations, the provisions of the rules of the places where the securities are listed and market practices, the resolution regarding the general mandate to issue additional A Shares and H Shares was considered and approved at the 2022 annual general meeting, and is expected to expire at the end of the 2023 annual general meeting of the Company.

Based on the review of the implementation of such general mandate, the Company intends to continue to apply to the general meeting of the Company for the granting of the General Mandate to the Board of the Company to issue additional Shares of the Company in accordance with the actual needs of the Company's strategic development, so as to shorten the internal approval process for the issue of Shares and to seize market opportunities more flexibly, details of which are as follows:

I. Scope of Authorization

The scope of authorization includes but not limited to:

1. To propose to the general meeting of the Company to grant the Board the General Mandate during the Relevant Period (as defined below) to decide, in light of market conditions and in accordance with needs of the Company, to allot, issue and deal with, either separately or concurrently, Shares not exceeding 20% of each of the number of RMB-dominated ordinary shares listed domestically (i.e. A Shares) and/or foreign shares listed overseas (i.e. H Shares) in issue of the Company as at the date of passing this resolution at the general meeting (including but not limited to ordinary shares, preferred shares, and securities convertible into shares), and to decide to make or grant offers for sale, offers, agreements, right to exchange for or convert into shares or other rights as required or may be required to allot Shares;
2. To authorize the Board to formulate and implement detailed issuance plan when exercising the above General Mandate, including but not limited to the class of new Shares to be issued, pricing mechanism and/or issuance/conversion/exercise price (including price range), form of issuance, number of shares to be issued, target subscribers and use of proceeds, and decide the time of issuance, period of issuance and whether to place Shares to the existing Shareholders;
3. To authorize the Board to engage the intermediaries related to the issuance, approve and sign all acts, deeds, documents and other related matters necessary, desirable, advisable or relevant for the issuance; approve and sign, on behalf of the Company, any agreements related to the issuance, including but not limited to placement agreement, underwriting agreement, and agreement for engagement of intermediaries;
4. To authorize the Board to approve and sign, on behalf of the Company, statutory documents related to the issuance for submission to regulatory authorities, carry out relevant approval procedures required by regulatory authorities and places in which the Company is listed, and complete all necessary recording, registration and filing procedures with relevant government departments in Hong Kong and/or any other regions and jurisdictions (if applicable);
5. To authorize the Board to amend, as required by regulatory authorities within or outside China, relevant agreements and statutory documents;
6. To authorize the Board to approve an increase in the registered capital of the Company after the issuance of new Shares, make corresponding amendments to the Articles of Association relating to the total amount of share capital and equity structure, etc. and delegate the management of the Company to perform relevant procedures.

LETTER FROM THE BOARD

II. Term of Authorization

Except that the Board may enter into or grant offers for sale, offers, agreements, right to exchange for or convert into shares or other rights during the Relevant Period (as defined below), which require or may require implementation or exercise at or after the end of the Relevant Period, the exercise of the above authorization shall be within the Relevant Period.

The “Relevant Period” means the period from the date when this resolution is passed by way of a special resolution at the general meeting of the Company until the earliest of the following three dates:

1. the conclusion of the 2024 annual general meeting of the Company;
2. the expiration of a period of twelve months following the passing of this resolution by way of a special resolution at the general meeting of the Company;
3. the date on which the authorization referred to in this resolution is revoked or varied by a special resolution at any general meeting of the Company.

III. Powers under the authorization above may only be exercised by the Board in accordance with applicable PRC laws and regulations, listing rules of the places where the securities of the Company are listed and the Articles of Association, and subject to obtaining of all necessary approvals from the relevant government agencies and regulatory authorities within or outside PRC.

The above resolution has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

7. RESOLUTION REGARDING THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

An ordinary resolution will be proposed at the AGM to approve the resolution regarding the estimated ordinary related party transactions for 2024.

The resolution has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval by way of separate sub-resolutions.

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

8. RESOLUTION REGARDING RELEVANT ARRANGEMENT OF INTERIM PROFIT DISTRIBUTION FOR 2024

An ordinary resolution will be proposed at the AGM to approve the resolution regarding the relevant arrangement of interim profit distribution for the year 2024.

In order to better feedback the support of investors for the Company and safeguard the benefits of investors, boost the investors’ confidence in long-term investment and enable investors to share the Company’s operation and development results earlier, according to the requirements of the Company Law of the People’s Republic of China, the Guidelines No. 3 on the Supervision of Listed Companies – Distribution of Cash Dividends by Listed Companies (Revised in 2023) (CSRC Announcement [2023] No. 61), the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board (Revised in December 2023) (Shen Zheng Shang [2023]

LETTER FROM THE BOARD

No. 1145) and other relevant laws, administrative regulations and department rules as well as relevant provisions of the Articles of Association, and based on the actual situation of the Company, proposed the interim profit distribution arrangement for 2024 is set out as follows:

Based on the reviewed financial report for the first half of 2024, the Company will implement the interim profit distribution for 2024 under the condition that the Company has profit available for distribution for the half year of 2024, taking into reasonable consideration of the performance of the current period, the capital position and the requirements of the risk control indicators, and the total amount of the interim cash dividend for 2024 will not be more than 30% of the net profit of the Company attributable to shareholders of the listed company realized in the current period. The Company will take into account the interim profit distribution that have been distributed when formulating the 2024 profit distribution plan in the future.

The Company will formulate a specific plan for the distribution of interim profit for 2024 in accordance with the resolution of the general meeting and implement it after fulfilling the corporate governance procedures in accordance with relevant laws and regulations and the Articles of Association of the Company and other relevant regulations.

The resolution has been considered and approved at the Board meeting held on May 27, 2024 and is hereby submitted to the AGM for consideration and approval.

9. RESOLUTION REGARDING THE PUBLIC ISSUANCE OF CORPORATE BONDS

A special resolution will be proposed at the AGM to approve the resolution regarding the public issuance of corporate bonds.

In order to promote the business development and improve the capital structure of the Company, and provide a strong capital guarantee for the Company's operation and management, the Company proposes to publicly issue corporate bonds based on the actual situation and business needs of the Company. According to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures on Corporate Bonds Offering and Trading (《公司債券發行與交易管理辦法》) and other laws, regulations and regulatory documents, the Company is qualified for public issuance of corporate bonds. The specific plan for the proposed issuance of corporate bonds is set out as follows, and is hereby submitted to the AGM for consideration and approval by separate sub-resolution:

I. Issuance Size

The total nominal amount of corporate bonds to be issued under the application shall not exceed RMB11.8 billion (inclusive). The Company may apply for registration for once and issuance in tranches to the extent of the actual approved issuance amount. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific size of the applied issuance and the actual issuance plan (including but not limited to the time of issuance, whether to issue in tranches, the size of each tranche, the actual total size of issuance, etc.) within the aforementioned scope according to the requirements of relevant laws and regulations and regulatory authorities, the Company's need for funds and the market conditions prevailing at the time of issuance in the principle of maximizing the interest of the Company.

II. Issuance Method

The corporate bonds will be issued by way of public issuance within the PRC upon registration with the CSRC.

LETTER FROM THE BOARD

III. Arrangement for Placement to the Shareholders of the Company

The corporate bonds to be issued will not be pre-emptively placed with the Shareholders of the Company.

IV. Terms of Bonds

The terms of corporate bonds to be issued shall be no longer than 10 years (inclusive).

V. Type of Bonds

Corporate bonds to be issued may be either of a single term, or of a combination of multiple terms. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific terms and the size of each type in accordance with relevant regulations and the market conditions prevailing at the time of issuance.

VI. Interest Rate of Bonds and Its Determination Methods

The coupon rate of corporate bonds to be issued is fixed. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company and lead underwriters to determine the specific coupon rate of bonds and its payment methods in accordance with the market conditions prevailing at the time of issuance and relevant regulations on interest rate management of corporate bonds.

VII. Target Subscribers

The public issuance of corporate bonds may be open to ordinary investors, or selectively to professional investors only. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific target subscribers according to the requirements of relevant laws and regulations and regulatory authorities, the Company's need for funds and the market conditions prevailing at the time of issuance.

VIII. Place of Listing

The Company will apply for the listing of, and permission to deal in, the corporate bonds to be issued on the Shenzhen Stock Exchange.

IX. Use of Proceeds

The proceeds raised from the corporate bonds to be issued are intended to be used in full to repay debts when matured and/or replenish the Company's working capital. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific uses according to the Company's need for funds.

X. Guarantees

Corporate bonds to be issued will not have any guarantee arrangement.

XI. Validity Period of the Resolution

The resolution regarding the corporate bonds to be issued shall be valid for a period of 24 months from the date of consideration and approval at the general meeting. Where the Board and/or the management of the Company authorized by it have, during the term of the authorization, decided the issuance or partial issuance of corporate bonds, and where the Company has also, during the term

LETTER FROM THE BOARD

of authorization, obtained the registration, approval or license from or completed filing or recording (if applicable) with regulatory authorities on the issuance, the Company may complete the issuance or relevant partial issuance of corporate bonds during the validity period of confirmation of such registration, approval, license, filing or recording.

XII. Authorization

It is proposed to the general meeting to authorize the Board, which shall be approved to delegate the management of the Company to deal with the matters related to the issuance and listing of corporate bonds in accordance with relevant requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures on Corporate Bonds Offering and Trading (《公司債券發行與交易管理辦法》) and the Articles of Association and within the framework and under the principles considered and approved at the general meeting, including but not limited to:

- (1) Completing procedures for approval, registration, filing, recording and consent with relevant regulatory authorities and agencies on the issuance;
- (2) Formulating and adjusting the specific plans for the issuance of corporate bonds based on actual conditions of the Company and the corporate bonds market in accordance with applicable laws, regulations and relevant requirements of regulatory authorities as well as the resolution passed at the general meeting, including but not limited to all matters relating to the issuance of corporate bonds, such as timing of issuance, specific size and method of issuance, terms of issuance, target subscribers, terms of bonds, whether to issue by tranches and multiple types, arrangement for the size and term of each issuance, tranche and type, nominal value and interest rate of bonds and its determination methods, issuance arrangements, rating arrangements, specific subscription method, whether to incorporate terms of repurchase or redemption, specific placement arrangements, specific use of proceeds, registration and guarantee measures for repayment;
- (3) Engaging intermediaries to deal with such matters related to the issuance of the corporate bonds, and upon completion of this issuance, to deal with the matters with respect to the listing, trading or transfer of the corporate bonds to be issued, including but not limited to the authorization, execution, implementation, amendment and completion of all necessary documents, contracts, agreements and treaties in connection with the issuance, trading and transfer of corporate bonds (including but not limited to the prospectus, underwriting agreement, bonds custody agreement, fund supervision agreement, listing, trading or bidding and transfer service agreement, rules of the bondholders meetings and other legal documents, etc.), and to make information disclosure in accordance with laws, regulations and regulatory documents;
- (4) Selecting the custodian for the corporate bonds to be issued, signing bonds custody agreement and formulating the rules for bondholders' meetings;
- (5) Adjusting the specific plans for the issuance of corporate bonds and other relevant matters according to the recommendations made by regulatory authorities in the event that there are changes in their policies relating to the issuance of corporate bonds or changes in the market conditions, save as such matters that require re-approval by the general meeting pursuant to the relevant laws, regulations and the Articles of Association;
- (6) Handling other specific matters related the issuance, listing, trading or transfer of corporate bonds to be issued;

LETTER FROM THE BOARD

- (7) Requesting the Board to authorize the management of the Company to deal with, on behalf of the Company, all matters related to the corporate bonds to be issued in accordance with the resolution passed at the general meeting and within the authorization of the Board, provided that the above authorization is approved by the general meeting;
- (8) This authorization being valid commencing from the date of consideration and approval by the general meeting and ending on the date of completion of the above authorization.

The abovementioned resolution has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval by way of separate sub-resolutions. The matter shall be implemented upon registration with the CSRC.

10. RESOLUTION REGARDING AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the AGM to approve the amendments to the Articles of Association.

Reference is made to the announcement of the Company dated March 28, 2024 in relation to, among others, the proposed amendments to the Articles of Association.

In order to standardize the operation of the Company, to implement the requirements of the State Council and the CSRC on the governance of listed companies and to further enhance the level of corporate governance, according to the provisions of laws, administrative regulations and departmental rules such as the Company Law, the Securities Law, the Guidelines for the Articles of Association of Listed Companies, the Rules for the General Meetings of Listed Companies and the Administrative Measures for Independent Directors of Listed Companies, and taking into account the actual situation, the Company proposes to amend certain provisions of the Articles of Association to standardize the requirements and expressions relating to general meetings, and to clarify the requirements for the qualifications and appointment procedures of independent non-executive Directors. Please refer to Appendix V to this circular for details of the proposed amendments to the Articles of Association.

The amended Articles of Association shall become effective on the date of approval at the AGM. Prior to the approval at the AGM, the existing Articles of Association shall remain valid.

The resolution has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

11. RESOLUTION REGARDING AMENDMENTS TO THE RULES OF PROCEDURE OF THE GENERAL MEETING

A special resolution will be proposed at the AGM to approve the amendments to the Rules of Procedure of the General Meeting.

In order to implement the relevant requirements of the State Council and the CSRC on the reform of the Independent Director System, in accordance with the Administrative Measures for Independent Directors of Listed Companies, the newly revised Guidelines for the Articles of Association of Listed Companies, the Rules for the General Meetings of Listed Companies and other laws, administrative regulations and departmental rules, in combination with the amendments to the Articles of Association, the Company proposed to amend certain articles of the Rules of Procedure of the General Meeting, to improve the requirements for the nomination procedures of independent Directors, add the provision of adopting cumulative voting system for electing independent Directors, standardize the way of holding the general meeting, and improve the relevant expression. Please refer to Appendix VI to this circular for details of the

LETTER FROM THE BOARD

proposed amendments to the Rules of Procedure of the General Meeting. The amended Rules of Procedure of the General Meeting shall become effective on the date of approval at the AGM. Prior to the approval at the AGM, the existing Rules of Procedure of the General Meeting shall remain valid.

The resolution has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

12. RESOLUTION REGARDING AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

A special resolution will be proposed at the AGM to approve the amendments to the Rules of Procedure of the Board of Directors.

In order to implement the relevant requirements of the State Council and the CSRC on the reform of the Independent Director System, in accordance with the Administrative Measures for Independent Directors of Listed Companies, the newly revised Guidelines for the Articles of Association of Listed Companies, the Rules for the General Meetings of Listed Companies and other laws, administrative regulations and departmental rules, in combination with the amendments to the Articles of Association, the Company proposed to amend certain articles of the Rules of Procedure of the Board of Directors, to specify the power and rights, consideration matters of independent Directors, their composition requirements in special committees, improve the main responsibilities of the Audit Committee and the Remuneration and Nomination Committee a majority of which are independent Directors, and standardize the relevant expression. Please refer to Appendix VII to this circular for details of the proposed amendments to the Rules of Procedure of the Board of Directors. The amended Rules of Procedure of the Board of Directors shall become effective on the date of approval at the AGM. Prior to the approval at the AGM, the existing Rules of Procedure of the Board of Directors shall remain valid.

The resolution has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

13. RESOLUTION REGARDING AMENDMENTS TO THE INDEPENDENT NON-EXECUTIVE DIRECTOR SYSTEM

An ordinary resolution will be proposed at the AGM to approve the amendments to the Independent Non-executive Director System.

In order to implement the relevant requirements of the State Council and the CSRC on the reform of the Independent Director System, in accordance with the Administrative Measures for Independent Directors of Listed Companies, the newly revised Guidelines for the Articles of Association of Listed Companies and other laws, administrative regulations and departmental rules, in combination with the amendments to the Articles of Association, the Company proposed to amend certain articles of the Independent Non-executive Director System, to specify the responsibilities and obligations of independent non-executive Directors, establish the special meeting of independent non-executive Directors, improve the requirements of independence and professionalism of independent non-executive Directors as well as the nomination and qualification examination mechanism, etc. Please refer to Appendix VIII to this circular for details of the proposed amendments to the Independent Non-executive Director System. The amended Independent Non-executive Director System shall become effective on the date of approval at the AGM. Prior to the approval at the AGM, the existing Independent Non-executive Director System shall remain valid.

The resolution has been considered and approved at the Board meeting held on March 28, 2024 and is hereby submitted to the AGM for consideration and approval.

LETTER FROM THE BOARD

THE AGM

The 2023 AGM of the Company will be held at 2:00 p.m. on Friday, June 28, 2024 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice of the AGM is set out on pages 17 to 19 of this circular.

The summary of the important dates for H Shareholders is as follows:

Last Registration Date: at or before 4:30 p.m. on Monday, June 24, 2024

Closure of Register for H Shares: Tuesday, June 25, 2024 to Friday, June 28, 2024

Submission of Proxy Form: at or before 2:00 p.m. on Thursday, June 27, 2024

In order to determine the H Shareholders' entitlement to attend the AGM, the H Share register of members of the Company will be closed from Tuesday, June 25, 2024 to Friday, June 28, 2024 (both days inclusive), during which period no transfer of H Shares will be registered. In order for H Shareholders to attend the AGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Monday, June 24, 2024. H Shareholders whose names appear on the H Share register of members of the Company on Tuesday, June 25, 2024 shall be entitled to attend and vote at the AGM.

H Shareholders should return the proxy form, or the notarized power of attorney or other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post, no later than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

The record date for determination of the qualified A Shareholders to attend the AGM and the registration date for such meeting are on Friday, June 21, 2024 and on Monday, June 24, 2024, respectively. For details, please refer to the notice of the AGM dated Friday, June 7, 2024, published on the website of the Shenzhen Stock Exchange at www.szse.cn.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll. Therefore, the resolutions to be proposed at the AGM will be voted by poll. Results of the poll voting will be posted on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.swhygh.com upon the conclusion of the AGM.

The aforesaid resolutions 1 to 5, resolutions 7 to 8 and resolution 13 are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the AGM with voting rights; the resolution 6, resolutions 9 to 12 are special resolutions to be passed by the affirmative votes representing over two thirds of the total number of Shares held by the Shareholders attending the AGM with voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the shareholders' general meeting.

LETTER FROM THE BOARD

As far as the Directors are aware as at the Latest Practicable Date, the Shareholders who have a material interest in the resolution 7.1, i.e. JIC and Central Huijin, will abstain from voting on the resolution 7.1; the Shareholders who have a material interest in the resolution 7.2, i.e. Shanghai Jiushi (Group) Co., Ltd., Sichuan Development Holding Co., Ltd. and Xinjiang Financial Investment (Group) Co., Ltd., will abstain from voting on the resolution 7.2. As at the Latest Practicable Date, JIC directly holds 6,596,306,947 Shares with voting rights of the Company (representing approximately 26.34% of the total issued share capital of the Company), Central Huijin directly holds 5,020,606,527 Shares with voting rights of the Company (representing approximately 20.05% of the total issued share capital of the Company), Shanghai Jiushi (Group) Co., Ltd. directly holds 1,212,810,389 Shares with voting rights of the Company (representing approximately 4.84% of the total issued share capital of the Company), Sichuan Development Holding Co., Ltd. directly holds 1,124,543,633 Shares with voting rights of the Company (representing approximately 4.49% of the total issued share capital of the Company), and Xinjiang Financial Investment (Group) Co., Ltd. directly holds 400,095,559 Shares with voting rights of the Company (representing approximately 1.60% of the total issued share capital of the Company). Save as disclosed above, no Shareholder is considered to have a material interest in any of the resolution proposed at the AGM and has to abstain from voting at the AGM approving the resolution.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the above resolutions are in the best interests of the Company and its Shareholders as a whole. Therefore, the Board recommends you to vote in favor of the relevant resolutions set out in the notice of the AGM attached to this circular.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Shenwan Hongyuan Group Co., Ltd.
Liu Jian
Chairman

NOTICE OF THE 2023 ANNUAL GENERAL MEETING



申萬宏源集團股份有限公司 SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6806)

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 annual general meeting (the “AGM”) of Shenwan Hongyuan Group Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Friday, June 28, 2024 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC to consider and, if thought fit, approve the following resolutions (special resolutions are marked by *).

RESOLUTIONS

1. To consider and approve the 2023 Work Report of the Board of Directors
2. To consider and approve the 2023 Work Report of the Board of Supervisors
3. To consider and approve the 2023 Annual Financial Report
4. To consider and approve the 2023 Profit Distribution Plan
5. To consider and approve the 2023 Annual Report
6. * To consider and approve the Resolution regarding the Granting of General Mandate to the Board of Directors to Issue Additional Shares of the Company
7. To consider and approve the Resolution regarding the Estimated Ordinary Related Party Transactions for 2024
 - 7.1 Ordinary related party transactions with China Jianyin Investment Ltd. and its subsidiaries
 - 7.2 Ordinary related party transactions with other related parties
8. To consider and approve the Resolution regarding the Arrangement of Interim Profit Distribution for 2024
9. * To consider and approve the Resolution regarding the Public Issuance of Corporate Bonds
 - 9.1 Issuance size
 - 9.2 Issuance method
 - 9.3 Arrangement for placement to the Shareholders of the Company
 - 9.4 Terms of bonds
 - 9.5 Types of bonds
 - 9.6 Interest rates of bonds and determination methods

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

- 9.7 Target subscribers
- 9.8 Place of listing
- 9.9 Use of proceeds
- 9.10 Guarantees
- 9.11 Validity period of the resolution
- 9.12 Authorization
- 10. * To consider and approve the Resolution regarding the Amendments to the Articles of Association
- 11. * To consider and approve the Resolution regarding the Amendments to the Rules of Procedure of the General Meeting
- 12. * To consider and approve the Resolution regarding the Amendments to the Rules of Procedure of the Board of Directors
- 13. To consider and approve the Resolution regarding the Amendments to the Independent Non-executive Director System

OTHER MATTER

- 14. To listen to the Work Report of Independent Directors

By order of the Board
Shenwan Hongyuan Group Co., Ltd.
Liu Jian
Chairman

Beijing, the PRC
June 6, 2024

As at the date of this notice, the Board comprises Mr. Liu Jian and Mr. Huang Hao as executive Directors; Mr. Ren Xiaotao, Mr. Zhang Yigang, Mr. Zhu Zhilong, Ms. Zhang Ying and Mr. Shao Yalou as non-executive Directors; Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen and Mr. Zhao Lei as independent non-executive Directors.

Notes:

- 1. In order to determine the H Shareholders' entitlement to attend the AGM, the H Share register of members of the Company will be closed from Tuesday, June 25, 2024 to Friday, June 28, 2024 (both days inclusive), during which period no transfer of H Shares will be registered. In order for H Shareholders to attend the AGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Monday, June 24, 2024. H Shareholders whose names appear on the H Share register of members of the Company on Tuesday, June 25, 2024 shall be entitled to attend and vote at the AGM.
- 2. Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf at the AGM. A proxy needs not be a Shareholder of the Company.

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

The proxy form shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing or, in the case of a corporation as a Shareholder, must either be executed under its common seal or under the hand of its legal representative, director(s) or duly authorized attorney(s). In case of joint holders of the Shares, this form of proxy must be signed by the joint holder whose name stands first in the register of members of the Company.

H Shareholders are required to return the proxy form or the notarized power of attorney or any other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post no later than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

3. In case of joint shareholders and if more than one joint shareholder in person or by proxy attend the meeting, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted as the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the joint shareholding.
4. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), all votes of shareholders at a general meeting must be taken by poll. Therefore, all resolutions to be proposed at the AGM will be voted by poll.

The aforesaid resolutions 1 to 5, resolutions 7 to 8, and resolution 13 are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the AGM with voting rights; the resolutions 6, 9 to 12 are special resolutions to be passed by the affirmative votes representing over two thirds of the total number of Shares held by the Shareholders attending the AGM with voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the shareholders' general meeting.

As far as the Directors are aware as at the date of this notice, the Shareholders who have a material interest in the resolution 7.1, i.e. China Jianyin Investment Ltd. and Central Huijin Investment Ltd., will abstain from voting on the resolution 7.1; the Shareholders who have a material interest in the resolution 7.2, i.e. Shanghai Jiushi (Group) Co., Ltd., Sichuan Development Holding Co., Ltd. and Xinjiang Financial Investment (Group) Co., Ltd., will abstain from voting on the resolution 7.2. Save as disclosed above, no Shareholder is considered to have a material interest in any of the resolution proposed at the AGM and has to abstain from voting at the AGM approving the resolution.

5. The contact details of the place of business of the Company are as follows:

Contact Address: 20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC/No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC

Postal Code: 830011/100033

Contact Person: Zhu Li/Li Dan

Telephone No.: (+86) 9912301870/(+86) 1088085057

Facsimile No.: (+86) 9912301779/(+86) 1088085059

6. The AGM is expected to last for half a day. Shareholders or their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.

SHENWAN HONGYUAN GROUP CO., LTD.
2023 WORK REPORT OF THE BOARD OF DIRECTORS

The year 2023 was the first year for the full implementation of the spirit of the 20th National Congress of the Communist Party of China (the “CPC”), and was also an extremely extraordinary and important year for Shenwan Hongyuan. In the face of the complex and severe external environment and the arduous task of reform and development, The Company adhered to the guidance of Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, earnestly implemented the spirit of the 20th National Congress of the CPC and the Central Financial Work Conference, firmly grasped the primary task of high-quality development, upheld the general keynote of seeking progress while maintaining stability, withstood the pressure, and overcome difficulties to forge ahead. The Company upheld and strengthened the CPC’s overall leadership, assumed the political responsibility for stabilizing inspection and rectification, continued to improve the quality and efficiency of serving the national strategies, committed to promoting and optimizing the corporate governance and improving the quality of listed companies, strengthened the execution of strategies, accelerated the business transformation, and optimized systems and mechanisms, so as to effectively prevent and resolve major risks. During the year, the Company recorded consolidated revenue of RMB21.501 billion, net profit attributable to the shareholders of the parent company of RMB4.606 billion, basic earnings per share of RMB0.18 per share and weighted average return on equity of 4.72%. The operating performance achieved relatively significant growth. The Company has been rated class A on information disclosure by the Shenzhen Stock Exchange for eight consecutive years, maintained an A grade of class A in the cultural construction practice, maintained an A grade in the investor education work, and has been rated “excellent” by the CSRC for the investment education base.

I. MAIN WORK IN 2023

(I) Actively Practiced the Political and People-oriented Nature of Financial Work, and Made New Achievements in Serving the National Strategies

In 2023, the Company implemented the spirit of the Central Financial Work Conference, focused on the main responsibilities and main business, strengthened the functional positioning, and comprehensively improved the quality and efficiency of serving the national strategies in accordance with the new deployment and new requirements of the CPC Central Committee on financial work. **Firmly hold the closed loop of “study – deployment – execution – inspection” work for serving the national strategies.** The Company improved the action plan, assessment system, work plan and task list for serving the national strategies, enhanced the organizational guarantee and strengthened the dynamic supervision. **Fulfill the “technology finance” article.** The Company fully exerted the comprehensive service advantages of “investment banking + investment + research”, and supported a large number of high-tech enterprises for listing or refinancing. The Company was selected as the first batch of main market makers of STAR 50ETF options, innovatively launched the aviation technology index, and released the STAR Market White Paper at the Science and Technology Innovation Conference for four consecutive years. **Fulfill the “green finance” article.** The Company built an industry-leading “carbon finance” comprehensive service system, supported a number of energy conservation environmental protection and green and new energy enterprises to complete the IPO, underwrote all kinds of subject green bonds, increase the ESG investment, supported green asset-backed special plan and green CMBS issuance, and was approved the proprietary trading business qualification of carbon emission rights. **Fulfill the “inclusive finance” article.** The Company built a whole industry chain for serving micro, small and medium-sized enterprises with the characteristics of Shenwan Hongyuan, supported more than 50 specialization, refinement, specialization and novelty enterprises, and small-, medium- and micro-sized enterprises in listing on the Beijing Stock Exchange or the NEEQ and directional issuance, with cumulative size of recommended NEEQ listed companies and cumulative equity financing scale both ranked first in the industry. The Company has underwritten inclusive bonds including small and micro-sized financial bonds, and served as the executive member of China Association of Small and Medium Enterprises. **Fulfill the “pension finance” article.** The Company was selected into the first batch of personal

pension products list of the CSRC, innovated and developed the third pillar of pension related products and services, increased the supply of financial products in line with the safe and sound investment needs of pension funds, and maintained and increased the value of the pension “money bag” of residents. **Fulfill the “digital finance” article.** The mutual funds under the Company proactively created digital economy and digital industry equity products to inject “source water” into the development of digital economy and digital industry.

(II) Deeply Grasped the “Two-consistency”, and Continuously Consolidated the Governance of State-owned Financial Enterprises with Chinese Characteristics

During the year, the Company continued to further strengthen the leadership of the Party in the corporate governance, explored the organic unified system and mechanism of the leadership of the Party and corporate governance, unswervingly implemented the leadership of the Party in various aspects and whole process of the reform and development, standardized the implementation of pre-discussion and research by the Party committee on major issues, fully exerted the leading role of the Party committee in “orientation positioning, overall management and implementation guarantee”, and continuously converted the political advantage of state-owned enterprises into competitive advantage, innovation advantage and development advantage of enterprises. The Company promoted the modernization governance of state-owned financial enterprises, implemented the systematic reform requirements of independent Directors, pushed ahead the summarization and revision of the corporate governance system, further optimized the operation of the Board focusing on the role of “strategy formulation, decision making and risk prevention”, and continued to improve the corporate governance mechanism under which the general meeting, the Board of Directors and the Board of Supervisors as well as the senior management perform their respective responsibilities, effectively check and balance and coordinate operation. The Company strengthened the investor relations management, held the 2022 annual performance presentation, 2023 interim performance presentation and online collective reception day of listed companies in Xinjiang region. The management of the Company presented the Company’s operating performance online, responded to investors’ concerns and enhanced the value recognition. The Company enriched the research, road show and other investor communication activities, promoted the deepening of analyst coverage, optimized the investor structure, improved the shareholders’ feedback mechanism, enhanced the investors’ sense of gain and strengthened the value return. With good governance practice, the Company was received numerous awards in the best practice series selections of the China Association for Public Companies including the “Best Practice of the Board of Directors of Listed Companies”, “Grade 5A in Performance Evaluation of the Board Secretary of China Listed Companies”, “Best Practice of Board Office of Listed Companies”, and won the “Golden Round Table” award of the 18th session of the Board of Directors of Listed Companies.

During the year, the Directors of the Company actively and steadily performed their duties, conscientiously attended 1 general meeting, 5 Board meetings and 12 meetings of the special committees of the Board during the year, thoroughly studied the resolutions of major events, fully expressed their opinions, and made efficient and scientific decisions. The Directors deeply understood the Company’s operation and management in a timely manner, received and reviewed the “Communication of Directors and Supervisors” and other internal reference information, and deeply studied the key businesses and key areas for more than ten times. The independent Directors gave full play to the role of participating in decision-making, supervision and balance, and professional consulting. The Audit Committee proactively performed the supervision role of financial and internal control, and the special committees such as the Strategy and ESG Committee, the Remuneration and Nomination Committee and the Risk Control Committee performed their respective duties and played the role of professional support and decision-making and consultation in their respective fields.

(III) **Firmly Grasped the Primary Task of High-quality Development, and Promoted the Overall Acceleration of Business Transformation with Strategic Management**

Over the past year, the Company has unswervingly upheld a blueprint, carried out the mid-term strategic evaluation, maintained the strategic positioning, optimized the strategic measures, strengthened the strategic closed-loop control and intensified the strategic implementation. The Company adhered to the coordinated development of heavy and light capital businesses, highlighted the development characteristics of “investment + investment banking”, made every effort to promote business transformation, propelled the uplift of market position of light capital business, consolidated and enhanced the steady investment returns of heavy capital business, and constantly improved the brand and business advantages. In terms of the **wealth management business**, the Company optimized the organizational structure, improved the customer group service system, strengthened the construction of investment and consulting talent team, and the cumulative number of new customers increased significantly year-on-year. In terms of the **investment banking business**, the development momentum continued to strengthen, and the stocks and bonds were stable in the top ten in the industry. The number of IPO projects underwritten by the Company on the Beijing Stock Exchange ranked first in the industry, and the regional, industry and product construction were continuously improved. In terms of the **institutional business**, the Company deepened the transformation of asset-end services, optimized and improved the one-stop institutional business service system, and the overall ranking of the number of new private equity funds under management remained stable in the industry. In terms of the **asset management business**, the Company actively grasped the strategic opportunities of the establishment of subsidiaries, steadily promoted the construction of the buyer investment and research system, and constantly improved the product map. In terms of the **international business**, the Company further optimized the domestic and foreign coordination mechanism, and deepened the integrated development at home and abroad. In terms of the **securities investment trading business**, the Company actively promoted the transformation of proprietary business to cross trade, deepened multi-asset, multi-strategy and cross-market asset allocation, strengthened the ability of transaction pricing, asset allocation and product creation, and FICC and financial derivatives and other businesses maintained the leading advantage in the industry. In terms of the **principal investment business**, the Company actively improved the institutional investment capacity, focused on the “research + investment + investment banking” collaborative linkage, and carried out collaborative projects in a multi-layer manner, with efficiency of comprehensive financial services continuously improving.

(IV) **Established and Deepened the Clear Direction of Reform, and Promoted the Quality and Efficiency of Operation and Management by Innovation of System and Mechanism**

The Company paid attention to the root problems constraining high-quality development, accelerated the pace of reform and innovation, and improved the scientific development mechanism. **The Company optimized its organizational structure**, promoted the reform of the large department system in the middle and back ends of group companies and securities companies, and consolidated and integrated the functions of administrative agencies; adapted to the requirements of restructuring and development, and deepened the professionalization and agility transformation of the first line of business. **The Company strengthened its capital allocation**. The securities company issued subordinated bonds and perpetual subordinated bonds to replenish the Company’s net capital in order to continuously strengthen the Company’s risk resilience. The Company comprehensively capitalized on market opportunities to optimize and strengthen its asset and liability management. **The Company improved the synergy management mechanism** by establishing and improving the business synergy management method, customer classification and grading method, and large customer service procedures, and formed a programmatic document for business synergy guidance and created a favorable atmosphere for upward and downward synergy. **The Company adhered to the talent drive**, adhered to the Party’s management of cadres and talents, selected and strengthened team members at all levels, established a reserve pool of talents, intensified the exchange of talents by rotating positions, implemented the training of cadres at all levels, and strengthened the supervision

of cadres. **The Company improved the incentive and restraint mechanism**, further strengthened the performance orientation, implemented a sound remuneration policy, improved the value-oriented remuneration system, and created an environment for entrepreneurship in which professionalism is highly regarded, and learning and catching up are emphasized. **The Company promoted cultural construction**, vigorously promoted the excellent traditional Chinese culture and the industry culture of “compliance, integrity, professionalism and stability”, and firmly established the correct concepts of operation, performance and risk. **The Company deepened the empowerment of financial technology**, set up a dedicated business IT support department, completed the technical launch of systems such as Shencai Youdao II, the financial asset information platform and the cross-border income swap digitalization platform, fully utilized new-generation technologies such as artificial intelligence, big data and big language models, accelerated digital transformation, strengthened the integration of technological application and business innovation, and continuously enhanced customer experience.

(V) Fully Implemented the Listing Regulatory Requirements Centered on Information Disclosure, and Continuously Strengthened Internal Control and Standardized Operation

In 2023, the Company seriously implemented the listing regulatory laws and regulations of the Securities and Futures Commission, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, and strictly fulfilled its information disclosure obligations by disclosing four regular reports and more than 300 ad-hoc reports during the year, so as to effectively prevent the risk of non-disclosure of the information that should have been disclosed. The Company adhered to the result-oriented approach to information disclosure, established an efficient mechanism for the transmission of information and coordinated and standardized operation of its parent company and subsidiaries, and strictly implemented the requirements of listed company regulations for all branches and subsidiaries, and strictly enforced the normative operation requirements of connected (related party) transactions, independence of listed companies, regulation of the behavior of major shareholders, internal control, and the deposit and management of funds raised. The Company promoted the optimization of basic systems and processes at the governance level, and strengthened the communication with and reporting to the regulators. The Company strengthened its efforts in investor services, coordinated the resources of the Group and the Securities Company, and actively launched promotional activities such as the World Investor Week and Investor Protection Day. The Company conducted investor consultation, media enquiries, shareholders’ meetings and profit distribution, and established and improved the account of investor issues and requests.

In 2023, the Board carefully reviewed the Company’s announcements and relevant information in a timely manner, reviewed the public information released by the Company, paid close attention to the reports and information relating to the Company, and supervised and managed the implementation of the Company’s information disclosure management system. The Board is generally of the view that the Company has disclosed all material information in strict compliance with the requirements of the laws and regulations on information disclosure and in accordance with the principles of openness, fairness, timeliness, accuracy and completeness, to ensure that investors are informed of the Company’s material operation and decision-making matters in a timely manner, and that there are no material deficiencies in the implementation of the information disclosure management system.

(VI) Carried the Political Responsibility of Preventing and Resolving Major Financial Risks and Continued to Improve the Comprehensive Risk Management System

In 2023, the Company continued to carry the political responsibility of preventing and resolving major risks, and implemented the decision and deployment of the Party Central Committee in preventing and resolving financial risks in accordance with the basic guideline of “stabilizing the overall situation, coordinating and harmonizing, applying differentiated measures, and defusing crisis with precision” set up by the Party Central Committee. **The Company fulfilled its important role as the “gatekeeper” of the capital market.** The Company integrated compliance and sound operation

into its customer service work, and built up a solid barrier against fraudulent and counterfeiting behavior in the capital market. The Company relied on professional pricing and product creation to provide entity enterprises and various investors with more risk management tools and risk mitigation tools, thus contributing to the stable and healthy operation of the real economy and the capital market. **The Company thoroughly implemented the “1+N” comprehensive risk management requirements**, firmly consolidated a group-based, penetrating risk management system with full staff, all-round, all-process and all-coverage, insisted on early identification, early warning, early exposure and early disposal, deepened the assessment and prevention of business risks, carried out the work of “reducing inventory, curbing growth and preventing changes”, and perfected a risk disposal responsibility mechanism with consistent authority and responsibility, and compatible incentives and constraints, so as to build up the “Three Defensive Lines” for high-quality development.

(VII) Realized the Social Responsibility as a State-owned Enterprise and Strengthened ESG Management by Means of ESG Report

The Company proactively integrated social responsibility into its core value framework, and made new positive contributions to the coordinated development of the economy and society by contributing to society in various ways. **The Company actively created value for its customers** by applying the “customer-centric” business philosophy throughout the entire process of business development, provided customers with integrated financial services that are three-dimensional, professional and personalized through financial product innovation, investment advisory platform construction, customer service channel and service experience optimization, as well as investor education, in order to enhance customer satisfaction. **The Company helped employees to enhance their value.** The Company insisted on people-oriented principles treated human resources as the first resource for the Company’s development, actively expanded the room for career development for employees, created favorable working conditions and atmosphere for employees, and fulfilled responsibilities to employees. **The Company brought value to its shareholders.** The Company practically protected the legitimate rights and interests of shareholders, especially minority shareholders, and fulfilled its responsibilities to shareholders by continuously improving its corporate governance structure, strengthening the construction of internal control system, strictly fulfilling its information disclosure obligations, and enhancing investor relations management. **The Company contributed value to the society.** The Company continued to make efforts in targeted assistance and rural revitalization, and won awards such as the “China Rural Revitalization Development Conference – Excellent Cases of National Rural Revitalization” and the “Xinhua Net – 2023 Excellent Cases of National Rural Revitalization”. **The Company strengthened ESG management and disclosure.** The Company paid active attention to green development, sustainable development, public interest and other issues, implemented various requirements on environmental protection and sustainable development, insisted on paying taxes in accordance with the law and in good faith, and strictly prevented commercial bribery, and the Company’s MSCI (Ming Cheng) ESG rating was upgraded to BB, achieving a steady improvement for two consecutive years.

Looking back at the past year, the Company adhered to and strengthened the leadership of the Party, closely followed the development positioning as a state-owned financial enterprise, continuously optimized the modernized governance as a state-owned financial enterprise, accelerated business transformation under the leadership of strategy, optimized the system and mechanism, prevented and resolved financial risks, and continued to maintain a healthy development trend. While summarizing the results of work, the Company shall also be aware of the problems and challenges in the process of reform and development. Multiple unexpected factors have caused the capital market to show obvious structural fluctuations. As a result, the operating results of the securities industry have fluctuated and diverged significantly, the “Matthew Effect” of industry competition has been highlighted, and the full registration system has put forward higher requirements for the responsibilities of the “gatekeepers” of the capital market. With regard to the new deployment and requirements of the CPC Central Committee on financial work, the Company’s

ability to serve the national strategy has yet to be improved and the results are not significant enough, the Company's business transformation results still need to be consolidated, and the institutional mechanism still needs to be optimized and improved. In view of these challenges, the Company shall make great efforts to solve the problems at a deeper level based on the principles of strengthening the political leadership, highlighting the political and people nature of financial work, strengthening the requirements of "three new and one high", highlighting the theme of high-quality development, strengthening the system concept, and highlighting the combination of goal-oriented and problem-oriented principles, and by combining with the Central Inspection Group's "look back" rectification, the rectification while auditing, and the rectification and remediation of the theme education.

II. KEY WORK ARRANGEMENTS FOR 2024

2024 is a crucial year for achieving the goals and tasks of the "14th Five-Year" plan, and also the first year for the comprehensive implementation of the spirit of the Central Financial Work Conference. The Company will adhere to the guidance of Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 20th National Congress, the Central Financial Work Conference and the Central Economic Work Conference, insist on the principle of seeking progress while maintaining stability, promoting stability through progress, and building the new before discarding the old, and earnestly strengthen high-quality financial services for major strategies, key areas and weak links. The Company will adhere to the overall leadership of the Party, continuously optimize corporate governance, better coordinate development and security, accelerate the implementation of strategies, intensify business transformation, deepen institutional and mechanism reforms, strengthen financial team support, and firmly adhere to the bottom line of risk compliance. The Company will pragmatically and innovatively promote the resolution of deep-seated contradictions and problems in the reform and development of the Company, persistently enhance the core competitiveness of the enterprise, and help to build a strong financial country with the new results of its own high-quality development. In 2024, the focus will be placed on the following work:

(I) Focusing on the "Five Target Areas" to Strive to Improve the Ability and Effectiveness of Serving the National Strategy

The Company will thoroughly implement the major decisions and deployments of the Party Central Committee, focus on the new deployments and requirements of the 20th National Congress of the Communist Party of China and the Central Financial Work Conference, and strive to improve its ability and effectiveness to serve the national strategy by doing a good job in the "five target areas" and fulfilling the responsibilities of the "gatekeeper" of the capital market. The Company will insist on the organic integration of serving the national strategy and main responsibilities and businesses, making the same efforts in the same direction and answering the same questions together. The Company will take the fulfilment of main responsibilities and businesses as an important basis for serving the national strategy, innovate financial products and service models, establish the correct concepts of operation, performance and risk, and balance the relationship between functionality and profitability. The Company will also continue to establish and improve the work system for serving the national strategy, focus on the implementation of the action plan and annual work plan for serving the national strategy, motivate and guide grassroots frontline to firmly build up the awareness of serving the national strategy, and strengthen the practical measures for serving the national strategy.

(II) Firmly Implementing the "Investment + Investment Banking" Strategy, and Promoting Business Transformation and Structural Optimization

The Company will improve the integrated strategic management of the Group and securities companies. Taking the mid-term strategic evaluation and measure optimization as an opportunity, the Company will continue to deepen strategic research, improve the strategic management loop, promote business transformation and innovation, and facilitate customer and business structure optimization. The Company will **comprehensively enhance the market competitiveness of light capital business**. As for wealth management business, the Company will further establish a customer-centric concept

and accelerate the transformation from sell-side sales to buy-side investment advisory model. As for investment banking business, the Company will deeply integrate into the comprehensive registration system reform, deepen the institutional and mechanism reforms, and optimize business structure, project structure and personnel structure. As for institutional business, the Company will closely follow the comprehensive financial service needs of institutional clients and improve coordinated development model of large institutional business. As for asset management business, the Company will always put the interests of customers in the first place, and further improve the investment and research system and enhance proactive management capabilities, so as to return customers with long-term, stable and good investment performance. **As for heavy capital business, the Company will enhance the ability to resist risks and fluctuations**, consolidate investment and research advantages, deepen the asset allocation strategy, continue to optimize position structure, continuously improve product design and pricing capabilities, and strengthen and expand the cross trade, so as to strengthen the stable, long-term, balanced and innovative nature of the business.

(III) Insisting on Optimizing the Construction of Institutions and Mechanisms and Fully Releasing the Vitality of Reform and Development

The Company will accelerate the pace of professional and market-oriented reforms, strengthen strategic support for institutions and mechanisms, empower the operation and management to improve quality and efficiency, better release the vitality of business innovation, and stimulate endogenous growth momentum. The Company will **enhance the level of intensive management**, focus on building agile organizations, strengthen headquarters capacity building, stimulate the frontline roles of branches and subsidiaries as well as grassroots businesses, and enhance organizational resilience and management efficiency. The Company will **deepen business collaboration**, strengthen the co-construction and sharing of customer resources, continuously optimize the business collaboration mechanism between the Group and securities companies, promote refined management of customers and information system construction, and promote business innovation through business collaboration. The Company will **improve incentive and constraint mechanisms**, implement proactive and effective talent policies, give full play to the baton role of assessment, and strengthen the support of financial talents with purity, professionalism and combat effectiveness. The Company will **strengthen the empowerment of financial technology**, accelerate digital transformation, promote the construction of company-level platforms, further enhance technology application capabilities, and empower customer service, business innovation and operation management with financial technology. The Company will **deepen research support**, further integrate its political research, industrial research and investment research resources, optimize the comprehensive financial service model of “research + investment + investment banking”, strengthen internal research services, and create differentiated competitive advantages.

(IV) Adhering to the Double-wheel Drive of Corporate Governance and Information Disclosure, and Persistently Improving the Quality of Listed Company

The Company will **continue to optimize corporate governance**, implement the latest legal and regulations in a timely manner, promote the reform of the Independent Director System, amend the governance-level system, strengthen the self-construction of the Board of Directors, actively summarize and promote the best practices of corporate governance, and establish a long-term mechanism for self-regulation, self-improvement and self-improvement of corporate governance. The Company will **strengthen information disclosure management**, deeply implement regulatory requirements for domestic and overseas listed companies, improve the information disclosure management system, fulfill information disclosure obligations in a timely and accurate manner, and effectively prevent information disclosure risks. The Company will **strengthen the supervision of standardized operations**, and strictly implement the management of insider information, the management of related party (connected) transactions, the regulation of the conduct of major shareholders, the management of funds raised, external guarantees, financial assistance and other requirements, so as to continuously enhance the overall standardized operation level of the Group.

The Company will **refine the investor relations management**, carefully organize performance presentations, research, roadshows and other investor activities, strengthen effective communication with investors, steadily improve the transparency of the Company, continue to practice the “dual enhancement of quality and return”, and effectively safeguard the Company’s value and shareholder rights.

(V) Firmly Enhancing Risk Prevention and Control Capabilities, and Continuously Building a Solid Risk Bottom Line

The Company will fully implement the overall national security concept, strengthen risk awareness from strategic perspective and at global height, firmly shoulder the political responsibility of preventing and resolving major financial risks, correctly deal with the relationship between development, stability and security, regard preventing and resolving major risks as an important measure to implement central decisions and deployments, serve the national economic and financial situation, and promote high-quality development, and firmly safeguard the bottom line against systemic risks. The Company will adhere to prudent operation and optimize risk management policies to achieve early identification, early warning, early exposure and early disposal of risks. The Company will implement the work requirements of “reducing inventory, curbing growth and preventing change”, improve the comprehensive risk management system, and enhance the initiative, foresight and synergy of risk management. The Company will also improve the internal control management system, strengthen the role of internal control self-evaluation and internal control audit in inspection, evaluation and supervision, strengthen compliance management, improve the case prevention and control system, enhance the management of employees, and build up a strong awareness of reputation risk prevention.

In 2024, the Board of Directors of the Company will continue to strengthen its own construction, be pragmatic and innovative, perform its duties diligently, make scientific decisions, promote the enhancement of corporate governance effectiveness, conscientiously fulfill information disclosure obligations, continuously strengthen investor relations management, promote the Company to accelerate strategic layout and enhance market competitiveness, and persistently create value for customers, Shareholders and society.

SHENWAN HONGYUAN GROUP CO., LTD.
2023 WORK REPORT OF THE BOARD OF SUPERVISORS

In 2023, adhering to the guidance of Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. (the “Company”) thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and the 2nd Plenary Session of the 20th CPC Central Committee, the spirit of the Central Economic Work Conference and the spirit of the Central Financial Work Conference, earnestly implemented various decisions and deployments of the Party Central Committee, the Party committee of China Investment Corporation and the Party committee of the Company and strictly abided by the Company Law, the Securities Law and the regulatory provisions for A share + H share listed companies. Focusing on the main line of work of “serving the Company’s long-term development strategy, serving the accomplishment of the Company’s annual operation and management goals, and promoting the maintenance and appreciation of state-owned assets”, and in accordance with the work policy of “true supervision, comprehensive coverage, coordination and cooperation, and professional improvement”, the Board of Supervisors solidly promoted its various tasks, faithfully, diligently and effectively performed its supervisory duties, fully utilized its role as a supervisor of corporate governance, and provided escort for the Company’s steady progress in the new development stage.

**PART I OPERATION AND SUPERVISION OF PERFORMANCE OF DUTIES
BY THE BOARD OF SUPERVISORS IN 2023**

I. FULLY IMPLEMENTED THE SUPERVISORY DUTIES OF THE BOARD OF SUPERVISORS AND COMMENCED ITS SUPERVISORY WORK

(I) Strengthened Specialized Supervision and Promoted the Company to Enhance the Quality of Development

Firstly, the Board of Supervisors continued to pay attention to the Company’s work in serving the real economy and national strategy. By receiving the Company’s 2022 social responsibility report/ environmental, social and governance report, reviewing the report on the status of work in serving the national strategy in 2022 and the work plan in serving the national strategy in 2023, and tracking and reviewing the monthly work dynamics in serving the national strategy, the Board of Supervisors promoted the Company to focus on its main responsibilities and main businesses and to do a good job in providing financial services in key areas, and to further strengthen the in-depth integration of operation and management with serving the national strategy, and to continue to enhance its ability and effectiveness in serving the national strategy.

Secondly, the Board of Supervisors continued to pay attention to the Company’s work in promoting inspection and rectification, deepening transformation and reform, and promoted the Company to enhance the quality and efficiency of its high-quality development with the results of rectification, and comprehensively enhanced the core competitiveness of light capital business, risk prevention and control capability of heavy capital business, and middle and back-end operation and protection capability, so as to solidify the foundation of development.

Thirdly, the Board of Supervisors continued to pay attention to the progress of the construction of internal synergy mechanism, group penetration management, and improvement of institutional mechanism, which promoted the Company to further deepen the synergy of “research + investment + investment banking” and to realize the integrated and synergistic development.

(II) Strengthened Supervision of the Performance of Duties, and Facilitated the Performance of Duties and Responsibilities by Directors and Senior Management

Firstly, emphasized on-site supervision. Through attending the general meetings, Board meetings, the meetings of the executive committee, the Board of Supervisors supervised the performance of duties and responsibilities and decision-making of Directors and senior management on a real-time basis. In 2023, the Supervisors of the Company attended 1 general meeting, 5 Board meetings, and 11 meetings of the special committees of the Board, and also attended the meetings of the Company's virtual meeting and the theoretical learning center of the Party Committee (expanded), the Company's 2023 party building and operation management meeting, and the 2023 mid-year working meeting. In addition, the office of the Board of Supervisors also sent members to attend the meetings of the Company's executive committee.

Secondly, strengthened the daily supervision. By attending the meetings of the Board and its special committees, the meetings of the executive committee, major operation meetings, and receiving the reports and reviewing information, the Board of Supervisors supervised the decision-making on major issues of the Board and the management, the fulfillment of duties in accordance with the rules and regulations, the execution of authorizations, the fulfillment of information disclosure duties, and the implementation of resolutions of the general meetings and the Board meetings; and supervised the attendance of the Directors and senior management at the meetings, the delivery of opinions and voting, and urged Directors and senior management personnel to fulfill their duties and responsibilities.

Thirdly, deepened the evaluation of performance of duties. The Board of Supervisors regularly collected materials on the performance of Directors and senior management, and included the key issues of supervision such as implementing the decisions and deployments of the CPC Central Committee, promoting the Company's high-quality development, and strengthening risk prevention and control in the performance evaluation. The Board of Supervisors organized and launched the 2022 performance evaluation work, and seriously formed the Board of Supervisors' opinion on the performance evaluation of the Board, the management and its members, and urged the Directors and senior management to diligently perform their duties.

Fourthly, paid attention to the expenses for performance of duties, reviewed the report on the remuneration for performance of duties of the persons in charge of the Company and the budget of business expenses for the year 2023, supervised the implementation of the management system and budget plan for the remuneration for performance of duties and business expenses of the relevant Directors and senior management personnel, and paid attention standards of the remuneration for performance of duties, the scope of business expenses and the budget control measures, so as to fully utilize the role of the Board of Supervisors as a supervisory control body.

(III) Strengthened Financial Supervision and Promoted Sound Operation of the Company

Firstly, strengthened daily financial supervision. Through dynamic tracking of financial information, the Board of Supervisors gained a comprehensive understanding of the budget progress, year-on-year changes and industry comparisons in assets, liabilities, revenues, expenses and profits of the Company, analyzed the major factors affecting the Company's assets, liabilities and profitability, received regular reports on the Company's financial situation, paid attention to the trends of key financial indicators and industry comparisons, and put forward supervisory advice and recommendations to further strengthen the attribution analysis, to strengthen the audit and management of expenditure on costs and fees, and to improve the valuation of financial assets.

Secondly, strengthened the supervision of major financial matters. The Board of Supervisors focused on the Company's accounting policies, budget and final accounts and major financing, followed up on the decision-making and implementation of major financial matters, carefully

reviewed the Company's 2022 financial accounts report and 2022 profit distribution proposal, reviewed the prospectus for the issuance of the Company's bonds and signed the relevant declaration, and continued to pay attention to the commencement of the Company's liquidity management work. Taking into account the analysis of the external environment, the Board of Supervisors made suggestions and recommendations to strengthen liability duration management, match the maturity of assets and liabilities properly, select partner institutions carefully, and follow up on work properly.

Thirdly, strengthened the supervision of financial reports. Supervisors actively attended the meetings of the Audit Committee of the Board and attached great importance to the issues prompted by the audit firm in the commencement of the audit, review and the agreed procedures, and continued to pay attention to the progress of the subsequent work. Through the review of the Company's regular reports, the Board of Supervisors examined the legality and compliance of the report preparation and audit procedures, paid attention to the financial management system construction, accounting policies and accounting estimation, continuously supervised the establishment and improvement of the financial management system, the cost refinement management and the centralized financial control, and put forward relevant opinions and suggestions.

(IV) Strengthened Risk and Internal Control Supervision and Promoted the Company to Safeguard the Risk Bottom Line

Firstly, continued to pay attention to the construction of the Company's comprehensive risk management system. By attending the meetings of the Board of the Company, receiving and reviewing the proposals on the amendments to the Company's risk management system, the amendments to the risk appetite and the risk tolerance level for the year of 2023, and paying attention to the construction of the Company's authorization system, the Board of Supervisors reviewed the relevant authorization proposals, and promoted the Company's firm establishment of the concept of "regular operation and stable development", improved the all-round, all-process, all-coverage, group-based and penetrating risk management, and safeguarded the safety bottom line of high-quality development.

Secondly, the Board of Supervisors continued to pay attention to the progress of the Company's risk management related work. By attending the meetings of the Risk Control Committee of the Board of Directors of the Company, and receiving the risk report of the Company for 2022 and the risk report of the Company for the first half of 2023, the Board of Supervisors timely followed up and mastered the Company's risk situation. Through reviewing the comprehensive risk weekly report analysis, monthly risk report, risk classification table, investment decision and post-investment management report of the Company, the Board of Supervisors put forward supervisory opinions and suggestions to further enhance the effectiveness of risk prevention, timely resolve existing risks, prepare various risk emergency response plans in advance, and strengthen penetration management of subsidiaries. It promoted the Company to always insist on bottom line thinking and limit thinking, continuously strengthened risk pre-research and prediction, and solidified the risk management and control mechanism.

Thirdly, the Board of Supervisors continued to pay attention to the key risk areas and weak links of the Company, tracked and understood the situation of risk projects and risk events, conducted relevant work research and study, further tracked and paid attention to the construction of the risk management system of the surveyed unit, the resolution and disposal of risk projects, the verification and accountability situation, the monitoring, management and reporting of risk indicators, and the implementation of rectification of problems found in internal and external supervisory inspection, proposed to highlight political and people-oriented nature, continuously improved professionalism, and properly responded to various types of risks. It adhered to high-quality development, focused on main responsibilities and businesses, actively explored new business models, and enhanced the stability and long-term nature of the businesses. It constantly calibrated its performance and risk views in response to various risk challenges. It accelerated the reform and transformation, prepared

business layout at an early stage, positioned its own development and direction of development, and continuously promoted opinions and suggestions, promoted the Company to strengthen the review of risk events, deeply explored the deep-seated reasons for the occurrence of risks, improved risk emergency response mechanisms, and enhanced risk resolution and disposal capabilities.

Fourthly, the Board of Supervisors continued to pay attention to the Company's internal control construction, organization and implementation of internal control evaluation, defect identification and improvement, and received the internal audit work report of the Company for 2022, the internal audit work plan of the Company for 2023 and other work reports. It considered and approved the internal control evaluation report of the Company for 2022, proposed suggestions and requirements such as paying further attention on the effectiveness and adaptability of internal control, and urged the Company to continuously improve internal control level. It moved the internal control ports forward, actively participated in the revisions of important systems, and supported the Company in improving its institutional system construction.

(V) Strengthened Information Disclosure Supervision and Promoted the Company to Improve the Quality of Information Disclosure

According to relevant regulatory requirements, the Board of Supervisors urged the Board, the management and their relevant personnel to pay attention to and disclose information in accordance with relevant regulations, to ensure that the information disclosed is true, accurate, complete, timely and fair. It carefully reviewed the amendments to the management system for registration of insiders of the Company and other resolutions, continuously paid attention to the progress of information disclosure and the implementation of information disclosure management system, and evaluated the authenticity, accuracy and completeness of information disclosure. All Supervisors signed written confirmation on the regular reports of the Company.

II. CONTINUOUSLY OPTIMIZED THE WORKING MECHANISM OF THE BOARD OF SUPERVISORS AND IMPROVED THE OPERATION OF THE BOARD OF SUPERVISORS

(I) Meetings of the Board of Supervisors

In 2023, the Board of Supervisors of the Company held four meetings and approved eight resolutions. The main contents of the meetings are as follows:

1. On March 30, 2023, the Company held the tenth meeting of the fifth session of the Board of Supervisors in a combination of on-site, video and communication, at which the 2022 Annual Financial Report of Shenwan Hongyuan Group Co., Ltd., the 2022 Profit Distribution Proposal of Shenwan Hongyuan Group Co., Ltd., the 2022 Internal Control Evaluation Report of Shenwan Hongyuan Group Co., Ltd., the 2022 Annual Report of Shenwan Hongyuan Group Co., Ltd. and the summary thereof (A shares), the 2022 Annual Report of Shenwan Hongyuan Group Co., Ltd. (H shares), the 2022 Annual Results Announcement of Shenwan Hongyuan Group Co., Ltd. (H shares), and the 2022 Work Report of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. were considered and approved;
2. On April 28, 2023, the Company held the eleventh meeting of the fifth session of the Board of Supervisors by means of communication, at which the 2023 First Quarterly Report of Shenwan Hongyuan Group Co., Ltd. was considered and approved;

3. On August 30, 2023, the Company held the twelfth meeting of the fifth session of the Board of Supervisors by means of communication, at which the 2023 Semiannual Report of Shenwan Hongyuan Group Co., Ltd. and the summary thereof, the 2023 Interim Report of Shenwan Hongyuan Group Co., Ltd. and the 2023 Interim Results Announcement of Shenwan Hongyuan Group Co., Ltd. were considered and approved;
4. On October 30, 2023, the Company held the thirteenth meeting of the fifth session of the Board of Supervisors by means of communication, at which the 2023 Third Quarterly Report of Shenwan Hongyuan Group Co., Ltd. was considered and approved.

The above contents and procedures of the meetings of the Board of Supervisors are in compliance with the Rules of Procedure of the Board of Supervisors of the Company and related regulations, and were promptly announced in strict accordance with the information disclosure system. Meanwhile, the members of the Board of Supervisors attended the general meetings in accordance with the regulations, and the Board of Supervisors made work report to the general meetings in accordance with the law and fully fulfilled all relevant obligations.

(II) Improvement of the Working Mechanism of the Board of Supervisors

Firstly, the Board of Supervisors implemented the mechanism for the Party Committee to conduct preliminary research on major issues of the Board of Supervisors. In accordance with relevant regulations of the Company, important issues such as the annual work report of the Board of Supervisors and the key points of the annual work of the Board of Supervisors shall be submitted to the Party Committee of the Company for preliminary research, so as to give full play to the role of the Party Committee as the gatekeeper and orientator, and to further strengthen the leadership of the Party in improving corporate governance.

Secondly, the Board of Supervisors strengthened the organization and planning of supervision work, as well as implemented tracking. In February, the Board of Supervisors earnestly organized and held the systematic work meeting of the Board of Supervisors for 2023, built a platform for the Board of Supervisors and Supervisors to perform their duties in the system, promoted the Company's Board of Supervisors systematically and constantly summarize the results and rules of supervision work, and exchange supervision methods and experience, formulated and issued annual key work points for the Board of Supervisors, and tracked work progress on a monthly basis.

Thirdly, the Board of Supervisors improved the quality and efficiency of its meetings. At the beginning of the year, the Board of Supervisors clarified the arrangement and agenda of regular meetings annually, optimized the rules of proceedings and operational mechanisms of meetings, paid attention to communication with management and audit firms before the meeting, deepened understanding of resolutions, strengthened research and analysis of relevant content, timely expressed supervisory opinions and suggestions, and issued supervisory reminders.

Fourthly, the Board of Supervisors improved the supervision support system. The Board of Supervisors adhered to digital empowerment supervision, improved the construction of supervision information platforms, optimized the submission of supervision information, timely uploaded corporate strategy, finance, risk, internal control and other related information, and provided more comprehensive and timely support for Supervisors' duty performance.

Fifthly, the Board of Supervisors improved the supervision workflow. In accordance with the governance requirements of listed companies, the Board of Supervisors studied and learnt from the governance practices of the industry and, taking into account the actual situation of the Company, further improved the workflow of supervision, consultation, research, reporting and evaluation, and promoted the integration of the working mechanism of the Board of Supervisors of the Group and that of securities companies.

III. CONSTANTLY IMPROVED THE SUPERVISION EFFICIENCY OF THE BOARD OF SUPERVISORS TO EMPOWER THE HIGH-QUALITY DEVELOPMENT

Firstly, the Board of Supervisors continued to participate in the development of the supervision system. According to the unified deployment of the Party committee of the Company, the Board of Supervisors implemented and improved the supervision leadership system, clarified the supervision responsibility system, improved the supervision cut-through system and other key measures, fulfilled the daily supervision cooperation, information inquiry cooperation, collaborative review and investigation, etc., so as to better transform the advantages of the supervision system into governance efficiency.

Secondly, the Board of Supervisors carried out in-depth investigation and research. The Board of Supervisors formulated the research plan based on the annual operation and management focus of the Company and the annual supervision focus of the Board of Supervisors, and conscientiously conducted in-depth investigation and research on the risk management and risk disposal of the subsidiaries, and put forward specific work opinions and recommendations.

Thirdly, the Board of Supervisors strengthened the performance capacity construction and theoretical research of Supervisors. The Board of Supervisors organized Supervisors to participate in trainings organized by regulatory agencies, associations of listed companies and other organizations, timely followed up and kept abreast of the economic situation and policy orientation, enhanced the awareness of standardized performance, and continuously improved the supervision and performance capability.

Fourthly, the Board of Supervisors carefully sorted out the characteristic and innovative practices of the board of supervisors of other listed companies, extracted excellent experience, formed a compilation of relevant materials, and broadened the thinking to further consolidate the foundation and improve the supervision work.

Fifthly, the Board of Supervisors strengthen the management of the board of supervisors of subsidiaries and the dispatched supervisors. The Board of Supervisors paid attention to the standardization of corporate governance of subsidiaries, urged the board of supervisors of subsidiaries to improve corporate governance, and achieve efficient and standardized operation. The Board of Supervisors implemented the management requirements of the dispatched supervisors of the subsidiaries, urged the dispatched supervisors to report the performance regularly, and strengthened the vertical supervision and management. According to the appraisal and evaluation arrangement of the Company, the Board of Supervisors completed the appraisal and evaluation of the performance of the Supervisors dispatched to subsidiaries.

PART II EVALUATION ON THE PERFORMANCE OF DUTIES BY SUPERVISORS

In 2023, all Supervisors strictly abided by the laws and regulations, regulatory provisions and the Articles of Association, duly and diligently performed their supervisory duties, attended the general meetings in accordance with the corporate governance procedures and requirements of the Company, attended meetings of the Board of Supervisors on time, actively participated in the special committees of the Board of Supervisors, and conscientiously participated in the consideration and voting of resolutions; attended the meetings of the Board of Directors and its special committees and other important operation and management meetings of the Company, carefully listened to and reviewed relevant reports, analyzed and studied the Company's strategic management, financial management, internal control, risk management, information disclosure and other work from the perspective of corporate governance, combined their respective expertise, expressed their professional and independent opinions, so as to effectively safeguard shareholders' interests, and make positive contributions to the Company's scientific, steady and healthy development.

Furthermore, according to the work arrangement of the Board of Supervisors, the Supervisors earnestly carried out investigation and research, focused on the Company's operation and management priorities, proactively studied and analyzed the Company's operation information, earnestly participated in performance related training activities to improve professional performance capability. The Supervisors participated in the system construction of the Board of Supervisors, improved the operation and supervision mechanism of the Board of Supervisors, and maintained good communication and collaboration with the Board of Directors, management and other members of the Board of Supervisors, to promote the corporate governance cohesive force.

PART III WORK PLAN FOR 2024

In 2024, the Board of Supervisors of the Company will, guided by Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, comprehensively implement the spirit of the 20th National Congress of the Communist Party of China and the 2nd Plenary Session of the 20th CPC Central Committee, the spirit of the Central Financial Work Conference, the spirit of the Central Economic Work Conference, practice the political and people-oriented nature of financial work, strengthen the supervision effort, perfect the work system, improve the supervision quality and efficiency, further play a role of constructive supervision, and promote the high quality development of the Company with high quality supervision according to relevant national laws and regulations, regulatory requirements and the provisions of the Articles of Association.

I. PERSISTENTLY MOVE FORWARD AND FURTHER FOCUS ON KEY AREAS, AND STRENGTHEN THE SUPERVISION OF THE BOARD OF SUPERVISORS

The Board of Supervisors of the Company will further focus on serving the national strategies, serving the real economy, improving the Company's comprehensive financial service capability and core competitiveness, promoting the high-quality development of the Company, preventing and resolving financial risks and other key areas. The Board of Supervisors will closely follow the performance supervision, financial supervision, risk and internal control supervision, information disclosure supervision and other supervision responsibilities. Through attending meetings, listening to reports, considering proposals, reading materials, and conducting research on special topics and other ways, the Board of Supervisors will continue to pay attention to the Company's promotion of serving national strategies and the Company's business integration, mutual promotion and synergy, giving full play to the advantages in comprehensive financial services and supporting weak links and key areas of the real economy, the implementation of the Company's strategic planning, integrated development of light and heavy capital business, integrated and coordinated development of the parent company and subsidiaries, system and mechanism reform, prevention and mitigation of financial risks, promote the Company to improve its ability to serve the national strategies, enhance the core competitiveness, and coordinate the business development and risk prevention and control, so as to achieve its own high-quality development.

II. BE INTEGRATED AND INNOVATIVE TO FURTHER FOCUS ON POSITIONING OF RESPONSIBILITIES, AND IMPROVE THE SUPERVISION SYSTEM OF THE BOARD OF SUPERVISORS

The Board of Supervisors of the Company will further adhere to the centralized and unified leadership of the CPC Central Committee over the financial work, adhere to the leadership system of "dual entry and cross-appointment" and the pre-research and discussion procedures on major issues of the Party committee, consciously accept the leadership of the Party in all aspects of the performance of duties, deeply understand the political and people-oriented nature of financial work, and unswervingly follow the path of financial development with Chinese characteristics. The Board of Supervisors will stand from the perspective of corporate governance and supervision, and highlight the normative, systematic, effective, targeted and forward-looking supervision work. The Board of Supervisors will focus on the formulation of key points of supervision, acquisition of supervision information, supervision coordination and cooperation, supervision closed-loop management and joint exertion of supervision, continue to explore the operation

mode and working methods of the Board of Supervisors, constantly improve the supervision work mechanism, and form a good circulation of “promoting development in the supervision, strengthening supervision in the development”, so as to make positive contribution to promoting the high-quality development of the Company.

III. STRIVE TO MAINTAINING THE LEADING POSITION, FURTHER STRENGTHEN ITS OWN CONSTRUCTION, AND IMPROVE THE QUALITY AND EFFICIENCY OF THE SUPERVISION WORK OF THE BOARD OF SUPERVISORS

The Board of Supervisors of the Company will further enhance the sense of responsibility, mission and urgency, strengthen its own construction, grasp the characteristics of the financial industry and supervision rules of the Board of Supervisors, aim at annual target tasks and work points, focus on professional learning, theoretical research, performance summary, training and exchange, etc., enhance the performance capability and work quality and efficiency, optimize and specialize the supervision mode with characteristics of Shenwan Hongyuan, and continue to promote the healthy development of the Company from the perspective of corporate governance supervision.

SHENWAN HONGYUAN GROUP CO., LTD.
2023 ANNUAL FINANCIAL REPORT

The 2023 Annual Financial Report of Shenwan Hongyuan Group Co., Ltd. (the “Company”) has been audited by PricewaterhouseCoopers Zhong Tian LLP. The Company has completed the preparation of the 2023 Annual Financial Report based on the audited financial report, and hereby submit it for consideration:

I. OVERALL FINANCIAL POSITION

As at December 31, 2023, the Company’s total assets amounted to RMB635.437 billion, representing an increase of 3.64% from the beginning of the year; total liabilities amounted to RMB506.643 billion, representing an increase of 2.06% from the beginning of the year; the equity interests amounted to RMB128.794 billion, representing an increase of 10.38% from the beginning of the year; the equity interests attributable to shareholders of the parent company amounted to RMB100.145 billion, representing an increase of 5.37% from the beginning of the year.

In 2023, the Company recorded operating income of RMB21.501 billion, representing a year-on-year increase of 4.32%; net profit of RMB5.475 billion, representing a year-on-year increase of 74.39%; net profit attributable to shareholders of the parent company of RMB4.606 billion, representing a year-on-year increase of 65.16%; total comprehensive income of RMB6.803 billion, representing a year-on-year increase of 148.94%; and the weighted average return on equity of 4.72%, representing a year-on-year increase of 1.79 percentage points.

Unit: RMB’00 million

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>Increase or decrease (%)</u>
Total assets	6,354.37	6,131.17	3.64
Total liabilities	5,066.43	4,964.37	2.06
Equity interests	1,287.94	1,166.80	10.38
Equity interests attributable to shareholders of the parent company	1,001.45	950.45	5.37

<u>Item</u>	<u>2023</u>	<u>2022</u>	<u>Increase or decrease (%)</u>
Operating income	215.01	206.10	4.32
Operating expenses	153.44	174.84	-12.24
Net profit	54.75	31.40	74.39
Net profit attributable to shareholders of the parent company	46.06	27.89	65.16
Other comprehensive income after tax, net	13.28	-4.07	N/A
Total comprehensive income	68.03	27.33	148.94
Weighted average return on equity (%)	4.72	2.93	Increased by 1.79 percentage points

II. ASSETS AND LIABILITIES

As at December 31, 2023, the Company's total assets amounted to RMB635.437 billion, and total liabilities amounted to RMB506.643 billion.

(I) Assets**1. Financial investment**

The balance of financial investment held by the Company at the end of the year was RMB383.998 billion, representing an increase of RMB44.321 billion or 13.05% as compared with the beginning of the year, mainly due to the increase in the scale of non-trading equity instruments such as perpetual bonds and the decrease in the scale of asset management products.

2. Monetary capital

The balance of monetary capital held by the Company at the end of the year amounted to RMB110.940 billion, representing a decrease of RMB2.279 billion or 2.01% as compared with the beginning of the year, mainly due to the decrease in the customer funds.

3. Margin accounts receivable

The balance of margin accounts receivable held by the Company at the end of the year amounted to RMB64.428 billion, representing an increase of RMB3.128 billion or 5.10% as compared with the beginning of the year, mainly due to the increase in the financing needs of domestic individual and institutional customers.

4. Clearing settlement funds

The balance of clearing settlement funds held by the Company at the end of the year was RMB20.460 billion, representing a decrease of RMB9.052 billion or 30.67% as compared with the beginning of the year, mainly due to the decrease in the clearing settlement funds of futures business and proprietary securities business.

5. Financial assets held under resale agreements

The balance of the financial assets held under resale agreements of the Company at the end of the year amounted to RMB4.615 billion, representing a decrease of RMB12.825 billion or 73.54% as compared with the beginning of the year, mainly due to the decrease in the scale of the bond pledged repurchase business of the Company and the receipt of principal repayment for the stock pledged repurchase business.

(II) Liabilities**1. Borrowings and debt financing instruments**

The total balance of borrowings and debt financing instruments of the Company at the end of the year amounted to RMB168.562 billion, representing a decrease of RMB9.736 billion or 5.46% as compared with the beginning of the year, mainly due to the impact of the decrease in issue size of debt financing instruments. As at the end of the year, there was no due and outstanding debt repayable, the solvency was relatively strong in overall and the liquidity risk was under control.

2. *Financial assets sold under repurchase agreements*

The balance of the financial assets sold under repurchase agreements of the Company at the end of the year amounted to RMB163.215 billion, representing an increase of RMB9.721 billion or 6.33% as compared with the beginning of the year, mainly due to the increase in the financing size obtained from pledged quote repurchase and bond buyout repurchase businesses.

3. *Accounts payable to brokerage clients*

The balance of accounts payable to brokerage clients of the Company at the end of the year amounted to RMB96.871 billion, representing a decrease of RMB3.440 billion or 3.43%, mainly due to the decrease in size of deposits from clients.

4. *Payables*

The balance of payables of the Company at the end of the year amounted to RMB41.700 billion, representing an increase of RMB8.678 billion or 26.28% as compared with the beginning of the year, mainly due to the increase in payable performance deposits for derivative business, payable securities settlement and trade payables over the beginning of the year.

5. *Other liabilities*

The balance of other liabilities of the Company at the end of the year amounted to RMB17.172 billion, representing an increase of RMB3.911 billion or 29.50% as compared with the beginning of the year, mainly due to the increase in other financial liabilities arising from consolidated structural entities over the beginning of the year.

6. *Derivative financial liabilities*

The balance of derivative financial liabilities of the Company at the end of the year amounted to RMB6.186 billion, representing an increase of RMB1.436 billion or 30.23% as compared with the beginning of the year, mainly due to the change in fair value of equity derivatives and interest rate derivatives.

III. FINANCIAL INCOME AND EXPENSES

(I) Operating Income

In 2023, the Company realized operating income of RMB21.501 billion, representing a year-on-year increase of RMB0.891 billion or 4.32%.

1. The net fee and commission income amounted to RMB7.007 billion, representing a year-on-year decrease of RMB1.527 billion or 17.89%.

The income from securities trading agency services and trading units leasing decreased due to the impact of factors including the downward market, the shrinking of market trading volume and the decrease in commission ratio, and the net income from securities and futures brokerage businesses of the Company decreased by RMB877 million or 16.82% year-on-year;

The net income from investment banking business of the Company decreased by RMB435 million or 23.14% year-on-year, mainly due to the impact of factors including the tightening issuance pace of securities which resulted in the year-on-year decrease in income from the securities underwritten business;

The net income from asset under management and fund management businesses of the Company decreased by RMB277 million or 22.08% year-on-year, mainly due to the decrease in management fee income affected by factors including the decrease in size of assets under management market and the overall underperformance of public funds due to the market decline.

2. The investment income and gains on changes in fair value totaled RMB9.551 billion, representing a year-on-year increase of RMB3.724 billion or 63.91%, mainly due to the year-on-year increase in gains from financial assets held for trading and other equity instruments, and the year-on-year decrease in gains from derivative financial instruments and financial liabilities held for trading.
3. The net interest income amounted to RMB332 million, representing a year-on-year increase of RMB240 million or 259.16%. In particular:

The interest income was RMB10.027 billion, representing a year-on-year increase of RMB184 million or 1.87%, mainly due to the year-on-year increase in interest income of bonds, and the year-on-year decrease in interest income from margin financing and securities lending business.

Interest expenses amounted to RMB9.695 billion, representing a year-on-year decrease of RMB56 million or 0.57%, mainly due to the decrease in the scale of debt financing.

(II) Operating Expenses

In 2023, the Company's operating expenses amounted to RMB15.344 billion, representing a year-on-year decrease of RMB2.140 billion or 12.24%.

Of which: business and management expenses amounted to RMB10.553 billion, representing a year-on-year increase of RMB412 million or 4.07%, which was mainly due to the increase in manpower expenses such as corporate pension and social security provident fund, as well as the increase in expenses on information technology, office operation and travel. Impairment loss on assets and credits amounted to RMB431 million, representing a year-on-year decrease of RMB1.007 billion or 70.03%, which was mainly due to the reversal of impairment due to the recovery of payment for the share pledge items, the increase in impairment provision for share pledge items due to the decrease in the value of the collaterals in the previous year, as well as the year-on-year decrease in impairment loss on credits for receivables.

(III) Other Comprehensive Income

In 2023, the other comprehensive income (net of tax) of the Company amounted to RMB1.328 billion, representing a year-on-year increase of RMB1.735 billion, of which, gains from changes in the fair value of investments in other equity instruments held by the Company amounted to RMB625 million, representing a year-on-year increase of RMB976 million; gains from changes in the fair value of investments in other debentures amounted to RMB536 million, representing a year-on-year increase of RMB1.155 billion; and translation differences on foreign-currency statements amounted to RMB63 million, representing a year-on-year decrease of RMB274 million.

IV. CASH FLOWS

In 2023, the Company's net decrease in cash and cash equivalents amounted to RMB14.958 billion, representing a year-on-year decrease of RMB16.154 billion. Of which:

- (1) Net cash flows from operating activities amounted to RMB69.247 billion, representing a year-on-year increase in net cash inflow of RMB32.066 billion, of which: net cash inflow from financial instruments held for trading amounted to RMB44.164 billion, representing a year-on-year increase of RMB46.398 billion, which was mainly attributable to the effect of the increase in net cash inflow from the disposal of financial instruments for trading; cash inflow from interest, fees and commissions amounted to RMB22.449 billion, representing a year-on-year decrease of RMB3.915 billion, which was mainly attributable to the decrease in cash inflow from handling fees and commissions in brokerage, investment banking and asset management businesses, as well as the decrease in cash inflow from interest due to the decrease in the scale of financial assets for trading; the net cash outflow from financing funds amounted to RMB2.726 billion, representing a year-on-year increase in net cash outflow of RMB18.014 billion, which was mainly attributable to the effect of cash paid out in the current year due to the increase in the scale of financing funds and cash received in the previous year due to the decrease in the scale of financing funds.
- (2) Net cash flow from investing activities amounted to RMB-75.417 billion, representing a year-on-year increase of RMB57.478 billion, of which, cash paid for investment amounted to RMB79.074 billion, representing a year-on-year increase in cash outflow of RMB58.892 billion, which was mainly due to the impact of the increase in the purchase of non-trading equity instruments.
- (3) Net cash flow from financing activities amounted to RMB-8.820 billion, representing a year-on-year decrease in net cash outflow of RMB9.165 billion, which was mainly attributable to the impact of the continuous decrease in the scale of debt financing by the Company and the year-on-year decrease in cash paid for debt repayment of RMB10.615 billion.

APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

In order to further strengthen the management of the Company's ordinary related party transactions and continuously improve the Company's standard operation level, according to the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and other regulatory requirements, for the numerous daily related party transactions each year, the Company can reasonably estimate the amount of ordinary related-party transactions by categories for the year and fulfill review procedures and disclose in a timely manner.

In 2024, based on the actual business development of the Company, the Company will continue to estimate the ordinary related party transactions in 2024 in accordance with relevant provisions of the Shenzhen Stock Exchange. In 2024, the ordinary related party transactions mainly involve businesses including securities and financial services, securities and financial products and transactions, housing rental, and comprehensive service businesses. Details are as follows:

I. BASIC INFORMATION ON THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS IN 2024

(I) Overview of Ordinary Related Party Transactions

The ordinary related party transactions between the Company and its subsidiaries and related parties are mainly related to securities and financial products and transactions, securities and financial services, housing rental, and comprehensive services.

(II) Category and Amount of Estimated Ordinary Related Party Transactions

1. Ordinary related party transactions with China Jianyin Investment Ltd. and its subsidiaries

Unit: '0,000 Currency: RMB

Category of related party transaction	Subject matter of related party transaction	Pricing principles of related party transaction	Contracted amount or estimated amount	Actual amount as of the disclosure date	Actual amount in 2023	
					Actual amount	Proportion of actual amount in similar businesses (%)
Securities and financial services	Income from provision of securities and financial services to the related party including securities brokerage, investment banking, asset management, agency sale, leasing marketing unit, investment consulting, advisory, fund custody and service business	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	467.79	2,127.71	0.328
	Expenses incurred by acceptance of securities and financial services provided by the related party including fund management			0.00	0.00	-

**APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY
RELATED PARTY TRANSACTIONS FOR 2024**

Category of related party transaction	Subject matter of related party transaction	Pricing principles of related party transaction	Contracted amount or estimated amount	Actual amount as of the disclosure date	Actual amount in 2023	
					Actual amount	Proportion of actual amount in similar businesses (%)
Securities and financial products transactions	Principal of repurchase transactions, interest of reverse repurchase transactions with the related party, total cash inflows from securities and financial products and transactions including bonds trading, and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	38,440.69	498,165.40	0.215
	Principal of reverse repurchase transactions, interest of repurchase transactions with the related party, total cash outflows from securities and financial products and transactions including bonds trading, and subscription of financial products under non-public issuance or management of the related party			17,691.97	24,783.06	0.014
Lease	Expenses incurred by the lease of house from the related party	Determined after arm's length negotiations by both parties with reference to market rentals	870.00 ^{Note}	1,653.29 ^{Note}	136.74 ^{Note}	0.224
Comprehensive services	Expenses incurred by acceptance of the services provided by the related party including maintenance of computer room	Determined after arm's length negotiations by both parties with reference to market prices	1,160.00	-	919.40	2.830

Note: The Company has entered into a property lease contract with a subsidiary of China Jianyin Investment Ltd. with a lease term of 2 years, and the total lease amount was RMB9.1176 million. Relevant information has been disclosed in the Announcement on Estimated Ordinary Related Party Transactions for 2021 (for details, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on March 31, 2021). The year 2023 falls within the execution period of the aforementioned lease contract; therefore, the property lease expenses for 2023 have not been repeatedly disclosed. The property lease

APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

expense with JIC and its subsidiaries in 2023 as disclosed herein is RMB1,367,400, of which RMB510,000 is the total rent of the three-year lease contract with the signing date in 2023. In addition, the Company also paid RMB45,000 of lease deposit to the counterparty; and paid RMB857,400 as the rent for the transitional period, which is due to the fact that part of office area are still used as specified in the former lease agreement even though the new office area is under decoration, and the rent for the transitional period is calculated based on the unit rental price as specified in the former agreement multiply by the actual rental days after December 24, 2021 upon vacation, and paid by the lessee to the lessor in a lump sum. In 2023, RMB857,400 was paid as the rent for the transitional period from December 24, 2021 to March 23, 2023.

The current estimated property lease expense of RMB8.70 million for 2024 with a subsidiary of China Jiayin Investment Ltd. was calculated based on a one-year period, and the estimated amount will be increased proportionally if it exceeds one year. In particular, in January 2024, the Company entered into two property lease contracts with JIC and its subsidiaries with terms ranging from 1 to 5 years, and the total rent of these two contracts is RMB16.5329 million, of which the property rent for the year from December 24, 2023 to December 23, 2024 is RMB4.9552 million.

2. Ordinary related party transactions with other related parties

Unit: '0,000 Currency: RMB

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contracted amount or estimated amount	Actual amount as of the disclosure date	Actual amount in 2023	
						Actual amount	Proportion of actual amount in similar businesses (%)
Securities and financial services	Bank of Shanghai Co., Ltd.	Income from securities and financial services including deposit interest, provision of securities brokerage, asset management and agency sales to the related party, agency sale and securities brokerage	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	2,455.52	7,539.73	1.130
		Expenses incurred by acceptance of securities and financial services provided by the related party including asset trusteeship, financial advisory and funds depository			9.39	141.20	0.563
	Shanghai Jiushi (Group) Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking, securities brokerage and asset management	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.05	2.06	0.001
	Xinjiang Financial Investment (Group) Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking services, securities brokerage and agency securities pledge	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	-	284.50	0.196

**APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY
RELATED PARTY TRANSACTIONS FOR 2024**

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contracted amount or estimated amount	Actual amount as of the disclosure date	Actual amount in 2023	
						Actual amount	Proportion of actual amount in similar businesses (%)
	Fullgoal Fund Management Co., Ltd.	Income from provision of securities and financial services to the related party including securities brokerage, agency sale and leasing marketing unit	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	923.41	10,148.13	2.261
	Other related parties of the Company except those listed above	Income or expenses in relation to mutual provision of securities and financial services with the related party	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	-	-	-
Securities and financial product transactions	Bank of Shanghai Co., Ltd.	Total cash inflow from borrowings, receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	73,769.75	2,219,518.77	0.106
		Total cash outflow for payment of interests on borrowings, repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party			10,150.41	625,714.85	0.291

**APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY
RELATED PARTY TRANSACTIONS FOR 2024**

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contracted amount or estimated amount	Actual amount as of the disclosure date	Actual amount in 2023	
						Actual amount	Proportion of actual amount in similar businesses (%)
	Fullgoal Fund Management Co., Ltd.	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	-	3,109.48	0.001
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management by the related party			-	-	-
	Xinjiang Financial Investment (Group) Co., Ltd.	Total cash inflow from transactions in securities and financial products including bonds trading, derivative trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	-	-	-
		Total cash outflow from transactions in securities and financial products including bonds trading, derivative trading and subscription of financial products under non-public issuance by the related party			-	41,000.00	2.149

**APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY
RELATED PARTY TRANSACTIONS FOR 2024**

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contracted amount or estimated amount	Actual amount as of the disclosure date	Actual amount in 2023	
						Actual amount	Proportion of actual amount in similar businesses (%)
	Shanghai Jiushi (Group) Co., Ltd.	Total cash inflow from securities and financial products transactions, such as repurchase trading, bonds trading, derivative trading with the related party and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	-	66,526.00	0.093
		Total cash outflow from securities and financial products transactions, such as the payment of interest on repurchase transactions, and bonds trading, derivative trading with the related party and subscription of financial products under non-public issuance by the related party			5.64	729.83	1.364
	Other related parties of the Company except those listed above	Total cash inflow from securities and financial products transactions, such as receipt of interests on repurchase transaction and interbank lending, and from repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	-	-	-
		Total cash outflow from securities and financial products transactions, such as the payment of interests on repurchase transaction and interbank lending, and for repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management by the related party			-	-	-
Lease	Xinjiang Financial Investment (Group) Co., Ltd.	Expenses incurred by the lease of house from the related party	Determined after arm's length negotiations by both parties with reference to market rentals	50.00	-	32.10	

APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

Other than the abovementioned estimated related party transactions, the Company may be exempted from performing relevant obligations in accordance with the provisions of Article 13 of the Management Policy of Related Party Transactions of the Company for the following related party transactions with the related parties:

- (I) Either party subscribes for the publicly offered shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of another party in cash;
- (II) Either party, as a member of the underwriting syndicate (other than the lead underwriter), underwrites the publicly offered shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives issued by another party;
- (III) Either party receives dividend, bonus or reward in accordance with the resolutions passed at a general meeting of another party;
- (IV) Purchase or sales of uniformly offered (to more than ten targets, including no more than two related parties of the Company) marketable securities or products with no special terms (e.g. collective wealth management products, trust products, funds, etc.);
- (V) Other circumstances as recognized by the places where the shares of the Company are listed.

When the Company conducts a related party transaction with a related party due to public bidding, public auction, etc., the Company may apply to the Shenzhen Stock Exchange for exemption from performing related obligations for the related party transaction.

II. MAIN CONTENTS OF THE RELATED PARTY TRANSACTIONS

(I) Pricing Policy of the Related Party Transactions

1. *Securities and financial services*

Securities and financial services transactions include various securities and financial services permitted by the regulatory authorities mutually provided by the Company and its subsidiaries and related parties, including but not limited to: securities brokerage business, futures brokerage business, fund outsourcing, leasing marketing unit, agency sale of financial products, investment banking business, asset management services, deposit services, advisory and consulting services, futures margin deposit, etc. The pricing of the aforementioned securities and financial services is determined after arm's length negotiations with reference to market prices, industry practices, deposit and loan interest rates approved and released by the People's Bank of China.

2. *Securities and financial products transactions*

Securities and financial products transactions, include various securities and financial products and transactions permitted by the regulatory authorities, including but not limited to: repurchase transaction; bonds trading; subscription of financial products issued or managed by related parties; subscription of financial products issued or managed by the Company and its subsidiaries by related parties; interbank lending; derivatives trading, etc. The prices or rates of the above securities and financial products and transactions are generally transparent and

APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

standardized in the market. The prices or rates of such transactions shall be determined after arm's length negotiations between the parties with reference to the then applicable market prices or market rates.

3. *House leasing*

The house leasing business mainly includes the mutual lease of house from the other party for business operation purpose between the Company and its subsidiaries and related parties. The rental shall be determined through negotiation by both parties with reference to the market rentals in accordance with the principles of fairness and reasonableness.

4. *Comprehensive services*

Comprehensive services mainly include services including computer room maintenance, system connection, and other services provided by related parties to the Company and its subsidiaries. The pricing of the above services shall be determined after arm's length negotiations with reference to market prices, industry practices, and cost plus.

(II) Execution of Agreements in relation to Related Party Transactions

Within the expected scope of the annual ordinary related party transactions, when the related party transactions actually occur, the Company will otherwise enter into relevant agreements. If the related party transaction exceeds the expected scope, the Company will perform the corresponding approval procedures and information disclosure obligations in accordance with the relevant system in a timely manner.

III. PURPOSE OF THE RELATED PARTY TRANSACTIONS AND EFFECTS THEREOF ON THE COMPANY

1. The related party transactions between the Company and the abovementioned related parties will help the Company's business development and increase profit opportunities.
2. The relevant related-party transactions are fair, and the pricing thereof is determined with reference to market prices or cost plus, without prejudice to the interests of the Company and its shareholders;
3. The relevant related party transactions do not affect the Company's independence, and the principal businesses of the Company do not rely on the related parties due to the abovementioned related party transactions.

According to relevant provisions, in consideration of the abovementioned related party transactions, interested shareholders of these related party transactions will respectively abstain from voting on the related party matters in this resolution. Central Huijin Investment Ltd. and China Jianyin Investment Ltd. will abstain from voting on the daily related party transaction matters occurred with China Jianyin Investment Ltd. and its subsidiaries (resolution 7.1), Shanghai Jiushi (Group) Co., Ltd., Sichuan Development Holding Co., Ltd. and Xinjiang Financial Investment (Group) Co., Ltd. will abstain from voting on the daily related party transaction matters with other related parties (resolution 7.2).

COMPARISON TABLE OF AMENDMENTS
TO THE ARTICLES OF ASSOCIATION

Existing Article	Amended Article	Reason for amendments
<p>Article 3 The Company is registered with the <u>Administration for Industry and Commerce</u> of Xinjiang Uygur Autonomous Region and obtained business license under the unified social credit code of 91650000132278661Y.</p>	<p>Article 3 The Company is registered with the <u>Market Supervision Administration</u> of Xinjiang Uygur Autonomous Region and obtained business license under the unified social credit code of 91650000132278661Y.</p>	<p>Amended in accordance with the change of the name of the organization of the State Council and the requirements of the company registration administration.</p>
<p>Article 19 Upon the <u>approval by</u> the securities regulatory authorities under the State Council, the Company may issue its shares to the domestic and foreign investors.</p> <p>The term “foreign investors” mentioned in the preceding paragraph refers to the investors who are from foreign countries and Hong Kong Special Administrative Region (hereinafter referred to as “Hong Kong”), Macao Special Administrative Region and Taiwan of the People’s Republic of China (hereinafter referred to as “the PRC”) that subscribe for shares issued by the Company. The term “domestic investors” refers to the investors who are in the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.</p>	<p>Article 19 Upon the <u>fulfillment of the relevant procedures of the</u> securities regulatory authorities under the State Council <u>or other relevant regulatory authorities</u>, the Company may issue its shares to the domestic and foreign investors.</p> <p>The term “foreign investors” mentioned in the preceding paragraph refers to the investors who are from foreign countries and Hong Kong Special Administrative Region (hereinafter referred to as “Hong Kong”), Macao Special Administrative Region and Taiwan of the People’s Republic of China (hereinafter referred to as “the PRC”) that subscribe for shares issued by the Company. The term “domestic investors” refers to the investors who are in the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.</p>	<p>Improved in accordance with the regulatory requirements of the registration system for domestic issuance of shares and the filing system for overseas issuance of shares.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 20 The shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas listed foreign shares”.</p> <p>The shares issued by the Company that are listed on Shenzhen Stock Exchange shall be referred to as “A shares”. The overseas listed foreign shares issued by the Company that are listed on the Hong Kong Stock Exchange shall be referred to as “H shares”.</p> <p>Subject to the <u>approval</u> of the securities regulatory authorities of the State Council, the domestic shareholders of the Company may transfer the shares held by them to the overseas investors and such shares may be listed or traded on overseas stock exchange, or convert these shares into overseas listed shares. The transferred or converted shares listed or traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. Shares transferred or converted for listing and trading on the stock exchange outside the PRC do not require a voting at any shareholders class meeting.</p>	<p>Article 20 The shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas listed foreign shares”.</p> <p>The shares issued by the Company that are listed on Shenzhen Stock Exchange shall be referred to as “A shares”. The overseas listed foreign shares issued by the Company that are listed on the Hong Kong Stock Exchange shall be referred to as “H shares”.</p> <p>Subject to the <u>fulfillment of the relevant procedures</u> of the securities regulatory authorities of the State Council <u>or other relevant regulatory authorities</u>, the domestic shareholders of the Company may transfer the shares held by them to the overseas investors and such shares may be listed or traded on overseas stock exchange, or convert these shares into overseas listed shares. The transferred or converted shares listed or traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. Shares transferred or converted for listing and trading on the stock exchange outside the PRC do not require a voting at any shareholders class meeting.</p>	<p>Improved in accordance with the regulatory requirements of the registration system for domestic issuance of shares and the filing system for overseas issuance of shares.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 29 The Company may, in the following circumstances, buy back its shares pursuant to laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed and these Articles of Association:</p> <p>(I) decreasing the registered capital of the Company;</p> <p>(II) merging with other companies holding shares of the Company;</p> <p>(III) <u>awarding shares to employees of the Company</u></p> <p>(IV) as required by shareholders objecting to resolutions of the general meeting concerning merger or division of the Company to buy their shares;</p> <p>(V) to use the shares for conversion of corporate bonds which are convertible into shares issued by the Company;</p> <p>(VI) being necessary to maintain the value of the listed Company and the rights and interests of its shareholders;</p> <p>(VII) other circumstances where the law and administrative regulations so permit.</p> <p>The Company shall not trade its shares unless in the aforesaid circumstances.</p>	<p>Article 29 <u>The Company shall not acquire shares of the Company. However, except in any of the following circumstances:</u></p> <p>(I) decreasing the registered capital of the Company;</p> <p>(II) merging with other companies holding shares of the Company;</p> <p>(III) <u>using shares for employee share ownership plans or equity incentives</u></p> <p>(IV) as required by shareholders objecting to resolutions of the general meeting concerning merger or division of the Company to buy their shares;</p> <p>(V) to use the shares for conversion of corporate bonds which are convertible into shares issued by the Company;</p> <p>(VI) being necessary to maintain the value of the Company and the rights and interests of its shareholders;</p> <p>(VII) other circumstances where the law and administrative regulations so permit.</p>	<p>Amended paragraph III of this article in accordance with Rule 142 of the Company Law of the People's Republic of China (the "Company Law"), Rule 2 of the Rules on Share Repurchases by Listed Companies (the "Repurchases Rules"), and Rule 24 of the Guidelines on the Articles of Association of Listed Companies (the "Guidelines for the Articles of Association").</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 30 Where the Company should buy back the shares of the Company due to the reasons stated in items (I), (II) or (IV) under Article 29 of these Articles of Association, it may buy back its own shares in any of the following ways:</p> <p>(I) offering to buy back shares from all shareholders on a pro rata basis;</p> <p>(II) buying back through open transaction in the stock exchange;</p> <p>(III) buying back through agreement outside the stock exchange;</p> <p>(IV) in other forms approved by laws and administrative regulations of the state, the listing rules of the places where the Company's shares are listed and approval of relevant competent authorities.</p> <p>Where the Company should buy back the shares of the Company due to the reasons stated in items (III), (V) or (VI) under Article 29 of these Articles of Association, the repurchase shall be carried out by open and centralized transactions.</p>	<p>Article 30 <u>Acquisition of the Company's shares by the Company may be carried out through open and centralized trading or by other means as prescribed by laws, administrative regulations, the listing rules of the places where the Company's shares are listed and recognized by the CSRC.</u></p> <p>Where the Company should buy back the shares of the Company due to the reasons stated in items (III), (V) or (VI) under Article 29 of these Articles of Association, the repurchase shall be carried out by open and centralized transactions.</p>	<p>Amended in accordance with Article 25 of the Guidelines for the Articles of Association.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 31 Where the Company should buy back the shares of the Company due to the reasons stated in items (I) to (III) under Article 29 of these Articles of Association, the Company shall obtain approvals at general meetings.</p> <p>Where the Company should buy back the shares of the Company due to the reasons stated in items (V) and (VI) under Article 29 of these Articles of Association, the resolution of repurchase shall be reviewed and passed by more than two-thirds of directors present at the Board meeting, and the Board of Directors shall be authorized by special mandate approved on the general meeting for the time being.</p> <p>After the Company buying back the shares of the Company pursuant to the provisions of Article 29 of these Articles of Association, such shares shall be cancelled within 10 days from the date of buyback under the circumstance as described in the item (I); such shares shall be either transferred or cancelled within 6 months if it is under the circumstances as described in items (II) and (IV).</p> <p>The shares of the Company bought back by the Company in accordance with the item (III) of Article 29 of these Articles of Association shall not exceed 5% of the entire issued shares of the Company, and the shares bought back shall be transferred to employees within one year. The payment of such buyback shall be made out of the after tax profits of the Company;</p>	<p>Article 31 Where the Company should buy back the shares of the Company due to the reasons stated in items (I) to (III) under Article 29 of these Articles of Association, the Company shall obtain approvals at general meetings.</p> <p>Where the Company should buy back the shares of the Company due to the reasons stated in items (V) and (VI) under Article 29 of these Articles of Association, the resolution of repurchase shall be reviewed and passed by more than two-thirds of directors present at the Board meeting, and the Board of Directors shall be authorized by special mandate approved on the general meeting for the time being.</p> <p>After the Company buying back the shares of the Company pursuant to the provisions of Article 29 of these Articles of Association, such shares shall be cancelled within 10 days from the date of buyback under the circumstance as described in the item (I); such shares shall be either transferred or cancelled within 6 months if it is under the circumstances as described in items (II) and (IV).</p> <p>The shares of the Company bought back by the Company in accordance with items (III), (V) and (VI) of Article 29 shall not exceed 10% of the entire issued shares of the Company, and such shares shall be either transferred or cancelled within 3 years.</p>	<p>Amendments have been made to the maximum number of shares to be repurchased and the time limit for share cancellation requirements under employee share ownership and share incentives in accordance with Article 26 of the Guidelines for the Articles of Association.</p>

Existing Article	Amended Article	Reason for amendments
<p>The shares of the Company bought back by the Company in accordance with items (V) and (VI) of Article 29 shall not exceed 10% of the entire issued shares of the Company, and such shares shall be either transferred or cancelled within 3 years.</p> <p>After canceling the said shares, the Company shall apply for registration of the change of the registered capital with the original company registration authority. The amount of the Company’s registered capital shall be reduced by the total par value of the shares cancelled.</p> <p>Where the relevant laws and regulations, regulatory documents and relevant provisions of the securities regulatory authority at the places where the Company’s shares are listed have any other provisions in respect of the matters relating to the aforesaid share buyback, such provisions shall prevail.</p>	<p>After canceling the said shares, the Company shall apply for registration of the change of the registered capital with the original company registration authority. The amount of the Company’s registered capital shall be reduced by the total par value of the shares cancelled.</p> <p>Where the relevant laws and regulations, regulatory documents and relevant provisions of the securities regulatory authority at the places where the Company’s shares are listed have any other provisions in respect of the matters relating to the aforesaid share buyback, such provisions shall prevail.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 62 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(I) to receive dividends and other distributions in proportion to the shares they hold;</p> <p>(II) to lawfully request, convene, preside over, and attend general meetings either in person or by proxy and exercise the corresponding voting right;</p> <p>(III) to supervise, raise suggestions on or make inquiries about the operations of the Company;</p> <p>(IV) to transfer, gift or pledge their shares in accordance with laws, administrative regulations, and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed and these Articles of Association;</p> <p>(V) to gain relevant information in accordance with these Articles of Association, including:</p> <ol style="list-style-type: none"> 1. receiving a copy of these Articles of Association after paying the cost; 2. being entitled to inspect and copy, after paying reasonable charges, of: <ol style="list-style-type: none"> (1) all the parts of register of shareholders; (2) personal data of directors, supervisors, and senior management of the Company, including; 	<p>Article 62 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(I) to receive dividends and other distributions in proportion to the shares they hold;</p> <p>(II) to lawfully request, convene, preside over, and attend general meetings either in person or by proxy and exercise the corresponding voting right;</p> <p>(III) to supervise, raise suggestions on or make inquiries about the operations of the Company;</p> <p>(IV) to transfer, gift or pledge their shares in accordance with laws, administrative regulations, and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed and these Articles of Association;</p> <p>(V) to gain relevant information in accordance with these Articles of Association, including:</p> <ol style="list-style-type: none"> 1. receiving a copy of these Articles of Association after paying the cost; 2. <u>inspecting and</u> being entitled to inspect, and copy; after paying reasonable charges, of: <ol style="list-style-type: none"> (1) all the parts of register of shareholders; <u>(2)</u> share capital of the Company; 	<p>Amendments have been made in conjunction with the latest requirements of the Company Law, the Guidelines for the Articles of Association, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules") and the actual corporate governance.</p>

Existing Article	Amended Article	Reason for amendments
<p>a) present and former names and aliases;</p> <p>b) principal address (domicile);</p> <p>c) nationality ;</p> <p>d) full time and all part time occupations and duties;</p> <p>e) identity certificates and numbers thereof.</p> <p>(3) share capital of the Company;</p> <p>(4) report of the total par value, quantity, the highest and lowest prices of each class of shares bought back by the Company from the last financial year, and the total amount paid by the Company for this purpose (divided by domestic shares and external shares);</p> <p>(5) minutes of general meetings (for inspect by shareholders only);</p> <p>(6) the latest audited financial statements, and reports from the Board, auditor and the Supervisory Committee;</p> <p>(7) special resolutions of general meetings and/or Board of Directors of the Company;</p>	<p>(3) report of the total par value, quantity, the highest and lowest prices of each class of shares bought back by the Company from the last financial year, and the total amount paid by the Company for this purpose (divided by domestic shares and external shares);</p> <p>(4) minutes of general meetings (for inspect by shareholders only);</p> <p>(5) the latest audited financial statements, and reports from the Board, auditor and the Supervisory Committee;</p> <p>(6) resolutions of the Board of Directors and <u>Supervisory Committee</u> of the Company;</p> <p>(7) <u>stubs of corporate bonds</u>;</p> <p>(8) the copy of the latest annual report (annual return) submitted to the State Administration for Market Regulation or other competent authorities for filing;</p> <p>(VI) to participate in the distribution of the remaining properties of the Company as per their shares in the event of the termination or liquidation of the Company;</p>	

Existing Article	Amended Article	Reason for amendments
<p>(8) the copy of the latest annual report (annual return) submitted to the State Administration for Market Regulation or other competent authorities for filing;</p> <p>Documents of items (1) to (8) (except item (2)) mentioned above shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for inspection by the public and overseas listed shareholders for free;</p> <p>(VI) to participate in the distribution of the remaining properties of the Company as per their shares in the event of the termination or liquidation of the Company;</p> <p>(VII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>Where any person who directly or indirectly has rights and interests fails to disclose such rights and interests, the Company shall not exercise its rights to freeze or otherwise harm any rights of such person attached to the shares solely for this reason.</p>	<p>(VII) for shareholders who disagree with the resolution on merger or demerger of the Company made at the general meeting, to request the Company to acquire their shares;</p> <p>(VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>Where any person who directly or indirectly has rights and interests fails to disclose such rights and interests, the Company shall not exercise its rights to freeze or otherwise harm any rights of such person attached to the shares solely for this reason.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 72 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to the law:</p> <p>(I) to decide the business operation guideline and investment plan for the Company;</p> <p>(II) to elect and replace directors, and supervisors who are not employee representatives, and determine matters on the remunerations of relevant directors and supervisors;</p> <p>(III) to review and approve reports of the Board;</p> <p>(IV) to review and approve reports of the Supervisory Committee;</p> <p>(V) to review and approve the annual report of the Company;</p> <p>(VI) to review and approve the annual financial budgets and final accounting plans of the Company;</p> <p>(VII) to review and approve the Company's profit distribution plan and loss recovery plan;</p> <p>(VIII) to resolve on increase or reduction of the registered capital and issuance of any types of shares, warrants and other similar securities by the Company;</p> <p>(IX) to resolve on issuance of corporate bonds;</p>	<p>Article 72 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to the law:</p> <p>(I) to decide the business operation guideline and investment plan for the Company;</p> <p>(II) to elect and replace directors and supervisors who are not employee representatives, and determine matters on the remunerations of relevant directors and supervisors;</p> <p>(III) to review and approve reports of the Board;</p> <p>(IV) to review and approve reports of the Supervisory Committee;</p> <p>(V) to review and approve the annual report of the Company;</p> <p>(VI) to review and approve the annual financial budgets and final accounting plans of the Company;</p> <p>(VII) to review and approve the Company's profit distribution plan and loss recovery plan;</p> <p>(VIII) to resolve on increase or reduction of the registered capital and issuance of any types of shares, warrants and other similar securities by the Company;</p> <p>(IX) to resolve on issuance of corporate bonds;</p>	<p>Amended in accordance with Article 37 of the Company Law, Article 41 of Guidelines for the Articles of Association and other provisions and the actual corporate governance, the types of directors to be elected and replaced by the general meeting have been further defined; and the formulation of the relevant terms of reference has been improved.</p>

Existing Article	Amended Article	Reason for amendments
<p>(X) to resolve on the merger, division, dissolution, liquidation or changing the form of the Company;</p> <p>(XI) to amend these Articles of Association;</p> <p>(XII) to resolve on the engagement, dismissal and non-renewal of the accounting firm by the Company;</p> <p>(XIII) to review and approve the matters relating to guarantees specified in Article 73 of Articles of Association;</p> <p>(XIV) to review the Company's purchase or disposal of major assets within one year exceeding 30% of the latest audited total assets of the Company;</p> <p>(XV) to review and approve matters relating to the changes in the use of proceeds;</p> <p>(XVI) to review and approve related transactions which shall be considered by the general meeting in accordance with the listing rules of the places where the Company's shares are listed;</p> <p>(XVII) to review share incentive scheme;</p> <p>(XVIII) to review proposals submitted by shareholders individually or jointly holding 3% or above of the shares of the Company;</p> <p>(XIX) to review other matters which are required by laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed, stock exchanges or these Articles of Association to be approved at a general meeting.</p> <p>The matters that shall be decided by the general meeting according to these Articles of Association must be reviewed by the general meeting, in order to ensure the decision-making right of the shareholders on such matters.</p>	<p>(X) to resolve on the merger, division, dissolution, liquidation or changing the form of the Company;</p> <p>(XI) to amend these Articles of Association;</p> <p>(XII) to resolve on the engagement, dismissal and non-renewal of the accounting firm by the Company;</p> <p>(XIII) to review and approve the matters relating to guarantees specified in Article 73 of Articles of Association;</p> <p>(XIV) to review the Company's purchase or disposal of major assets within one year exceeding 30% of the latest audited total assets of the Company;</p> <p>(XV) to review and approve matters relating to the changes in the use of proceeds;</p> <p>(XVI) to review and approve related transactions which shall be considered by the general meeting in accordance with the listing rules of the places where the Company's shares are listed;</p> <p>(XVII) to review share incentive scheme <u>and employee stock ownership plan</u>;</p> <p>(XVIII) to review proposals submitted by shareholders individually or jointly holding 3% or above of the shares of the Company;</p> <p>(XIX) to review other matters which are required by laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed, stock exchanges or these Articles of Association to be approved at a general meeting.</p> <p>The matters that shall be decided by the general meeting according to these Articles of Association must be reviewed by the general meeting, in order to ensure the decision-making right of the shareholders on such matters.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 73 The following external guarantees to be given by the Company shall be reviewed and approved by the general meeting:</p> <p>(I) Provision of any external guarantee by the Company and its controlled subsidiaries, the total amount of which reaches or exceeds 50% of the latest audited net assets of the Company;</p> <p>(II) Provision of any external guarantee by the Company, the total amount of which reaches or exceeds 30% of the latest audited total assets of the Company;</p> <p><u>(III) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</u></p> <p><u>(IV) Provision of a single guarantee, the amount of which exceeds 10% of the latest audited net assets of the Company;</u></p> <p><u>(V) Provision of guarantees to the shareholders, de facto controllers and their related parties;</u></p> <p><u>(VI) Other guarantees as specified in relevant regulations of stock exchanges and these Articles of Association.</u></p>	<p>Article 73 The following external guarantees to be given by the Company shall be reviewed and approved by the general meeting:</p> <p>(I) Provision of any external guarantee by the Company and its controlled subsidiaries, the total amount of which reaches or exceeds 50% of the latest audited net assets of the Company;</p> <p>(II) Provision of any external guarantee by the Company, the total amount of which reaches or exceeds 30% of the latest audited total assets of the Company;</p> <p><u>(III) Provision of guarantees by the Company within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;</u></p> <p><u>(IV) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</u></p> <p><u>(V) Provision of a single guarantee, the amount of which exceeds 10% of the latest audited net assets of the Company;</u></p> <p><u>(VI) Provision of guarantees to the shareholders, de facto controllers and their related parties;</u></p> <p><u>(VII) Other guarantees as specified in relevant regulations of stock exchanges and these Articles of Association.</u></p> <p><u>In the event that the general meeting or the Board violates the approval authority and review procedures stipulated in the Articles of Association, it shall be held accountable in accordance with the laws and regulations and the relevant provisions of the Company.</u></p>	<p>In accordance with Article 42 of the Guidelines for the Articles of Association and the relevant listing regulatory requirements, the maximum amount of guarantees within one year, and the accountability mechanism for breach of the approval authority and review procedures for guarantees have been incorporated into the Articles of Association.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 76 The Company shall hold a general meeting at the venue as specified in the notice of the general meeting.</p> <p>A venue shall be available for a general meeting which shall be held as an on-site meeting. For the convenience of shareholders and to the extent technically feasible, the Company shall provide secure, cost-efficient and accessible online channels for participation in general meetings in accordance with laws, administrative regulations, the requirements of the securities regulatory authorities and the stock exchange in the place where the shares of the Company are listed or these Articles of Association. A shareholder who participates in a general meeting through online channels shall be deemed to have been present at the meeting, and the identification of the shareholder shall be confirmed by the system of the stock exchange or online voting system in accordance with Article 61 of these Articles of Association.</p>	<p>Article 76 The Company shall hold a general meeting at the venue as specified in the notice of the general meeting.</p> <p>A venue shall be available for a general meeting which shall be held as an on- site meeting. For the convenience of shareholders and to the extent technically feasible, the Company shall provide secure, cost-efficient and accessible online <u>and other</u> channels for participation in general meetings in accordance with laws, administrative regulations, the requirements of the securities regulatory authorities and the stock exchange in the place where the shares of the Company are listed or these Articles of Association. A shareholder who participates in a general meeting through online channels shall be deemed to have been present at the meeting.</p>	<p>Amended in accordance with Rule 20 of the Rules for the General Meetings of Listed Companies (the “Rules for the General Meetings”).</p>
<p>Article 81 Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and file with the local office of the CSRC and the stock exchange at the place where the Company is located.</p> <p>The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced.</p> <p>The convening shareholders shall, when the notice of the general meeting is issued and a resolution made at the general meeting is announced, submit relevant evidential documents to the local office of the CSRC and the stock exchange in the place where the Company is located.</p>	<p>Article 81 Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and file with the stock exchange.</p> <p>The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced.</p> <p><u>The Supervisory Committee or</u> the convening shareholders shall, when the notice of the general meeting is issued and a resolution made at the general meeting is announced, submit relevant evidential documents to the stock exchange.</p>	<p>Amendments to this article are made in accordance with Article 50 of the Guidelines for the Articles of Association.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 83 Expenses incurred by the general meeting convened by the Supervisory Committee or shareholders on its/their own shall be borne by the Company, and deducted from the amount payable by the Company to the defaulting directors.</p>	<p>Article 83 Expenses incurred by the general meeting convened by the Supervisory Committee or shareholders on its/their own shall be borne by the Company.</p>	<p>Amended in accordance with Article 52 of the Guidelines for the Articles of Association.</p>
<p>Article 88 A notice of general meeting shall be made in writing and include the following contents:</p> <p>(I) specify the time and date, place and duration of the meeting;</p> <p>(II) state the businesses and motions to be considered at the meeting;</p> <p>(III) provide such information and explanation as are necessary for the shareholders to make an informed decision on the matters to be discussed. Without limiting the generality of the foregoing, where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and conditions of the contract, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained;</p> <p>(IV) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, general manager and other senior management in the matters to be discussed, and an explanation on the difference in the effect which the matters to be discussed will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;</p> <p>(V) contain the full text of any special resolution to be proposed at the meeting;</p>	<p>Article 88 A notice of general meeting shall be made in writing and include the following contents:</p> <p>(I) specify the time and date, place and duration of the meeting;</p> <p>(II) state the businesses and motions to be considered at the meeting;</p> <p>(III) provide such information and explanation as are necessary for the shareholders to make an informed decision on the matters to be discussed. Without limiting the generality of the foregoing, where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and conditions of the contract, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained;</p> <p>(IV) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, general manager and other senior management in the matters to be discussed, and an explanation on the difference in the effect which the matters to be discussed will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;</p> <p>(V) contain the full text of any special resolution to be proposed at the meeting;</p>	<p>The provision that the notice of a general meeting shall include the time and procedures for voting via the Internet or by other means is made in accordance with Article 56 of the Guidelines for the Articles of Association and Article 21 of the Rules for the General Meetings and other listing regulatory requirements.</p>

Existing Article	Amended Article	Reason for amendments
<p>(VI) specify the date and place for the delivery of proxy form for use at the meeting;</p> <p>(VII) contain a conspicuous statement that all shareholders are entitled to attend the general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;</p> <p>(VIII) specify the record date for determining the shareholders who are entitled to attend the general meeting;</p> <p>(IX) state the names and telephone numbers of the standing contact persons for the meeting.</p> <p>If a general meeting is held online, the designated time and procedure for voting online and the method to confirm the identity of such shareholders shall be expressly stated in the notice of such meeting.</p> <p>The interval between the shareholding record date and the date of the meeting shall not be more than seven working days. The shareholding record date shall not be changed once confirmed.</p>	<p>(VI) specify the date and place for the delivery of proxy form for use at the meeting;</p> <p>(VII) contain a conspicuous statement that all shareholders are entitled to attend the general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;</p> <p>(VIII) specify the record date for determining the shareholders who are entitled to attend the general meeting;</p> <p>(IX) state the names and telephone numbers of the standing contact persons for the meeting;</p> <p><u>(X) specify the time and procedures for voting via the Internet or by other means.</u></p> <p>The interval between the shareholding record date and the date of the meeting shall not be more than seven working days. The shareholding record date shall not be changed once confirmed.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 109 Minutes of a general meeting shall be kept by the secretary of the Board. The minutes shall state the following contents:</p> <p>(I) time, venue and agenda of the meeting and name of the convener;</p> <p>(II) the name of the meeting chairman and the names of the directors, supervisors, managers and other senior management personnel attending or present at the meeting;</p> <p>(III) the numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total shares of the Company;</p> <p>(IV) the process of review and discussion, summary of any speech and voting results of each proposal;</p> <p>(V) shareholders' enquiries, opinions or suggestions and corresponding answers or explanations;</p> <p>(VI) names of lawyers, vote counters and scrutinizers of the voting;</p> <p>(VII) other contents to be included in the minutes of the meeting as specified in these Articles of Association.</p> <p>The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting for a term of not less than 10 years.</p>	<p>Article 109 Minutes of a general meeting shall be kept by the secretary of the Board. The minutes shall state the following contents:</p> <p>(I) time, venue and agenda of the meeting and name of the convener;</p> <p>(II) the name of the meeting chairman and the names of the directors, supervisors, managers and other senior management personnel attending or present at the meeting;</p> <p>(III) the numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total shares of the Company;</p> <p>(IV) the process of review and discussion, summary of any speech and voting results of each proposal;</p> <p>(V) shareholders' enquiries, opinions or suggestions and corresponding answers or explanations;</p> <p>(VI) names of lawyers, vote counters and scrutinizers of the voting;</p> <p>(VII) other contents to be included in the minutes of the meeting as specified in these Articles of Association.</p> <p>The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting <u>via the Internet and by other means</u> for a term of not less than 10 years.</p>	<p>Refer to the reason for amendments to Article 88 of the amended Articles of Association.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 117 The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p>(I) increase or reduction of the registered capital of the Company, and issuance of any types of shares, warranties and other similar securities by the Company;</p> <p>(II) issuance of corporate bonds;</p> <p>(III) division, merger, dissolution, liquidation or change in the form of the Company;</p> <p>(IV) amendments to the Articles of Association;</p> <p>(V) any purchase or disposal of substantial assets made or guarantee provided by the Company within one year exceeding 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;</p> <p>(VI) repurchase of shares of the Company;</p> <p><u>(VII)</u> Share Option Incentive Scheme;</p> <p><u>(VIII)</u> adjustments of the profit distribution policies;</p> <p><u>(IX)</u> any other matters as required by the laws, administrative regulations, the listing rules of places where the Company's shares are listed or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p>	<p>Article 117 The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p>(I) increase or reduction of the registered capital of the Company, and issuance of any types of shares, warranties and other similar securities by the Company;</p> <p>(II) issuance of corporate bonds;</p> <p>(III) division, <u>spin-off</u>, merger, dissolution, liquidation or change in the form of the Company;</p> <p>(IV) amendments to the Articles of Association;</p> <p>(V) any purchase or disposal of substantial assets made or guarantee provided by the Company within one year exceeding 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;</p> <p><u>(VI)</u> Share Option Incentive Scheme;</p> <p><u>(VII)</u> adjustments of the profit distribution policies;</p> <p><u>(VIII)</u> any other matters as required by the laws, administrative regulations, the listing rules of places where the Company's shares are listed or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p>	<p>Amended in accordance with Article 78 of the Guidelines for the Articles of Association, Article 9 of the Rules for Spin-off of Listed Companies (Trial) and other provisions.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 118 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share, unless otherwise stipulated in the Articles of Association.</p> <p>When material issues affecting the interests of minority investors are considered at a general meeting, the votes of minority investors shall be counted separately (if technically feasible). The separate votes counting results shall be disclosed publicly in a timely manner.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.</p>	<p>Article 118 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share, unless otherwise stipulated in the Articles of Association.</p> <p>When material issues affecting the interests of minority investors are considered at a general meeting, the votes of minority investors shall be counted separately (if technically feasible). The separate votes counting results shall be disclosed publicly in a timely manner.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.</p> <p><u>Shareholders who purchase the shares with voting rights of the Company in violation of Article 63 (1) and (2) of the Securities Law shall not exercise the voting rights of the shares that exceed the prescribed proportion within 36 months after purchasing such shares, and such shares shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</u></p>	<p>The provision on the restriction on exercise of voting rights in respect of shares held in excess of the prescribed proportion in violation of the provisions of the Securities Law of the People's Republic of China is made in the Articles of Association in accordance with Article 79 of the Guidelines for the Articles of Association and Article 31 of the Rules for the General Meetings.</p>

Existing Article	Amended Article	Reason for amendments
<p>Subject to laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed, and these Articles of Association, the Board of the Company, independent non- executive directors shareholders holding more than 1% shares with voting rights or investor protection institutions established in accordance with laws, administrative regulations and requirements specified by CSRC, as convenors, can publicly require shareholders of the Company, either by themselves or by entrusting securities firms, securities service institutions, to engage them as proxies to attend the general meetings and exercise shareholders' rights including the right of making motion and the voting right.</p> <p>For the collection of rights from shareholders in accordance with requirements set out in the paragraph above, the convenors shall disclose relevant documents, and the Company shall cooperate in this regard. No consideration or other form of de facto consideration shall be involved in the open collection of rights from shareholders. Any open collection of rights from shareholders in violation of laws, administrative regulations or relevant requirements specified by CSRC, which results in losses of the Company or other shareholders, shall be liable for compensation in accordance with laws.</p>	<p>Subject to laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed, and these Articles of Association, the Board of the Company, independent non- executive directors shareholders holding more than 1% shares with voting rights or investor protection institutions established in accordance with laws, administrative regulations and requirements specified by CSRC, as convenors, can publicly require shareholders of the Company, either by themselves or by entrusting securities firms, securities service institutions, to engage them as proxies to attend the general meetings and exercise shareholders' rights including the right of making motion and the voting right.</p> <p>For the collection of rights from shareholders in accordance with requirements set out in the paragraph above, the convenors shall disclose relevant documents, and the Company shall cooperate in this regard. No consideration or other form of de facto consideration shall be involved in the open collection of rights from shareholders. Any open collection of rights from shareholders in violation of laws, administrative regulations or relevant requirements specified by CSRC, which results in losses of the Company or other shareholders, shall be liable for compensation in accordance with laws.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 121 Election of directors and supervisors shall meet the following requirements:</p> <p>(I) the list of candidates for director and supervisor shall be proposed to the general meeting for voting.</p> <p>(II) the Board may nominate the candidates for directors to the general meeting; the Supervisory Committee may nominate the candidates for supervisors elected by the general meeting to the general meeting; shareholder(s) individually or in aggregate holding 3% or more of the total shares of the Company may nominate the candidates for directors to a general meeting, as well as the candidates for supervisors to be elected by a general meeting; employee representative supervisors shall be elected by an employees' representative assembly, employee meeting or otherwise democratically.</p> <p>(III) before a general meeting is held, the Board, the Supervisory Committee shall disclose the detailed information about the director and supervisor candidate(s) by announcement.</p> <p>(IV) persons who intend to nominate an independent non-executive director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an independent non-executive director. The nominee as an independent non-executive director candidate shall make a public statement <u>that he/she has no relationship with the Company that may affect his/her independent and objective judgment.</u> The Board of Directors of the Company shall make the abovementioned public contention regarding the candidate for independent non-executive director prior to the general meeting at which the independent non-executive director is elected.</p>	<p>Article 121 Election of directors and supervisors shall meet the following requirements:</p> <p>(I) the list of candidates for director and supervisor shall be proposed to the general meeting for voting.</p> <p>(II) the Board may nominate the candidates for directors <u>elected by the general meeting</u> to the general meeting; the Supervisory Committee may nominate the candidates for supervisors elected by the general meeting to the general meeting; shareholder(s) individually or in aggregate holding 3% or more of the total shares of the Company may nominate the candidates for directors <u>elected by the general meeting</u> to a general meeting, as well as the candidates for supervisors to be elected by a general meeting; employee representative <u>directors and</u> supervisors shall be elected by an employees' representative assembly, employee meeting or otherwise democratically.</p> <p>(III) <u>the Board, the Supervisory Committee or shareholders individually or collectively holding more than 1% of the issued shares of the Company may nominate candidates for independent non-executive directors, who shall be elected and determined at the general meeting. An investors protection organization established according to law may publicly request shareholders to entrust it to exercise the rights of nominating independent non-executive directors on their behalf. The above nominators shall not nominate any person who has an interest or any other close associate that may affect the independent performance of their duties as candidates for independent non-executive directors.</u></p> <p>(IV) before a general meeting is held, the Board, the Supervisory Committee shall disclose the detailed information about the director and supervisor candidate(s) by announcement.</p>	<p>The provision on the nomination rights of independent directors is incorporated into the Articles of Association, and the requirements for independent director nominators to review nominees and content of nominees' public statements are amended in accordance with Article 9 of the Administrative Measures for Independent Directors of Listed Companies (the "Administrative Measures for Independent Directors").</p> <p>The statement that the shareholdings of controlling shareholders trigger cumulative voting system is further improved in accordance with Article 82 of the Guidelines for the Articles of Association and Article 32 of the Rules for the General Meetings.</p> <p>The provision that the cumulative voting system shall be adopted for the election of two or more independent directors is incorporated in the Articles of Association in accordance with Article 12 of the Administrative Measures for Independent Directors.</p>

Existing Article	Amended Article	Reason for amendments
<p>(V) when voting on the election of directors and supervisors at a general meeting, cumulative voting system in accordance with requirements of these Articles of Association or resolutions of general meeting may be adopted. Cumulative voting system shall be adopted <u>where the shareholding ratio of the controlling shareholder of the Company is 30% or more</u> and the general meeting votes on the election of more than two directors or supervisors (not being employee representative). The cumulative voting means that every share shall, on the occasion of electing directors or supervisors at the general meeting, have the same voting rights with that of the candidate directors or supervisors and the voting rights possessed by the shareholders may be exercised uniformly.</p> <p>(VI) if the proposal with respect to election of directors or supervisors is approved at the general meeting, unless otherwise resolved by the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the general meeting are approved (where the qualification for office of such new director or supervisor is not approved by the relevant securities regulatory authorities, his or her term of office shall commence no earlier than the time when he or she is qualified).</p>	<p>(V) persons who intend to nominate an independent non-executive director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee’s general information such as profession, educational background, professional title, detailed working experience, and all other posts he or she concurrently holds <u>and whether there is a major breach of trust and other adverse records</u>, and give opinion on the nominee’s qualifications and the independence required as an independent non-executive director. The nominee as an independent non-executive director candidate shall make a public statement <u>on his/her satisfaction with independence and other conditions for serving as an independent non-executive director</u>. The Board of Directors of the Company shall make the abovementioned public contention regarding the candidate for independent non-executive director prior to the general meeting at which the independent non-executive director is elected.</p>	

Existing Article	Amended Article	Reason for amendments
	<p>(VI) when voting on the election of directors and supervisors at a general meeting, cumulative voting system in accordance with requirements of these Articles of Association or resolutions of general meeting may be adopted. Cumulative voting system shall be adopted <u>if a single shareholder and parties acting in concert with him/her hold equity interests exceeding 30% or more</u>, and the general meeting votes on the election of more than two directors <u>(not being employee representative)</u> or supervisors (not being employee representative). <u>To elect two or more independent non-executive directors, cumulative voting system shall be adopted at the general meeting.</u> The cumulative voting means that every share shall, on the occasion of electing directors or supervisors at the general meeting, have the same voting rights with that of the candidate directors or supervisors and the voting rights possessed by the shareholders may be exercised uniformly.</p> <p>(VII) if the proposal with respect to election of directors or supervisors is approved at the general meeting, unless otherwise resolved by the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the general meeting are approved (where the qualification for office of such new director or supervisor is not approved by the relevant securities regulatory authorities, his or her term of office shall commence no earlier than the time when he or she is qualified).</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 145 The directors shall be elected or replaced at the general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for reelection and re-appointment.</p> <p>While observing relevant laws and administrative regulations, Shareholders may remove any director whose term does not expire from his/her position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) in the general meeting.</p> <p>The shortest period before the notice of the proposal to elect a person as the director sent to the Company and the notice on the person's intent to accept the election sent to the Company shall be at least seven days.</p> <p>The period of submitting the aforesaid notices shall start being calculated after the Company distributes the notices of the election, and such period shall not end seven days (or less) before the date of the meeting.</p> <p>The term of office of a director shall be calculated from the date upon which the director assumes office to the expiry of the current Board. If the term of office of a director expires but reelection is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and Articles of Association until a new director is elected.</p> <p>A director's post may be assumed by the general manager or other senior management personnel, but the sum of the total number of directors who also assume the duties of the president or other senior management personnel shall not exceed one half of the total number of directors of the Company. No employee representatives are to be appointed as directors by the Board of Directors.</p> <p>Directors are not required to hold shares of the Company.</p>	<p>Article 145 The directors shall be elected or replaced at the general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for reelection and re-appointment, <u>but the independent non-executive directors shall not serve more than six consecutive years.</u></p> <p>While observing relevant laws and administrative regulations, Shareholders may remove any director whose term does not expire from his/her position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) in the general meeting.</p> <p>The term of office of a director shall be calculated from the date upon which the director assumes office to the expiry of the current Board. If the term of office of a director expires but reelection is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and Articles of Association until a new director is elected.</p> <p>A director's post may be assumed by the general manager or other senior management personnel, but the sum of the total number of directors who also assume the duties of the president or other senior management personnel shall not exceed one half of the total number of directors of the Company.</p> <p>Directors are not required to hold shares of the Company.</p>	<p>The provision on the term of office of independent directors is added in accordance with Article 13 of the Administrative Measures for Independent Directors.</p> <p>According to the amendments to the Hong Kong Listing Rules, original paragraphs 3 and 4 of this article are deleted in view of the deletion of the provisions of Rules 4(4) and (5) of Appendix A1 of the original Hong Kong Listing Rules.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 154 The Company's Board of Directors shall include independent non-executive directors. There shall be no less than three independent non-executive directors and they shall constitute no less than one-third (1/3) of the Board of Directors. At least one independent non-executive director shall <u>possess the appropriate professional qualifications or have appropriate accounting or related financial management expertise</u> and one independent non-executive director shall reside in Hong Kong.</p> <p>Apart from the qualifications and obligations of directors provided in the relevant provisions in Section 1 of this Chapter, an independent non-executive director shall also meet the following requirements:</p> <p>(I) shall have the time and capacity necessary for the performance of his/her duties;</p> <p>(II) shall meet the independence provisions as required by the securities regulatory authorities and the stock exchanges of the place where the Company's shares are listed.</p>	<p>Article 154 The Company's Board of Directors shall include independent non- executive directors. There shall be no less than three independent non-executive directors and they shall constitute no less than one-third (1/3) of the Board of Directors. At least one independent non-executive director shall <u>be an accounting professional</u> and one independent non-executive director shall reside in Hong Kong.</p> <p><u>Independent non-executive directors shall maintain their independence in accordance with the law.</u> Apart from the qualifications and obligations of directors provided in the relevant provisions in Section 1 of this Chapter, an independent non-executive director shall also meet the following requirements:</p> <p><u>(I) shall have the qualifications to hold the position of director in listed companies in accordance with laws, administrative regulations and other relevant regulations;</u></p> <p>(II) shall have the time and capacity necessary for the performance of his/her duties;</p> <p>(III) shall meet the independence provisions as required by the securities regulatory authorities and the stock exchanges of the place where the Company's shares are listed;</p> <p><u>(IV) shall possess the basic knowledge on the operation of listed companies, and shall be familiar with the relevant laws and regulations;</u></p> <p><u>(V) shall have over five years of experience in law, accounting, economy or other experiences necessary for serving as an independent non-executive director;</u></p> <p><u>(VI) shall possess good personal integrity and have no adverse records such as material breach of trust;</u></p> <p><u>(VII) other conditions stipulated by the laws, administrative regulations, regulatory requirements of the place(s) where the Company's shares are listed and the Articles of Association.</u></p>	<p>The provision on the qualification of independent directors is made in accordance with Article 7 of the Administrative Measures for Independent Directors regarding the qualification of independent directors.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 157 The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p> <p>(III) to resolve on the Company's business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate the adjustment plan on profit distribution policy;</p> <p>(VII) to prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the Listing;</p> <p>(VIII) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company;</p> <p>(IX) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-off, disposal of non-performing assets, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;</p> <p>(X) to resolve on the establishment of internal management organizations and branches of the Company;</p> <p>(XI) to appoint or dismiss the Company's general manager, the deputy general manager, a member of the Executive Committee, chief financial officer, the secretary to the Board and other senior management members of the Company; and determine their remunerations and rewards and penalties;</p>	<p>Article 157 The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p> <p>(III) to resolve on the Company's business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate the adjustment plan on profit distribution policy;</p> <p>(VII) to prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the Listing;</p> <p>(VIII) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company;</p> <p>(IX) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-off, disposal of non-performing assets, consigned financial management, connected transactions, <u>external donations</u>, etc. of the Company within the authority granted by the general meeting;</p> <p>(X) to resolve on the establishment of internal management organizations and branches of the Company;</p> <p>(XI) <u>to resolve on appointment or dismissal of</u> to appoint or dismiss the Company's general manager, the deputy general manager, a member of the Executive Committee, chief financial officer, the secretary to the Board and other senior management members of the Company; and determine their remunerations and rewards and penalties;</p>	<p>The description of functions and powers of the Board regarding determining relevant matters within the scope of authorization by the general meeting was improved in accordance with Article 107 of the Guidelines for the Articles of Association and based on the actual corporate governance.</p>

Existing Article	Amended Article	Reason for amendments
<p>(XII) to set up the basic management system of the Company;</p> <p>(XIII) to formulate the proposals for any amendment to these Articles of Association;</p> <p>(XIV) to formulate the share incentive scheme;</p> <p>(XV) to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting;</p> <p>(XVI) to manage the disclosure of information by the Company;</p> <p>(XVII) to propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company;</p> <p>(XVIII) to listen to the work report of the Executive Committee of the Company and examine the Executive Committee's work;</p> <p>(XIX) to review major risk management policies such as risk appetite;</p> <p>(XX) to exercise other functions and powers as conferred by laws, administrative regulations, departmental rules, listing rules at the place(s) where the Company's shares are listed or these Articles of Association.</p> <p>Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for decision.</p>	<p>(XII) to set up the basic management system of the Company;</p> <p>(XIII) to formulate the proposals for any amendment to these Articles of Association;</p> <p>(XIV) to formulate the share incentive scheme;</p> <p>(XV) to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting;</p> <p>(XVI) to manage the disclosure of information by the Company;</p> <p>(XVII) to propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company;</p> <p>(XVIII) to listen to the work report of the Executive Committee of the Company and examine the Executive Committee's work;</p> <p>(XIX) to review major risk management policies such as risk appetite;</p> <p>(XX) to exercise other functions and powers as conferred by laws, administrative regulations, departmental rules, listing rules at the place(s) where the Company's shares are listed or these Articles of Association.</p> <p>Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for decision.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Unless otherwise provided by the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors. However, the board resolutions regarding the above items (VII), (VIII), (XIII), and important matters (including: increase or reduction of the registered capital of the Company; demerger, merger, dissolution, liquidation or change in the form of the Company; any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company; repurchase of the Company’s shares; external guarantee; any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution by the Board of Directors, will have a material impact on the Company and need be adopted by way of special resolutions) shall be passed by two-thirds or more of all directors.</p> <p>The opinions of the Party Committee shall be heard before the Board of Directors decides on material issues of the Company.</p> <p>Where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets already disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the balance sheet most recently considered at the general meeting, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval at the general meeting. The term “fixed assets disposal” referred to in this Article includes transferring certain interests in assets, but excludes provision of guarantees by way of fixed assets.</p> <p>The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.</p>	<p>Unless otherwise provided by the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors. However, the board resolutions regarding the above items (VII), (VIII), (XIII), and important matters (including: increase or reduction of the registered capital of the Company; demerger, merger, dissolution, liquidation or change in the form of the Company; any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company; repurchase of the Company’s shares; external guarantee; any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution by the Board of Directors, will have a material impact on the Company and need be adopted by way of special resolutions) shall be passed by two-thirds or more of all directors.</p> <p>The opinions of the Party Committee shall be heard before the Board of Directors decides on material issues of the Company.</p> <p>Where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets already disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the balance sheet most recently considered at the general meeting, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval at the general meeting. The term “fixed assets disposal” referred to in this Article includes transferring certain interests in assets, but excludes provision of guarantees by way of fixed assets.</p> <p>The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 160 The Board shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, consigned financial management and connected transactions, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.</p>	<p>Article 160 The Board shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, consigned financial management and connected transactions, <u>external donations</u>, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.</p>	<p>The description that the Board of Directors shall determine the authorisations on relevant significant events and establish stringent review and decision-making procedures was improved in accordance with Article 110 of the Guidelines for the Articles of Association.</p>
<p>Article 180 The qualifications of general manager and other senior management shall comply with the provisions of relevant laws and regulations and the Articles of Association.</p> <p>The requirements as specified in Article 144 are applicable to the senior management.</p> <p>The obligations of a director as stated in Article 146 hereof regarding fiduciary duties and in (IV) to (VI) of Article 147 hereof regarding obligations of diligence shall also be applicable to senior management.</p> <p>Staff of the controlling shareholders and the actual controllers of the Company who serve positions other than directors of the controlling shareholders and the actual controllers shall not serve as senior management of the Company.</p>	<p>Article 180 The qualifications of general manager and other senior management shall comply with the provisions of relevant laws and regulations and the Articles of Association.</p> <p>The requirements as specified in Article 144 are applicable to the senior management.</p> <p>The obligations of a director as stated in Article 146 hereof regarding fiduciary duties and in (IV) to (VI) of Article 147 hereof regarding obligations of diligence shall also be applicable to senior management.</p> <p>Staff of the controlling shareholders and the actual controllers of the Company who serve <u>aministrative</u> positions other than directors <u>or supervisors</u> of the controlling shareholders and the actual controllers shall not serve as senior management of the Company.</p> <p><u>The remuneration of the Company's senior managements shall be paid by the Company rather than controlling shareholders.</u></p>	<p>Relevant description in this article was amended and specified that senior management of the Company shall only receive remuneration from the Company in accordance with Article 126 of the Guidelines for the Articles of Association.</p>
<p>Article 187 <u>If a senior management violates any laws, administrative regulations, departmental rules or regulations and the provisions stipulated in these Articles of Association in the course of performing his/her duties of the Company and subsequently causes losses to the Company, he/she shall be liable for compensation.</u></p>	<p>Article 187 <u>If senior managements of the Company should faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for the compensation in accordance with the laws.</u></p>	<p>The description was improved in accordance with Article 135 of the Guidelines for the Articles of Association.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 229 After the profit distribution plan has been resolved at the general meeting, the Board of Directors of the Company shall complete the dividend (or share) distribution within two months after the holding of the general meeting.</p> <p>Any amount paid up in advance of calls on any shares may bear interest. The holders of the prepaid shares are not entitled to dividends subsequently declared.</p> <p>Subject to the relevant laws, regulations, rules and regulatory documents, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.</p> <p>The Company has the power to cease sending dividend warrants by post to a holder of overseas listed foreign shares, but may exercise such power only if such warrants fail to be redeemed for two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.</p> <p>In relation to the exercise of right to issue warrants to bearer holder, no new warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed.</p> <p>In accordance with applicable laws and regulations, the Company has the power to sell by a method deemed fit by the Board the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:-</p> <p>(I) the Company has distributed dividends on such shares for at least three times in 12 years, and dividends are not claimed by anybody during the period;-</p> <p>(II) upon expiration of the 12 year period, the Company makes an announcement of its intention to sell such shares in one or more newspapers, and notify the local securities regulatory authority, at the place where the stock of the Company is listed.-</p>	<p>Article 229 <u>After the profit distribution plan has been resolved at the general meeting, or upon the Board of Directors formulated the specific plan based on the interim dividend distribution condition and cap of the next year as considered and approved at the annual general meeting, the dividend (or share) distribution shall be completed within two months.</u></p>	<p>The time limit of share distribution was amended in accordance with Article 155 of the Guidelines for the Articles of Association; and in accordance with the amendments to the Hong Kong Listing Rules, no further provisions would be made in the Articles of Association regarding relevant matters on dividend warrants distribution and forfeit.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 230 For the distribution of profits, the Company shall pay attention to the reasonable return of investors and give consideration to the sustainable growth of the Company. On the basis of profitable operation by the Company and monitoring maintained on net capital required by business development of the Company, the profit distribution policy of the Company shall maintain a certain level of continuity and stability.</p> <p>The Company may distribute dividends in cash, stock or by the combination of cash and stock. When the Company has no any material investment plans or any material cash expenditures, provided the funds requirements for normal operation of the Company has been satisfied, the dividend distribution policy of cash dividend payment shall be adopted by the Company in preference. In any three consecutive years, the aggregate profits distributed by the Company in cash shall not be less than 30% of the annual distributable profits for such three years. Subject to the satisfaction by the Company of the percentage of the above cash dividend distribution, the Company may distribute profits by issuing bonus shares.</p> <p><u>The Company generally makes annual profit distribution. The Board of Directors of the Company may recommend the Company to pay interim dividend distribution based on the business operation performance of the Company.</u></p>	<p>Article 230 For the distribution of profits, the Company shall pay attention to the reasonable return of investors and give consideration to the sustainable growth of the Company. On the basis of profitable operation by the Company and monitoring maintained on net capital required by business development of the Company, the profit distribution policy of the Company shall maintain a certain level of continuity and stability.</p> <p>The Company may distribute dividends in cash, stock or by the combination of cash and stock. When the Company has no any material investment plans or any material cash expenditures, provided the funds requirements for normal operation of the Company has been satisfied, the dividend distribution policy of cash dividend payment shall be adopted by the Company in preference. In any three consecutive years, the aggregate profits distributed by the Company in cash shall not be less than 30% of the annual distributable profits for such three years. Subject to the satisfaction by the Company of the percentage of the above cash dividend distribution, the Company may distribute profits by issuing bonus shares.</p> <p><u>When the Company holds an annual general meeting to consider the annual profit distribution plan, it may consider and approve the conditions, the cap of the proportion and the cap of the interim cash dividend of the next year. The cap of the interim dividend of the next year considered at the annual general meeting shall not exceed the net profit attributable to the shareholders of the listed company during the corresponding period. The Board of Directors of the Company shall formulate a specific interim dividend distribution plan based on the resolution of the general meeting and on the condition of satisfying the profit distribution.</u></p>	<p>The interim dividend distribution procedures were simplified and relevant description was improved in accordance with Article 7 of the Guidelines No. 3 on the Supervision of Listed Companies — Distribution of Cash Dividends by Listed Companies.</p>

Existing Article	Amended Article	Reason for amendments
<p>The Board of the Company shall take into comprehensive consideration of factors such as industry characteristics, the Company's phase of the development stage, its own business operation mode, profitability level, as well as any potential substantial capital expenditure arrangement, and formulate specific cash dividend distribution policy applicable to the following situations:</p> <p>(I) Where the Company is in a maturity phase of the development stage with no substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 80% of the total profits distributed when carrying out profits distribution;</p> <p>(II) Where the Company is in a maturity phase of the development stage with substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 40% of the total profits distributed when carrying out profits distribution;</p> <p>(III) Where the Company is in a growth phase of the development stage with substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 20% of the total profits distributed when carrying out profits distribution;</p> <p>Where the phase of the development stage of the Company is difficult to define but Company has substantial capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.</p>	<p>The Board of the Company shall take into comprehensive consideration of factors such as industry characteristics, the Company's phase of the development stage, its own business operation mode, profitability level, <u>debt repayment ability</u>, as well as any potential substantial capital expenditure arrangement <u>as well as investors' returns</u>, and formulate specific cash dividend distribution policy applicable to the following situations:</p> <p>(I) Where the Company is in a maturity phase of the development stage with no substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 80% of the total profits distributed when carrying out profits distribution;</p> <p>(II) Where the Company is in a maturity phase of the development stage with substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 40% of the total profits distributed when carrying out profits distribution;</p> <p>(III) Where the Company is in a growth phase of the development stage with substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 20% of the total profits distributed when carrying out profits distribution;</p> <p>Where the phase of the development stage of the Company is difficult to define but Company has substantial capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.</p>	

Existing Article	Amended Article	Reason for amendments
<p>Article 231 Where the Company needs to adjust its existing profit distribution policy in light of business operations, investment plans and the requirement of long-term development of the Company, the adjusted profit distribution policy shall not violate relevant requirements of the CSRC and the Shenzhen Stock Exchanges. The proposal on the adjustment to the profit distribution policy shall be deliberated by the Board of Directors before it is submitted to the general meeting for consideration.</p> <p>When the Company formulates its cash dividend distribution plan, the Board of Directors shall carefully study the matters concerning the Company's cash dividend distribution, including intervals, conditions, the minimum payout ratio, conditions for adjustment and the decision-making procedures. Independent non-executive directors <u>shall</u> express their specific opinion thereon. Before any specific cash dividend distribution plan is deliberated at a general meeting for consideration, the Company shall sufficiently listen to the comments from the minority shareholders.</p>	<p>Article 231 Where the Company needs to adjust its existing profit distribution policy in light of business operations, investment plans and the requirement of long-term development of the Company, the adjusted profit distribution policy shall not violate relevant requirements of the CSRC and the Shenzhen Stock Exchanges. The proposal on the adjustment to the profit distribution policy shall be deliberated by the Board of Directors before it is submitted to the general meeting for consideration.</p> <p>When the Company formulates its cash dividend distribution plan, the Board of Directors shall carefully study the matters concerning the Company's cash dividend distribution, including intervals, conditions, the minimum payout ratio, conditions for adjustment and the decision-making procedures. Independent non-executive directors <u>are entitled to</u> express their specific opinion thereon <u>when they are of the opinion that the specific cash dividend distribution plan may damage the interests of the listed company or minority shareholders</u>. Before any specific cash dividend distribution plan is deliberated at a general meeting for consideration, the Company shall sufficiently listen to the comments from the minority shareholders.</p>	<p>The compulsory requirements that independent directors shall express opinions were deleted in accordance with Article 6 of the Guidelines No. 3 on the Supervision of Listed Companies — Distribution of Cash Dividends by Listed Companies.</p>
<p>Article 242 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined at the general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.</p>	<p>Article 242 The remuneration of an accounting firm shall be determined at the general meeting.</p>	<p>Amended in accordance with Article 17 of Appendix A1 of the Hong Kong Listing Rules.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 243 Where the Company dismisses or ceases to re-appoint an accounting firm, a thirty-day prior notice shall be given to the accounting firm, and the accounting firm shall have the right to state its opinions at the general meeting where a voting process concerning the dismissal of such accounting firm is carried out.</p> <p>Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any improper situations existed in the Company.</p> <p>An accounting firm may resign its office by depositing a written resignation notice at the Company's legal address. 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 statements:</p> <p>(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;</p> <p>(II) A statement of any such circumstances.</p> <p>Where a notice is deposited as mentioned in the above, the Company shall within fourteen days send a copy of the notice to the relevant governing authority. If the notice contains a statement under clause (ii) of the preceding Article, a copy of such statement shall be placed at the Company for the inspection of shareholders. Unless otherwise stated in the Articles of Association, the Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign invested Shares at the address registered in the register of shareholders.</p> <p>Where the accountant firm's notice of resignation contains a statement of any circumstance which should be brought to the notice of the shareholders or creditors of the Company, it may require the Board to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.</p>	<p>Article 243 Where the Company dismisses or ceases to re-appoint an accounting firm, a thirty-day prior notice shall be given to the accounting firm, and the accounting firm shall have the right to state its opinions at the general meeting where a voting process concerning the dismissal of such accounting firm is carried out.</p> <p>Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any improper situations existed in the Company.</p>	<p>According to the amendments to the Hong Kong Listing Rules and based on the actual corporate governance, no further provisions would be made in the Articles of Association regarding the delivery, display, explanation of resignation letter in written of the accountant.</p>

Existing Article	Amended Article	Reason for amendments
<p>Article 260 Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.</p> <p>The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in the newspapers designated for information disclosure by the Articles of Association within 30 days from the date of such resolution. A creditor has the right, within 30 days of receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debts.</p>	<p>Article 260 Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.</p> <p>The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in the newspapers designated for information disclosure by the Articles of Association within 30 days from the date of such resolution. A creditor has the right, within 30 days of receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debts.</p> <p><u>The registered capital of the Company after capital decrease shall not less than the statutory minimum.</u></p>	<p>Added in accordance with Article 177 of the Guidelines for the Articles of Association.</p>
<p>Article 283 Definitions</p> <p>(I) A “Controlling Shareholder” <u>shall refer to the shareholders satisfying any of the following conditions:</u></p> <p><u>1. holding shares representing more than 30% of the total capital of the Company when acting alone or together with others; exercising more than 30% of the voting rights in the Company or controlling the exercise of more than 30% of the voting rights in the Company when acting alone or together with others; holding less than 30% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a general meeting;</u></p> <p><u>2. may decide more than half of the candidates for the directors when acting alone or together with others;</u></p> <p><u>3. may actually control the Company in any other manner when acting alone or together with others.</u></p>	<p>Article 283 Definitions</p> <p>(I) A “Controlling Shareholder” <u>shall refer to the shareholder whose ordinary shares (including the preferred shares with restored voting rights) account for more than fifty percent of the total share capital of the Company; and the shareholder who holds less than fifty percent of the shares, but whose voting rights are sufficient to have a significant impact on the resolution of the general meeting according to the shares he/she holds. The person who was defined as the controlling shareholder according to the listing rules of the place where the Company’s shares are listed, shall be abide by any requirements regarding the controlling shareholder of the listing rules of the place where the Company’s shares are listed.</u></p>	<p>Amended in accordance with Article 193 of the Guidelines for the Articles of Association and based on the actual condition of the Company.</p>

Existing Article	Amended Article	Reason for amendments
<p>(II) The “de facto controller” refers to the person who is not a shareholder of the Company but could actually control the acts of the Company through investments, agreements or other arrangements.</p> <p>(III) The “associated relationship” refers to the relationship between the Company and its Controlling Shareholders, de facto controllers, directors, supervisors, senior management members or enterprises directly or indirectly controlled by them or under common control, as well as other relationships which may possibly cause the transfer of the Company’s interests. However, enterprises owned by the state will not be regarded as having associated relationships among themselves because they are owned by the state.</p> <p>(IV) The “general manager” stated herein has the same meaning as the “manager” in Company Law.</p>	<p>(II) The “de facto controller” refers to the person who is not a shareholder of the Company but could actually control the acts of the Company through investments, agreements or other arrangements.</p> <p>(III) The “associated relationship” refers to the relationship between the Company and its Controlling Shareholders, de facto controllers, directors, supervisors, senior management members or enterprises directly or indirectly controlled by them or under common control, as well as other relationships which may possibly cause the transfer of the Company’s interests. However, enterprises owned by the state will not be regarded as having associated relationships among themselves because they are owned by the state.</p> <p>(IV) The “general manager” stated herein has the same meaning as the “manager” in Company Law.</p>	

COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE
OF THE GENERAL MEETING

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>Article 10 Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/ themselves, it/they shall notify the Board in writing and file with the local office of the CSRC and the stock exchange at the place where the Company is located.</p> <p>The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced.</p> <p>The Board of Supervisors and the shareholder(s) convening the meeting shall, when the notice of the general meeting is issued and the resolution of general meeting is announced, submit relevant evidential documents to the local office of the CSRC and the stock exchange in the place where the Company is located.</p>	<p>Article 10 Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/ themselves, it/they shall notify the Board in writing and file with the stock exchange.</p> <p>The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced.</p> <p>The Board of Supervisors or the shareholder(s) convening the meeting shall, when the notice of the general meeting is issued and the resolution of general meeting is announced, submit relevant evidential documents to the stock exchange.</p>	<p>Amended in accordance with Article 10 of the Rules for the General Meetings of Listed Companies and Article 50 of the Guidelines for the Articles of Association of Listed Companies.</p>
<p>Article 12 For a general meeting convened by the Supervisory Committee or the shareholders on their own in accordance with the provisions of the Rules, the expenses necessary for the meeting shall be borne by the Company, and shall be deducted from the amount owed by the Company to the defaulting director.</p>	<p>Article 12 For a general meeting convened by the Supervisory Committee or the shareholders on their own in accordance with the provisions of the Rules, the expenses necessary for the meeting shall be borne by the Company.</p>	<p>Amended in accordance with Article 12 of the Rules for the General Meetings of Listed Companies and Article 52 of the Guidelines for the Articles of Association of Listed Companies.</p>
<p>Article 16 A notice of general meeting shall be made in writing and include the following contents:</p> <p>(I) specify the time and date, place and duration of the meeting;</p> <p>(II) state the businesses and motions to be considered at the meeting;</p> <p>(III) provide such information and explanation as are necessary for the</p>	<p>Article 16 A notice of general meeting shall be made in writing and include the following contents:</p> <p>(I) specify the time and date, place and duration of the meeting;</p> <p>(II) state the businesses and motions to be considered at the meeting;</p> <p>(III) provide such information and explanation as are necessary for the</p>	<p>Amended in accordance with Article 21 of the Rules for the General Meetings of Listed Companies and Article 56 of the Guidelines for the Articles of Association of Listed Companies.</p>

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>shareholders to make an informed decision on the matters to be discussed. Without limiting the generality of the foregoing, where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and conditions of the contract, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained;</p> <p>(IV) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, general manager and other senior management in the matters to be discussed, and an explanation on the difference in the effect which the matters to be discussed will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;</p> <p>(V) contain the full text of any special resolution to be proposed at the meeting;</p> <p>(VI) specify the date and place for the delivery of proxy form for use at the meeting;</p> <p>(VII) contain a conspicuous statement that all shareholders registered at the date of share registration are entitled to attend the general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;</p> <p>(VIII) specify the record date for determining the shareholders who are entitled to attend the general meeting;</p>	<p>shareholders to make an informed decision on the matters to be discussed. Without limiting the generality of the foregoing, where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and conditions of the contract, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained;</p> <p>(IV) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, general manager and other senior management in the matters to be discussed, and an explanation on the difference in the effect which the matters to be discussed will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;</p> <p>(V) contain the full text of any special resolution to be proposed at the meeting;</p> <p>(VI) specify the date and place for the delivery of proxy form for use at the meeting;</p> <p>(VII) contain a conspicuous statement that all shareholders registered at the date of share registration are entitled to attend the general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;</p> <p>(VIII) specify the record date for determining the shareholders who are entitled to attend the general meeting;</p>	

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>(IX) state the names and telephone numbers of the standing contact persons for the meeting;</p> <p>(X) laws, administrative regulations, the Articles of Association and the relevant regulations of the securities regulatory authorities in the place where the Company's shares are listed.</p> <p>If a general meeting is held online, the designated time and procedure for voting online and the method to confirm the identity of such shareholders shall be expressly stated in the notice of such meeting.</p> <p>The interval between the shareholding record date and the date of the meeting shall not be more than seven working days. The shareholding record date shall not be changed once confirmed.</p>	<p>(IX) state the names and telephone numbers of the standing contact persons for the meeting;</p> <p>(X) <u>the time and procedure for voting via the Internet or other means;</u></p> <p>(XI) laws, administrative regulations, the Articles of Association and the relevant regulations of the securities regulatory authorities in the place where the Company's shares are listed.</p> <p>The interval between the shareholding record date and the date of the meeting shall not be more than seven working days. The shareholding record date shall not be changed once confirmed.</p>	
<p>Article 23 The Company shall convene a general meeting at the place determined in the notice of the general meeting.</p> <p>The general meeting will set up a venue and be convened in the form of an on-site meeting. The Company will also, in accordance with the laws, administrative regulations, the Articles of Association and the regulations of the securities regulatory authorities of the place where the Company's shares are listed, adopt safe, economical and convenient online means to facilitate shareholders' participation in the general meeting, where technically feasible. Shareholders participating in a general meeting via the Internet shall be deemed to be present at the meeting and their identity as shareholders shall be confirmed by the system of the Stock Exchange or the Internet voting system.</p>	<p>Article 23 The Company shall convene a general meeting at the place determined in the notice of the general meeting.</p> <p>The general meeting will set up a venue and be convened in the form of an on-site meeting. The Company will also, in accordance with the laws, administrative regulations, the Articles of Association and the regulations of the securities regulatory authorities of the place where the Company's shares are listed, adopt safe, economical and convenient online <u>and other means</u> to facilitate shareholders' participation in the general meeting, where technically feasible. Shareholders participating in a general meeting <u>by the above means</u> shall be deemed to be present at the meeting.</p>	<p>Amended in accordance with Article 20 of the Rules for the General Meetings of Listed Companies.</p>

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>Article 40 Unless otherwise specified in the Articles of Association, a shareholder (including his/her/its proxy) may exercise voting rights in accordance with the number of shares with voting rights which he/she/it represents, in which case each share shall have one vote.</p> <p>When the general meeting considers major matters that affect the interests of minority investors, the votes by minority investors shall be counted separately if technically feasible. The results of such separate vote counting shall be publicly disclosed in a timely manner.</p> <p>The shares of the Company held by the Company have no voting rights, and are not counted in the total number of shares with voting rights present at the general meeting.</p> <p>Subject to compliance with the laws, administrative regulations, departmental rules, listing rules of the place where the Company is listed and these Articles, the Board of Directors, independent non-executive directors and shareholders of the Company holding more than 1% of shares with voting rights, or investor protection institutions established according to the provisions of the CSRC may, as the soliciting parties, personally or authorize securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the general meeting and exercise the shareholders' rights such as proposal rights and voting rights on behalf of such shareholders.</p> <p>When soliciting shareholders' rights in accordance with the requirements of the preceding paragraph, the soliciting parties shall disclose the</p>	<p>Article 40 Unless otherwise specified in the Articles of Association, a shareholder (including his/her/its proxy) may exercise voting rights in accordance with the number of shares with voting rights which he/she/it represents, in which case each share shall have one vote.</p> <p>When the general meeting considers major matters that affect the interests of minority investors, the votes by minority investors shall be counted separately if technically feasible. The results of such separate vote counting shall be publicly disclosed in a timely manner.</p> <p>The shares of the Company held by the Company have no voting rights, and are not counted in the total number of shares with voting rights present at the general meeting.</p> <p><u>If a shareholder violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law by purchasing shares of the Company with voting rights, the shares exceeding the prescribed proportion shall not exercise voting rights within thirty-six months after the purchase, and shall not be included in the total number of shares with voting rights present at the general meeting.</u></p> <p>Subject to compliance with the laws, administrative regulations, departmental rules, listing rules of the place where the Company is listed and <u>the</u> Articles of Association, the Board of Directors, independent non-executive directors and shareholders of the Company holding more than 1% of shares with voting rights, or investor protection institutions established according to the provisions of the CSRC may, as the soliciting parties, personally or authorize securities company or</p>	<p>Amended in accordance with Article 31 of the Rules for the General Meetings of Listed Companies and Article 79 of the Guidelines for the Articles of Association of Listed Companies.</p>

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>solicitation documents and the Company shall cooperate in this regard. Provision of consideration or de facto consideration is prohibited in soliciting shareholders' voting rights. The soliciting parties shall bear compensation liabilities according to relevant laws for damages caused by violation of laws, administrative regulations or relevant provisions of the CSRC in the process of publicly soliciting shareholders' rights which resulted in losses suffered by the Company or its shareholders.</p>	<p>securities service agency to publicly request the Company's shareholders to authorize them to attend the general meeting and exercise the shareholders' rights such as proposal rights and voting rights on behalf of such shareholders.</p> <p>When soliciting shareholders' rights in accordance with the requirements of the preceding paragraph, the soliciting parties shall disclose the solicitation documents and the Company shall cooperate in this regard. Provision of consideration or de facto consideration is prohibited in soliciting shareholders' voting rights. The soliciting parties shall bear compensation liabilities according to relevant laws for damages caused by violation of laws, administrative regulations or relevant provisions of the CSRC in the process of publicly soliciting shareholders' rights which resulted in losses suffered by the Company or its shareholders.</p>	
<p>Article 46 Election of directors and supervisors shall meet the following requirements:</p> <p>(I) The list of candidates for director and supervisor shall be proposed to the general meeting for voting.</p> <p>(II) Shareholder(s) individually or in aggregate holding 3% or more of the total shares of the Company may nominate the candidates for directors to a general meeting, and the candidates for supervisors shall be elected by a general meeting; employee representative supervisors shall be elected by an employee representatives' meeting.</p> <p>(III) Before a general meeting is held, the Board shall disclose the detailed information about the director and supervisor candidate(s) by</p>	<p>Article 46 Election of directors and supervisors shall meet the following requirements:</p> <p>(I) The list of candidates for director and supervisor shall be proposed to the general meeting for voting.</p> <p>(II) <u>The Board of Directors may nominate candidates for directors to be elected by a general meeting to the general meeting; the Supervisory Committee may nominate candidates for supervisors to be elected by a general meeting to the general meeting;</u> shareholder(s) individually or in aggregate holding 3% or more of the total shares of the Company may nominate the candidates for directors to <u>be elected by a general meeting to the general meeting</u>, and the candidates for supervisors shall be elected by a general meeting;</p>	<p>Amended in accordance with Article 121 of the <u>Articles of Associations</u>, Article 9, Article 10 and Article 12 of the <u>Administrative Measures for Independent Directors of Listed Companies</u>, Article 82 of the <u>Guidelines for the Articles of Association of Listed Companies</u> and Article 32 of the <u>Rules for the General Meetings of Listed Companies</u>.</p>

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>announcement.</p> <p>(IV) Persons who intend to nominate an independent non-executive director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an independent non-executive director. The nominee as an independent non-executive director candidate shall make a public statement that he/she has no relationship with the Company that may affect his/her independent objective judgment. The Board of Directors of the Company shall announce the abovementioned contents regarding the candidate for independent non-executive director prior to the general meeting at which the independent non-executive director is elected.</p> <p>(V) When voting on the election of directors and supervisors at a general meeting, cumulative voting system in accordance with requirements of the Articles of Association or resolutions of general meeting may be adopted. Cumulative voting system shall be adopted where the shareholding ratio of the controlling shareholder of the Company is 30% or more and the general meeting votes on the election of more than two directors or supervisors (being non-employee representatives). The cumulative voting system means that every share shall, on the occasion of electing directors or supervisors at the general meeting, have the same voting rights with that of the</p>	<p>employee representative directors and supervisors shall be elected by an employee representatives' meeting.</p> <p>(III) <u>The Board of Directors, Supervisory Committee, or shareholders individually or in aggregate holding more than 1% of issued shares of the Company may nominate the candidates for independent non-executive directors to be elected at the general meeting. Investor protection institutions established under laws may publicly request the shareholders to authorize them to exercise the right to nominate independent non-executive directors on their behalf. The above mentioned nominator shall not nominate any person with whom he/she has an interest relationship or any other closely related person who may affect the independent performance of his/her duties as a candidate for independent non-executive director.</u></p> <p>(IV) Before a general meeting is held, the Board <u>and the Supervisory Committee</u> shall disclose the detailed information about the director and supervisor candidate(s) by announcement.</p> <p>(V) Persons who intend to nominate an independent non-executive director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience, all other posts he or she concurrently holds <u>and whether having any major breach of good faith and other adverse records</u>, and give opinion on the nominee's qualifications and the independence required as an independent non-executive director.</p>	

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>candidate directors or supervisors and the voting rights possessed by the shareholders may be exercised uniformly.</p> <p>(V) If the proposal with respect to election of directors or supervisors is approved at the general meeting, unless otherwise resolved by the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolution of the general meeting are approved.</p>	<p>The nominee as an independent non-executive director candidate shall make a public statement that <u>he/she meets the independence and other conditions for acting as an independent non-executive director.</u> The Board of Directors of the Company shall announce the abovementioned contents regarding the candidate for independent non-executive director prior to the general meeting at which the independent non-executive director is elected.</p> <p>(VI) When voting on the election of directors and supervisors at a general meeting, cumulative voting system in accordance with requirements of the Articles of Association or resolutions of general meeting may be adopted. Cumulative voting system shall be adopted <u>where the proportion of equity interests owned by a single shareholder and parties acting in concert is 30% or more and the general meeting votes on the election of more than two directors (being non-employee representatives) or supervisors (being non-employee representatives). Cumulative voting system shall be adopted for a general meeting at which two or more independent non-executive directors are elected.</u> The cumulative voting system means that every share shall, on the occasion of electing directors or supervisors at the general meeting, have the same voting rights with that of the candidate directors or supervisors and the voting rights possessed by the shareholders may be exercised uniformly.</p> <p>(VII) If the proposal with respect to election of directors or supervisors is approved at the general meeting, unless otherwise resolved by the general meeting, the term of office of a new director or supervisor shall</p>	

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
	commence on the date on which resolution of the general meeting are approved.	
<p>Article 57 The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p>(I) increase or reduction of the registered capital of the Company, and issuance of any types of shares, warrants and other similar securities by the Company;</p> <p>(II) issuance of corporate bonds;</p> <p>(III) division, merger, dissolution, liquidation or change in the form of the Company;</p> <p>(IV) amendments to the Articles of Association;</p> <p>(V) any purchase or disposal of substantial assets made or guarantee provided by the Company within one year exceeding 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;</p> <p>(VI) repurchase of shares of the Company;</p> <p>(VII) Share Option Incentive Scheme;</p> <p>(VIII) adjustments of the profit distribution policies;</p> <p>(IX) any other matters as required by the laws, administrative regulations, the Articles of Association or the listing rules of places where the Company's shares are listed and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact</p>	<p>Article 57 The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p>(I) increase or reduction of the registered capital of the Company, and issuance of any types of shares, warrants and other similar securities by the Company;</p> <p>(II) issuance of corporate bonds;</p> <p>(III) division, <u>spin-off</u>, merger, dissolution, liquidation or change in the form of the Company;</p> <p>(IV) amendments to the Articles of Association;</p> <p>(V) any purchase or disposal of substantial assets made or guarantee provided by the Company within one year exceeding 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;</p> <p><u>(VI) Share Option Incentive Scheme;</u></p> <p><u>(VII) adjustments of the profit distribution policies;</u></p> <p><u>(VIII) any other matters as required by the laws, administrative regulations, the Articles of Association or the listing rules of places where the Company's shares are listed and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</u></p>	<p>Amended in accordance with Article 78 of the Guidelines for the Articles of Association of Listed Companies</p>

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
on the Company and need be adopted by way of special resolutions.		
<p>Article 61 Minutes of a general meeting shall be kept by the secretary of the Board. The minutes shall state the following contents:</p> <p>.....</p> <p>The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting for a term of not less than 10 years.</p>	<p>Article 61 Minutes of a general meeting shall be kept by the secretary of the Board. The minutes shall state the following contents:</p> <p>.....</p> <p>The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting <u>and by other means</u> for a term of not less than 10 years.</p>	Amended in accordance with Rule 41 of the Rules for the General Meetings of Listed Companies and Article 74 of the Guidelines for the Articles of Association of Listed Companies.
Article 63 If the proposal with respect to election of directors or supervisors is approved at the general meeting, unless otherwise resolved by the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the general meeting are approved (where the qualification for office of such new director or supervisor is not approved by the relevant securities regulatory authorities, his or her term of office shall commence no earlier than the time when he or she is qualified).	Deleted. The serial number of subsequent articles shall be extended accordingly.	Repeated with Article 46 (VII).

Existing Rules of Procedure of the General Meeting	Amendments to the Rules of Procedure of the General Meeting	Explanations
<p>Article 80 The Rules have been considered and approved at the general meeting. From the date of effective of the Rules, the original Rules of Procedure of General Meeting of the Company shall be invalid automatically.</p>	<p>Article 79 The Rules <u>shall become effective from the date of consideration and approval</u> have been considered and approved at the general meeting. From the date of effective of the Rules, the original Rules of Procedure of General Meetings of the Company shall be invalid automatically.</p>	<p>Improved the statements.</p>

COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE
OF THE BOARD OF DIRECTORS

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
<p>Article 1 These rules of procedure (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board, the Special Regulations of the State Council on the Overseas Share Offering and Listing by Joint Stock Limited Liability Companies, the Mandatory Provisions of Articles of Association of Companies to Be Listed Overseas, the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (the “Articles of Association”) and other relevant regulations to further regulate the rules of procedure and decision-making procedures of the Board of Shenwan Hongyuan Group Co., Ltd. (the “Company”), to promote directors and the Board to effectively perform their duties, and to improve the standard operations and scientific decision-making levels of the Board.</p>	<p>Article 1 These rules of procedure (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, <u>the Administrative Measures for Independent Directors of Listed Companies</u>, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board, the Special Regulations of the State Council on the Overseas Share Offering and Listing by Joint Stock Limited Liability Companies, the Mandatory Provisions of Articles of Association of Companies to Be Listed Overseas, the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (the “Articles of Association”) and other relevant regulations to further regulate the rules of procedure and decision-making procedures of the Board of Shenwan Hongyuan Group Co., Ltd. (the “Company”), to promote directors and the Board to effectively perform their duties, and to improve the standard operations and scientific decision-making levels of the Board.</p>	<p>Added the recently promulgated regulatory rules.</p>
<p>Article 2 The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p>	<p>Article 2 The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p>	<p>Amended in accordance with Article 107 of the Guidelines for the Articles of Association of Listed Companies and unified relevant expressions.</p>

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
<p>(III) to resolve on the Company's business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate the adjustment plan on profit distribution policy;</p> <p>(VII) to prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the listing;</p> <p>(VIII) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company;</p> <p>(IX) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-off, disposal of non-performing assets, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;</p> <p>(X) to resolve on the establishment of internal management organizations and branches of the Company;</p> <p>(XI) to appoint or dismiss the Company's general manager, the deputy general manager, member of the Executive Committee, chief financial officer, the secretary to the Board and other senior management members of the Company; and determine their remunerations and rewards and penalties;</p> <p>(XII) to set up the basic management system of the Company;</p>	<p>(III) to resolve on the Company's business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate the adjustment plan on profit distribution policy;</p> <p>(VII) to prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the listing;</p> <p>(VIII) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company;</p> <p>(IX) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-off, disposal of non-performing assets, consigned financial management, connected transactions, <u>external donations</u>, etc. of the Company within the authority granted by the general meeting;</p> <p>(X) to resolve on the establishment of internal management organizations and branches of the Company;</p> <p>(XI) to <u>decide on the appointment or dismissal of</u> the Company's general manager, the deputy general manager, member of the Executive Committee, chief financial officer, the secretary to the Board and other senior management members of the Company; and determine their remunerations and rewards and penalties;</p> <p>(XII) to set up the basic management system of the Company;</p>	

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
<p>(XIII) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(XIV) to formulate the share incentive scheme;</p> <p>(XV) to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting;</p> <p>(XVI) to manage the disclosure of information by the Company;</p> <p>(XVII) to propose to the general meeting the appointment or change of the accounting firm acting as the auditors of the Company;</p> <p>(XVIII) to listen to the work report of the Executive Committee of the Company and examine the Executive Committee's work;</p> <p>(XIX) to review major risk management policies such as risk appetite;</p> <p>(XX) to exercise other functions and powers as conferred by laws, administrative regulations, departmental rules, listing rules at the place(s) where the Company's shares are listed or the Articles of Association.</p> <p>Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.</p> <p>Unless otherwise provided by the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors. However, the Board resolutions regarding the above items (VII), (VIII), (XIII), and important matters (including: increase or reduction of the registered capital of the Company; demerger, merger, dissolution, liquidation or change in the form of the Company; any purchase or disposal of substantial assets made or guarantee provided by the</p>	<p>(XIII) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(XIV) to formulate the share incentive scheme;</p> <p>(XV) to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting;</p> <p>(XVI) to manage the disclosure of information by the Company;</p> <p>(XVII) to propose to the general meeting the appointment or change of the accounting firm acting as the auditors of the Company;</p> <p>(XVIII) to listen to the work report of the Executive Committee of the Company and examine the Executive Committee's work;</p> <p>(XIX) to review major risk management policies such as risk appetite;</p> <p>(XX) to exercise other functions and powers as conferred by laws, administrative regulations, <u>regulatory requirements</u> at the place(s) where the Company's shares are listed or the Articles of Association.</p> <p>Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.</p> <p>Unless otherwise provided by the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors. However, the Board resolutions regarding the above items (VII), (VIII), (XIII), and important matters (including: increase or reduction of the registered capital of the Company; demerger, merger, dissolution, liquidation or change in the form of the Company; any purchase or disposal of substantial assets made or guarantee provided by the</p>	

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
<p>Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company; repurchase of the Company's shares; external guarantee; any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution by the Board of Directors, will have a material impact on the Company and need be adopted by way of special resolutions) shall be passed by two-thirds or more of all directors.</p>	<p>Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company; repurchase of the Company's shares; external guarantee; any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution by the Board of Directors, will have a material impact on the Company and need be adopted by way of special resolutions) shall be passed by two-thirds or more of all directors.</p>	
<p>Article 5 In accordance with the requirements of the laws and regulations and the Articles of Association, independent non-executive directors shall have the following functions and powers:</p> <p>(I) Proposing the convening of meetings of the Board;</p> <p>(II) Engaging auditors or consulting agencies according to the needs for performing of duties;</p> <p>(III) Expressing independent opinions on matters including the compensation schemes and incentive schemes of directors, management members;</p> <p>(IV) Expressing independent opinions on major related party transactions and performing reporting duties to regulatory authorities as required;</p> <p>(V) Other powers as prescribed by laws, regulations, the listing rules of the place where the Company's shares are listed.</p>	<p>Article 5 In accordance with the requirements of the laws and regulations and the Articles of Association, independent non-executive directors shall have the following <u>special</u> functions and powers:</p> <p><u>(I) Independently engaging intermediaries to providing audit, consulting or inspection services for the Company in respect of specific matters;</u></p> <p><u>(II) Proposing the convening of extraordinary general meetings to the Board;</u></p> <p><u>(III) Proposing the convening of meetings of the Board;</u></p> <p><u>(IV) Publicly soliciting rights from shareholders according to law;</u></p> <p><u>(V) Expressing independent opinions on matters that may damage the rights and interests of the Company or its minority shareholders;</u></p> <p><u>(VI) Other functions and powers as prescribed by laws, administrative regulations, the regulatory requirements of the place where the Company's shares are listed and the Articles of Association.</u></p>	<p>Amended according to Article 18 of the Administrative Measures for Independent Directors of Listed Companies.</p>

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
	<p><u>Where an independent non-executive director exercises the functions and powers referred in subparagraphs (I) to (III) of the preceding paragraph, the director in question shall obtain the consent of more than half of all independent non-executive directors.</u></p> <p><u>Where an independent non-executive director exercises the functions and powers referred in paragraph I, the Company shall disclose them in a timely manner. Where the above powers cannot be exercised normally, the Company shall disclose the details and reasons.</u></p>	
<p>Added</p> <p>The serial number of subsequent articles shall be extended accordingly</p>	<p><u>Article 6 The following matters shall be submitted to the Board for consideration after the consent of a majority of all independent non-executive directors is obtained:</u></p> <p><u>(I) Disclosable related party transactions;</u></p> <p><u>(II) Proposals for the Company and the relevant parties to modify or waive their undertakings;</u></p> <p><u>(III) Decisions made and measures adopted by the Board of the acquiree regarding acquisition;</u></p> <p><u>(IV) Other matters prescribed by laws, administrative regulations, the regulatory requirements of the place where the Company's shares are listed and the Articles of Association.</u></p>	<p>Added according to Article 23 of the Administrative Measures for Independent Directors of Listed Companies.</p>
<p>Article 7 The special committees of the Board of Directors shall be composed of directors. Members of the special committee shall have expertise and working experience commensurate with the responsibilities of the special committee.</p>	<p>Article 8 The special committees of the Board of Directors shall be composed of directors, <u>of which, all members of the Audit Committee shall be non-executive directors, and a majority of members of the Audit Committee and the Remuneration and Nomination Committee shall be independent non-executive directors, the convenors shall be served by the independent non-executive directors, and the convenor of the Audit Committee shall be an accountant professional.</u></p>	<p>Relevant content is added according to relevant provisions of Article 107 of the Guidelines for the Articles of Association of Listed Companies and the Hong Kong Listing Rules.</p>

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
	Members of the special committee shall have expertise and working experience commensurate with the responsibilities of the special committee.	
<p>Article 8 The main responsibilities of the Strategy and ESG Committee are:</p> <p>(I) To review the Company's development strategies and plans, and make recommendations to the Board of Directors;</p> <p>(II) To review the major investment and financing plans submitted by the management of the Company and make recommendations to the Board of Directors;</p> <p>(III) To review the Company's merger and acquisition plans submitted by the management and make recommendations to the Board of Directors;</p> <p>(IV) To review the Company's information technology development and other special strategic development plans according to the needs of the Company's overall strategic development plans, and make recommendations to the Board of Directors;</p> <p>(V) To review and evaluate whether the relevant corporate governance structure of the Company is sound, and report to the Board of Directors;</p> <p>(VI) To study the planning, objectives, system and major issues related to the ESG of the Company, review relevant ESG reports, and provide advice to the Board of Directors; to supervise and inspect the implementation of the ESG work, and put forward guidance in due course;</p> <p>(VII) Other duties prescribed by the Articles of Association.</p>	<p>Article 9 The main responsibilities of the Strategy and ESG Committee are:</p> <p>(I) To review the Company's development strategies and plans, and make recommendations to the Board of Directors;</p> <p>(II) To review the major investment and financing plans submitted by the management of the Company and make recommendations to the Board of Directors;</p> <p>(III) To review the Company's merger and acquisition plans submitted by the management and make recommendations to the Board of Directors;</p> <p>(IV) To review the Company's information technology development and other special strategic development plans according to the needs of the Company's overall strategic development plans, and make recommendations to the Board of Directors;</p> <p>(V) To review and evaluate whether the relevant corporate governance structure of the Company is sound, and report to the Board of Directors;</p> <p>(VI) To study the planning, objectives, system and major issues related to the ESG of the Company, review relevant ESG reports, and provide advice to the Board of Directors; to supervise and inspect the implementation of the ESG work, and put forward guidance in due course;</p> <p>(VII) Other <u>matters</u> prescribed by <u>laws, administrative regulations, the regulatory</u></p>	<p>Unified the statement.</p>

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
	<u>requirements of the place where the Company's shares are listed and the Articles of Association.</u>	
<p>Article 9 The main responsibilities of the Remuneration and Nomination Committee are:</p> <p>(I) To review and advise on the selection standards and procedures of the directors and senior management, identifying eligible candidates for directors and senior management, and to review and advise on the qualification criteria of candidates for directors and senior management;</p> <p>(II) To review and advise on the appraisal and remuneration management system of directors and senior management;</p> <p>(III) To evaluate and advise on directors and senior management;</p> <p>(IV) Other duties specified by the listing rules of the place where the Company's shares are listed and the Articles of Association.</p>	<p>Article 10 The main responsibilities of the Remuneration and Nomination Committee are:</p> <p><u>(I) Responsible for drawing up selecting standards and procedures of directors and senior management, to select and review the candidates for directors and senior management and their qualifications and make recommendations to the Board of Directors on the following matters:</u></p> <ol style="list-style-type: none"> <u>1. The nomination, appointment and dismissal of directors;</u> <u>2. The appointment or dismissal of senior management;</u> <u>3. Other matters required by laws, administrative regulations, the regulatory requirements of the place where the Company's shares are listed and the Articles of Association.</u> <p><u>(II) Responsible for formulating appraisal standards for directors and senior management and to evaluate thereof, to formulate and review the remuneration policies and proposals for directors and senior management, and make recommendations to the Board of Directors on the following matters:</u></p> <ol style="list-style-type: none"> <u>1. The remuneration of directors and senior management;</u> <u>2. The formulation or modification of equity incentive plans and employee stock ownership plans, and fulfillment of the condition for granting and exercising the rights and interests of incentive recipients;</u> <u>3. The shareholding plan for directors and senior management personnel in the subsidiaries to be spun off;</u> 	<p>Amended according to Articles 27 and 28 of the Administrative Measures for Independent Directors of Listed Companies.</p>

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
	<p><u>4. Other matters as stipulated by laws, administrative regulations, the regulatory requirements of the place where the Company's shares are listed and the Articles of Association.</u></p> <p><u>In the event that the Board of Directors has not adopted or fully adopted the recommendations of the Remuneration and Nomination Committee, it shall record and disclose the opinions of the Remuneration and Nomination Committee and the specific reasons for not adopting in the resolutions of the Board of Directors.</u></p>	
<p>Article 10 The main duties of the Audit Committee are:</p> <p>(I) to supervise the Company's internal audit system and its implementation; to supervise the annual audit and make judgment on the truthfulness, accuracy and completeness of the information in the audited financial report for submission to the Board of Directors for consideration;</p> <p>(II) to audit the Company's financial information and its disclosure;</p> <p>(III) to propose the appointment or replacement of external auditors and to supervise the practice of external auditors;</p> <p>(IV) to be responsible for the communication between the internal auditors and the external auditors;</p> <p>(V) to review the basic internal control system of the Company;</p> <p>(VI) other duties as stipulated in the listing rules of the place where the Company's shares are listed or the Articles of Association.</p>	<p>Article 11 The main duties of the Audit Committee are:</p> <p>(I) to supervise the Company's internal audit system and its implementation; to supervise the annual audit and make judgment on the truthfulness, accuracy and completeness of the information in the audited financial report for submission to the Board of Directors for consideration;</p> <p>(II) to audit the Company's financial information and its disclosure;</p> <p>(III) to propose the appointment or replacement of external auditors and to supervise the practice of external auditors;</p> <p>(IV) to be responsible for the communication between the internal auditors and the external auditors;</p> <p>(V) to review the basic internal control system of the Company;</p> <p><u>(VI) to make recommendations to the Board on the appointment or dismissal of the Company's financial manager;</u></p> <p><u>(VII) to review any changes in accounting policies, changes in accounting estimates or correction of material accounting</u></p>	<p>Amended in accordance with Article 26 of the Rules Governing Independent Directors of Listed Companies.</p>

Existing Rules of Procedure of the Board of Directors	Amendments to the Rules of Procedure of the Board of Directors	Explanations
	<p>errors for reasons other than changes in accounting standards, and submit to the Board for consideration;</p> <p>(VIII) other <u>matters</u> as stipulated by <u>laws, administrative regulations, regulatory requirements</u> of the place where the Company's shares are listed <u>and</u> the Articles of Association.</p>	
<p>Article 14 The main duties of the Risk Control Committee are:</p> <p>(I) to review and advise on the general objectives and basic policies of risk management;</p> <p>(II) to review and advise on the organization setup of risk management and its responsibilities;</p> <p>(III) to evaluate and advise on the risks of major decisions and solutions to major risks that require the Board's consideration;</p> <p>(IV) other duties as stipulated in the listing rules of the place where the Company's shares are listed or the Articles of Association.</p>	<p>Article 12 The main duties of the Risk Control Committee are:</p> <p>(I) to review and advise on the general objectives and basic policies of risk management;</p> <p>(II) to review and advise on the organization setup of risk management and its responsibilities;</p> <p>(III) to evaluate and advise on the risks of major decisions and solutions to major risks that require the Board's consideration;</p> <p>(IV) other <u>matters</u> as stipulated by <u>laws, administrative regulations, regulatory requirements</u> of the place where the Company's shares are listed <u>and</u> the Articles of Association.</p>	Unified relevant expressions.
<p>Article 16 Notice of meeting</p> <p>The Board shall give 14 days' advance notice in written to all directors and supervisors of the convening of a regular Board meeting.</p> <p>If a person or organization as provided in Article 13 of the Rules proposes to convene an extraordinary Board meeting, the chairman of the Board shall convene and preside over the extraordinary Board meeting within 10 days after receipt of the proposal; and shall give at least 5 days' advance notice of the convening of the extraordinary Board meeting.</p> <p>.....</p>	<p>Article 17 Notice of meeting</p> <p>The Board shall give 14 days' advance notice in written to all directors and supervisors of the convening of a regular Board meeting.</p> <p>If a person or organization as provided in Article 14 of the Rules proposes to convene an extraordinary Board meeting, the chairman of the Board shall convene and preside over the extraordinary Board meeting within 10 days after receipt of the proposal; and shall give at least 5 days' advance notice of the convening of the extraordinary Board meeting.</p> <p>.....</p>	Corresponding changes are made based on the actual amendments.

COMPARISON TABLE OF AMENDMENTS TO THE INDEPENDENT
NON-EXECUTIVE DIRECTOR SYSTEM

Original Article	Revised Article	Basis of Revision
Chapter I General Provisions	Chapter I General Provisions	
<p>Article 1 In order to further improve the corporate governance structure of the Company, give full play of the role of the independent non-executive directors and promote the standardized operation of the Company, the System is formulated in accordance with the provisions and requirements of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Guidance on the Establishment of Independent Director System in Listed Company, the Guidelines for the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange, the Guidelines of Independent Directors for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations, departmental rules, regulatory documents of the place where the Company’s shares are listed as well as the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the “Articles of Association”) and based on the actual condition of the Company.</p>	<p>Article 1 In order to further improve the corporate governance structure of Shenwan Hongyuan Group Co., Ltd. (the “Company”), give full play of the role of the independent non-executive directors and promote the standardized operation of the Company, the System is formulated in accordance with the provisions and requirements of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Guidance on the Establishment of Independent Director System in Listed Company, the Reforming Opinions on the Independent Director System in Listed Companies by the General Office of the State Council, the Administrative Measures for Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange, the Guidelines of Independent Directors for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company’s shares are listed as well as the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to</p>	<p>The Guidance on the Establishment of Independent Director System in Listed Company is abolished and the new system namely the Administrative Measures for Independent Directors of Listed Companies takes into effect. Amended in accordance with Article 1 of the Administrative Measures for Independent Directors of Listed Companies</p>

Original Article	Revised Article	Basis of Revision
	as the “ Articles of Association ”) and based on the actual condition of the Company.	
<p>Article 2 An independent non-executive director is a director who complies with relevant regulatory requirements, does not hold any other position in the Company other than directorship, and who does not have any relationship with the Company and its substantial shareholders that may prevent him/her to make independent and objective judgments.</p>	<p>Article 2 An independent non-executive director is a director who complies with relevant regulatory requirements, does not hold any other position in the Company other than directorship, and who does not have any direct or indirect relationship with the Company and its substantial shareholders, de facto controllers, or other relationships that may prevent affect him/her from making to make independent and objective judgments.</p>	<p>Amended in accordance with Article 2 of the Administrative Measures for Independent Directors of Listed Companies</p>
<p>Article 3 The independent non-executive directors shall have the obligation of integrity and diligence to the Company and all shareholders.</p> <p>The independent non-executive directors shall, in accordance with the requirements of relevant laws, regulations and the Articles of Association, conscientiously perform his/her duties and safeguard the overall interests of the Company, and shall pay special attention to the legitimate interests of minority shareholders from being harmed. The independent non-executive directors shall perform his/her duties independently and shall not be affected by the Company’s substantial shareholders, de facto controllers, or other units or individuals who have an interest in the Company. In case of any impact on the identity independence, the independent non-executive director shall timely notify the Company and eliminate the impact, and he/she shall resign in case of not meeting the conditions for independence.</p>	<p>Article 3 The independent non-executive directors shall have the obligation of integrity loyalty and diligence to the Company and all shareholders, The independent non-executive directors and shall, in accordance with the requirements of relevant laws, administrative regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company’s shares are listed and the Articles of Association, conscientiously perform his/her duties, exert the role of participating in decision-making, supervision and balance and professional consulting in the Board of Directors and safeguard the overall interests of the Company, and shall pay special attention to protect the legitimate interests of minority shareholders from being harmed.</p> <p>The independent non-executive directors shall perform his/her duties independently and shall not be affected by the Company’s substantial shareholders, de facto controllers, or other units or individuals who have an interest in the Company. In case of any impact on the identity independence, the independent non-executive director shall timely notify the Company and eliminate the impact, and he/she shall resign in case of not meeting the conditions for independence.</p>	<p>Amended in accordance with Article 3 of the Administrative Measures for Independent Directors of Listed Companies. Statements is amended, and part of content has been incorporated into Article 23 of Chapter V.</p>

Original Article	Revised Article	Basis of Revision
<p>Article 4 Members of the Board of Directors of the Company shall include at least one-third of the independent non-executive directors. In case that the independent non-executive directors does not meet the conditions of independence or other circumstances of being not suitable for performing the duties as independent non-executive directors, which would result in the number of independent non-executive directors not reaching the specified, the Company shall make up the number of independent non-executive directors as required.</p>	<p>Article 4 The number of independent non-executive directors in Members of the Board of Directors of the Company shall include at least one third of the independent non executive directors be not less than three and not less than one-third of all members of the Board of Directors, and shall include at least one accounting professional, and one independent non-executive director whose habitual residence in Hong Kong. In case that the independent non-executive directors does not meet the conditions of independence or other circumstances of being not suitable for performing the duties as independent non-executive directors, which would result in the number of independent non executive directors not reaching the specified, the Company shall make up the number of independent non executive directors as required.</p>	<p>Amended in accordance with Article 5 of the Administrative Measures for Independent Directors of Listed Companies. Contents including the resignation and filling up have been incorporated into the amended Chapter III.</p>
<p>Article 5 The Board of Directors of the Company has set up the Remuneration and Nomination Committee, and the Audit Committee, and the independent non-executive directors shall serve as the convenors and account for a majority of the member of committees. The Audit Committee shall include at least one independent non-executive director who is a professional accountant.</p>	<p>Article 5 The members of the Audit Committee under the Board of Directors of the Company shall be non-executive directors, of which has set up the Remuneration and Nomination Committee, and the Audit Committee, and the independent non-executive directors shall serve as the convenors and and account for a majority and the convener shall be served by of the member of committees. The Audit Committee shall include at least one the independent non-executive director who is a professional accountant.</p> <p>More than a half of the members of the Remuneration and Nomination Committee under the Board of Directors of the Company shall be independent non-executive directors and the convener shall be served by an independent non-executive director.</p>	<p>Amended in accordance with Article 5 of the Administrative Measures for Independent Directors of Listed Companies</p>
<p>Chapter II Qualification of Independent Non-executive Directors</p>	<p>Chapter II Qualification of Independent Non-executive Directors</p>	
<p>Article 6 The qualifications of independent non-executive directors shall comply with relevant laws, administrative regulations,</p>	<p>Article 6 The qualifications of independent non-executive directors shall comply with relevant laws, administrative regulations,</p>	<p>Amended in accordance with Article 6 of the Administrative Measures</p>

Original Article	Revised Article	Basis of Revision
<p>departmental rules, regulatory documents and the relevant provisions of the stock exchange where the Company's shares are listed.</p> <p>Independent non-executive Directors shall be independent, and the following persons shall not serve as independent non-executive directors:</p> <p>(I) Persons working for the Company or its subsidiaries, their immediate relatives and major social relations (immediate relatives refer to spouses, parents and children; and major social relations refer to siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouses, etc.);</p> <p>(II) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the listed company's top ten shareholders, and their immediate relatives;</p> <p>(III) Persons who work for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or who work for entities of the Company's top five shareholders, and their immediate relatives;</p> <p>(IV) Persons who have been in the situations listed in the above three items within the latest one year;</p> <p>(V) Persons who are providing or have provided, within two years before appointment, financial, legal, consulting and other services to the Company or its subsidiaries;</p> <p>(VI) Other persons as stipulated in the Articles of Association;</p> <p>(VII) Other persons recognized by the CSRC and the regulatory authorization of the place where the Company's shares are listed.</p>	<p>departmental rules, regulatory documents and the relevant provisions of the regulatory rules of the place stock exchange where the Company's shares are listed.</p> <p>Independent non-executive Directors shall be independent maintain their independence, and the following persons shall not serve as independent non-executive directors:</p> <p>(I) Persons working for the Company or its subsidiaries, their immediate relatives and major social relations (immediate relatives refer to spouses, parents and children; and major social relations refer to siblings, spouses of siblings, parents-in-law, sons/daughters in law, spouses of siblings, siblings of spouses, spouses of children, parents of spouses of children, etc.);</p> <p>(II) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the listed Company's top ten shareholders, and their immediate relatives;</p> <p>(III) Persons who work for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or who work for entities of the Company's top five shareholders, and their immediate relatives;</p> <p>(IV) Persons who serve in the subsidiaries of the Company's controlling shareholders and de facto controllers and their immediate relatives;</p> <p>(V) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;</p>	<p>for Independent Directors of Listed Companies and Article 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</p>

Original Article	Revised Article	Basis of Revision
	<p>(VI) Persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and principals;</p> <p>(VII) Persons who have been in the situations listed in the above three items within the latest one year subparagraphs (I) through (VI) within the last twelve months;</p> <p>(V) Persons who are providing or have provided, within two years before appointment, financial, legal, consulting and other services to the Company or its subsidiaries;</p> <p>(VIII) Other persons as stipulated in the Articles of Association;</p> <p>(IX) Other persons recognized by the CSRC and the regulatory authorization of the place where the Company's shares are listed.</p> <p>The subsidiaries of the controlling shareholders or de facto controllers of the Company as mentioned in subparagraphs (4) through (6) of the preceding paragraph shall not include an enterprise controlled by the same state-owned assets management authority as the Company and not affiliated with the Company according to the relevant provisions.</p> <p>Independent non-executive Directors shall inform the Board of Directors any circumstance that may affect his/her independence as soon as practicable, and conduct an annual self-examination of independence and submit the self-examination to the Board of Directors. The Board of</p>	

Original Article	Revised Article	Basis of Revision
	<p>Directors shall evaluate and issue a special opinion on the independence of the incumbent independent non-executive directors on an annual basis, which shall be disclosed at the same time as the annual report.</p>	
	<p>Article 7 An independent non-executive director shall meet the following basic conditions:</p> <p>(I) being qualified to be the director of the listed company in accordance with laws, administrative regulations and other relevant provisions;</p> <p>(II) having the independence required by Article 6 of the System;</p> <p>(III) having the basic knowledge of operation of the listed company and being familiar with the relevant laws, regulations and rules;</p> <p>(IV) having at least five years of working experience in law, economy, management, accounting, finance or others necessary for performing the duties of an independent non-executive director;</p> <p>(V) having good personal integrity and no major breach of trust or other adverse records;</p> <p>(VI) other conditions stipulated by laws, administrative regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company's shares are listed and other conditions as stipulated in the Articles of Association.</p>	<p>Added in accordance with Article 7 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.3 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

Original Article	Revised Article	Basis of Revision
	<p>Article 8 A candidate for independent non-executive director shall possess good personal integrity and have none of the following adverse records:</p> <p>(I) subject to administrative penalties by the CSRC or criminal penalties by judicial authorities for violation of laws or crime, in respect of securities and futures, in the past 36 months;</p> <p>(II) a case has been filed for investigation by the CSRC or by judicial authorities for violation of laws or crime, in respect of securities and futures, and no clear conclusion has been reached;</p> <p>(III) open denunciation or over 3 circulated criticisms by the stock exchange in the past 36 months;</p> <p>(IV) has adverse records of major dishonesty;</p> <p>(V) removal of his/her duties at a general meeting proposed to be convened by the Board of Directors due to failure to neither attend two consecutive Board meetings in person nor to delegate other independent director to attend Board meetings on his/her behalf during his/her service as independent non-executive director, which was less than 12 months;</p> <p>(VI) other circumstances recognized by the Shenzhen Stock Exchange.</p>	<p>Added in accordance with Article 3.5.5 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>
	<p>Article 9 An accounting professional who is nominated as a candidate for independent non-executive director shall have relatively rich professional knowledge and experience in accounting and shall satisfy at least one of the following conditions:</p> <p>(I) possess a qualification of Certified Public Accountant;</p> <p>(II) possess a senior professional title,</p>	<p>Added in accordance with Article 3.5.8 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

Original Article	Revised Article	Basis of Revision
	<p>associate professor or above title or doctorate in accounting, auditing, or financial management;</p> <p>(III) possess senior titles in economic management and have more than five years of full-time working experience in accounting, auditing, or financial management and other professional positions.</p>	
<p>Article 7 An independent non-executive director of the Company shall, in principle, concurrently serve as an independent non-executive director in a maximum of five listed companies and ensure that he/she has sufficient time and effort to effectively fulfill his/her duties as an independent non-executive director.</p>	<p>Article 710 An independent non-executive director of the Company shall, in principle, concurrently serve as an independent non-executive director in a maximum of five three domestic listed companies and shall ensure that he/she has sufficient time and effort to effectively fulfill his/her duties as an independent non-executive director.</p>	<p>Amended in accordance with Article 8 of the Administrative Measures for Independent Directors of Listed Companies.</p>
<p>Article 8 Independent non-executive Directors and any persons as intended independent non-executive directors shall participate in the trainings organized by the CSRC and its authorized associations according to the requirements of the CSRC.</p>	<p>Deleted</p>	<p>Amended in accordance with the Administrative Measures for Independent Directors of Listed Companies, and incorporated into Article 37 of Chapter V.</p>
<p>Chapter V Nomination, Election and Replacement of Independent Non-executive Directors</p>	<p>Chapter VIII Nomination, Election and Replacement of Independent Non-executive Directors</p>	
<p>Article 21 The Company shall standardized the nomination, election and replacement of independent non-executive directors in accordance with laws.</p>	<p>Article 2111 The Company shall standardized the nomination, election and replacement of independent non-executive directors in accordance with laws.</p>	
<p>(I) The Board of Directors and shareholders who severally or jointly hold more than 1% of the issued shares of the Company may nominate candidates for independent non-executive directors, subject to the determination by election at the general meetings.</p>	<p>Article 12 (I) The Board of Directors, the Board of Supervisors of the Company and shareholders who severally or jointly hold more than 1% of the issued shares of the Company may nominate candidates for independent non-executive directors, subject to the determination by election at the general meetings.</p> <p>Investor protection organizations established pursuant to laws may publicly request shareholders to appoint them to exercise the right to nominate independent non-executive</p>	<p>Amended in accordance with Article 9 of the Administrative Measures for Independent Directors of Listed Companies</p>

Original Article	Revised Article	Basis of Revision
	<p>directors on their behalf.</p> <p>A nominator as provided in the subparagraph (I) of this article shall not nominate any person with whom he or she has an interest or other close relationship that may affect the independent performance of his or her duties as a candidate for independent non-executive director.</p>	
<p>(II) Persons who intend to nominate an independent non-executive director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee's general information such as occupation, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an independent non-executive director. The nominee shall make a public statement that he/she has no relationship with the Company that may affect his/her independent and objective judgment.</p> <p>The Board of Directors of the Company shall make the abovementioned public contention prior to the general meeting at which the independent non-executive director is elected.</p>	<p>Article 13 (II)—Persons who intend to nominate an independent non-executive director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee's general information such as occupation, educational background, professional title, detailed working experience and all other posts he or she concurrently holds and whether there is a major dishonesty and other adverse records, and give opinion on the nominee's independence and other conditions qualifications and the independence required as an independent non-executive director. The nominee shall make a public statement that he/she has no relationship with the Company that may affect his/her independent and objective judgment for his/her compliance of independence and other conditions required as an independent non-executive director.</p> <p>The Board of Directors of the Company shall make the abovementioned public contention prior to the general meeting at which the independent non-executive director is elected.</p>	<p>Amended in accordance with Article 10 of the Administrative Measures for Independent Directors of Listed Companies</p>
<p>(III) Before the general meeting is convened for the election of independent non-executive directors, the Company shall submit the relevant materials of all nominees to the CSRC, the local office of the CSRC at the location of the Company and the Shenzhen Stock Exchange. If the Board of Directors disputes the particulars pertaining to the nominee, it shall also submit its written opinions to</p>	<p>Article 14 The Remuneration and Nomination Committee of the Board of Directors of the Company shall review the qualifications of nominees and form clear review opinions.</p> <p>(III)—Before the general meeting is convened for the election of independent non-executive directors, the Company shall disclose relevant content</p>	<p>Amended in accordance with Article 11 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.15 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 –</p>

Original Article	Revised Article	Basis of Revision
<p>the relevant authorities.</p> <p>Any of such nominees objected by the CSRC may be treated as a nominee for director but not for independent non-executive director.</p> <p>When a general meeting is convened to nominate independent non-executive directors, the Board of Directors shall make a statement on whether the CSRC has any objection to the nominations.</p>	<p>according to the requirements of Article 13 of the System and the preceding paragraph, and submit the relevant materials of all nominees candidates for independent non-executive directors to the CSRC, the local office of the CSRC at the location of the Company and the stock exchange Shenzhen Stock Exchange, and relevant materials submitted shall be true, accurate and complete. If the Board of Directors disputes the particulars pertaining to the nominee, it shall also submit its written opinions to the relevant authorities.</p> <p>Any of such nominees objected by the CSRC may be treated as a nominee for director but not for independent non-executive director.</p> <p>When a general meeting is convened to nominate independent non-executive directors, the Board of Directors shall make a statement on whether the CSRC has any objection to the nominations.</p> <p>If the candidate for an independent non-executive director does not meet the requirements for the appointment or independence of an independent non-executive director, the stock exchange may raise objections to the qualifications and independence of the candidate for the independent non-executive director, and the Company shall timely disclose them. When a general meeting is held for election of independent non-executive directors, the Board of Directors shall explain whether the stock exchange raises any objection against the candidates for independent non-executive directors. For candidates for independent non-executive directors against whom the stock exchange raises any objections, the Company shall not submit them to the general meeting for election. If it has been submitted to the general meeting for consideration, the proposal shall be cancelled.</p>	<p>Standardized Operation of Listed Companies on the Main Board</p>

Original Article	Revised Article	Basis of Revision
<p>Article 22 When electing directors and conducting cumulative voting, the election of independent non-executive directors shall be separated from the election of other directors to ensure the proportion of independent non-executive directors in the Board of Directors of the Company.</p>	<p>Article 2215 Cumulative voting will be conducted when electing two or more independent non-executive director at the general meeting. When electing directors and conducting cumulative voting, the election of independent non-executive directors shall be separated from the election of other directors to ensure the proportion of independent non-executive directors in the Board of Directors of the Company.</p> <p>Votes of minority shareholders shall be counted and disclosed separately.</p>	<p>Amended in accordance with Article 12 of the Administrative Measures for Independent Directors of Listed Companies</p>
<p>(IV) The term of office of each independent non-executive director shall be the same as that of the other directors of the Company, and upon expiration of the term of office, he/she may be re-elected, but his/her consecutive term of office shall not exceed six years.</p>	<p>Article 16(IV) The term of office of each independent non-executive director shall be the same as that of the other directors of the Company, and upon expiration of the term of office, he/she may be re-elected, but his/her consecutive term of office shall not exceed six years.</p> <p>The independent non-executive director who serves in the Company for six consecutive years shall not be nominated as the independent non-executive director of the Company within thirty-six months from the date of occurrence of such fact.</p>	<p>Amended in accordance with Article 13 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.6 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>
<p>None</p>	<p>Article 17 Before the expiration of the term of office of an independent non-executive director, the Company may terminate his/her office in accordance with legal procedures. In case of early dismissal of an independent non-executive director, the Company shall promptly disclose the specific reasons and basis.</p> <p>If an independent non-executive director is removed from his/her position before the expiration of his/her term of office and considers the reasons for his/her removal improper, he/she may raise objections and reasons, and the Company shall disclose them in a timely manner.</p> <p>If an independent non-executive director does not meet the conditions for independence or qualifications, he/</p>	<p>Added in accordance with Article 14 of the Administrative Measures for Independent Directors of Listed Companies</p>

Original Article	Revised Article	Basis of Revision
	<p>she shall promptly cease to performing his/her duties and resign from his/her position. If the resignation is not submitted, the Board of Directors shall, as soon as it knows or ought to have known of the occurrence of such fact, promptly remove him/her from office.</p> <p>In the event that an independent non-executive director resigns or is relieved of his/her duties as a result of circumstances touching upon the provisions of the preceding paragraph, resulting in the proportion of independent non-executive directors on the Board of Directors or its special committees not complying with the provisions of the System, the Articles of Association or the regulatory rules of the place where the Company's shares are listed, or if there is a lack of professional accountants among the independent non-executive directors, the Company shall complete the by-election of such independent non-executive directors within sixty days from the date of the occurrence of the aforesaid fact.</p>	
None	<p>Article 18 An independent non-executive director may resign before the expiration of his/her term of office. An independent non-executive director who resigns shall submit a written resignation report to the Board of Directors, explaining any circumstances relating to his/her resignation or that he/she deems necessary to bring to the attention of the Company's shareholders and creditors.</p> <p>The Company shall disclose the reasons and concerns for the resignation of the independent non-executive director.</p> <p>If the resignation of an independent non-executive director will result in the proportion of independent non-executive directors on the Board of Directors or its</p>	Added in accordance with Article 15 of the Administrative Measures for Independent Directors of Listed Companies

Original Article	Revised Article	Basis of Revision
	special committees not complying with the provisions of the System, the Articles of Association or the regulatory rules of the place where the Company's shares are listed, or will result in the lack of accounting professionals among the independent non-executive directors, the independent non-executive director who intends to resign shall continue to perform his/her duties until the date on which a new independent non-executive director is created. The Company shall complete the by-election of the independent non-executive directors within sixty days from the date of the resignation.	
None	Chapter IV Specialized Meetings of Independent Non-executive Directors	A new chapter added in accordance with the Administrative Measures for Independent Directors of Listed Companies
None	<p>Article 19 The Company shall regularly or irregularly convene a meeting attended by all independent non-executive directors (hereinafter referred to as the "Specialized Meeting of Independent Non-executive Directors"). Matters listed in Article 24(I)(i) to (iii) and Article 26 of the System shall be examined and discussed at the Specialized Meeting of Independent Non-executive Directors.</p> <p>The Specialized Meeting of Independent Non-executive Directors may study and discuss other matters of the Company as necessary.</p>	Added in accordance with Article 24 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.21 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board
None	Article 20 A Specialized Meeting of Independent Non-executive Directors shall be convened and presided over by an independent non-executive director jointly elected by a majority of the independent non-executive directors; in the event that the convenor fails to perform his/her duties or is unable to perform his/her duties, two or more independent non-	Added in accordance with Article 24 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.21 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 –

Original Article	Revised Article	Basis of Revision
	executive directors may convene on their own and elect a representative to preside over the meeting.	Standardized Operation of Listed Companies on the Main Board
None	Article 21 Minutes of a Specialized Meeting of Independent Non-executive Directors shall be recorded in accordance with regulations, and the opinions of independent non-executive directors shall be set out in the minutes. The independent non-executive directors shall sign to confirm the minutes.	Added in accordance with Article 31 of the Administrative Measures for Independent Directors of Listed Companies
None	Article 22 The Company shall provide convenience and support for the convening of the Specialized Meeting of Independent Non-executive Directors.	Added in accordance with Article 24 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.21 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board
Chapter III – Roles and Functions of Independent Non-Executive Directors	Chapter IIIIV – Roles and FunctionsDuties and Performance of Independent Non-Executive Directors	Incorporated the contents of the original Chapters III and IV.
None	Article 23 The independent non-executive directors shall perform the following duties: (I) To participate in the decision-making of the Board of Directors and express clear opinions on the matters discussed; (II) In accordance with relevant laws and regulations, to supervise the potential material conflicts of interest among the Company and its controlling shareholders, de facto controllers, directors and senior management, and	Added in accordance with Article 17 of the Administrative Measures for Independent Directors of Listed Companies, Rule 4.3.8 of the System Governing the Listing of Stocks on the Shenzhen Stock Exchange and Article 3.5.16 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 –

Original Article	Revised Article	Basis of Revision
	<p>to promote the decisions of the Board of Directors to be in line with the overall interests of the Company and to protect the legitimate rights and interests of minority shareholders;</p> <p>(III) To provide professional and objective advice on the Company's operation and development, and to promote the improvement of the standard of decision-making of the Board;</p> <p>(IV) Other duties as stipulated by laws, administrative regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company's shares are listed and the Articles of Association.</p> <p>The independent non-executive directors shall perform their duties independently and impartially, and shall not be influenced by the Company, its substantial shareholders, de facto controllers and other entities or individuals. If it is found that there are circumstances affecting the independence in the matters under consideration, he/she shall declare this to the Company and disqualify himself/herself. In the event that circumstances clearly affecting his/her independence arise during his/her term of office, he/she shall promptly notify the Company and propose measures to resolve the situation, and if necessary, he/she shall tender his/her resignation.</p>	Standardized Operation of Listed Companies on the Main Board
<p>Article 9 The independent non-executive directors shall perform their duties as independent non-executive directors in accordance with the laws, administrative regulations, departmental rules, regulatory documents and the provisions of the Articles of Association.</p> <p>The independent non-executive directors shall enjoy the same right to information as other directors. For matters requiring decision-making by the Board, the</p>	Deleted	Amended pursuant to Chapter IV of the Administrative Measures for Independent Directors of Listed Companies. Subdivided and reorganized the order of the articles.

Original Article	Revised Article	Basis of Revision
<p>Company must notify the independent non-executive directors in advance in accordance with the statutory timeframe and provide sufficient information, and the independent non-executive directors may request for additional information if they consider that the information is insufficient. When two or more independent non-executive directors consider that the information is insufficient or the demonstration is not clear, they may jointly propose in writing to the Board of Directors to postpone the convening of a Board meeting or postpone the review of the matters, and the Board of Directors shall adopt the proposal. The information provided by the Company to the independent non-executive directors shall be retained by the Company and the independent non-executive directors themselves for at least five years.</p>		
<p>Article 10 In addition to the powers and duties conferred on the directors by laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association, the independent non-executive directors of the Company shall also enjoy the following special powers and duties:</p> <p>(I) The right to prior authorization of material related party transactions;</p> <p>(II) The right to propose the appointment or removal of an accounting firm and the right to pre-approve the appointment or removal of an accounting firm by the Company;</p> <p>(III) The right to propose the convening of an extraordinary general meeting;</p> <p>(IV) The right to propose the convening of a Board meeting;</p> <p>(V) The right to openly solicit votes from Shareholders prior to the convening of a general meeting;</p>	<p>Article 24 In addition to the powers and duties conferred on the directors by laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association, the independent non-executive directors of the Company shall also enjoyexercise the following special powers and duties:</p> <p>(I) To engage an intermediary independently to audit, consult or verify specific matters of the Company; The right to prior authorization of material related party transactions;</p> <p>(II) The right to propose the appointment or removal of an accounting firm and the right to pre-approve the appointment or removal of an accounting firm by the Company;</p> <p>(III) The right toTo propose the convening of an extraordinary general meeting to the Board of Directors;</p> <p>(IIIIV) The right toTo propose the convening of a Board meeting;</p>	<p>Amended in accordance with Article 18 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.18 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

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<p>(VI) When necessary, to independently engage external auditing and consulting firms to audit and consult on specific matters of the Company;</p> <p>(VII) Other powers and duties conferred by laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the place where the Company's shares are listed, the Articles of Association and other provisions of the System.</p> <p>The independent non-executive directors shall obtain the consent of more than half of all independent non-executive directors for the exercise of the duties and responsibilities set out in above subparagraphs (I) to (V), and the consent of all independent non-executive directors for the exercise of the duties and responsibilities set out in (VI) above.</p>	<p>(IV) The right to openly solicit votesrights from Shareholders prior to the convening of a general meetingaccording to law;</p> <p>(V) To express independent opinions on matters that may harm the interests of the Company or minority shareholders;</p> <p>(VI) When necessary, to independently engage external auditing and consulting firms to audit and consult on specific matters of the Company;</p> <p>(VII)Other powers and duties conferred by laws, administrative regulations, departmental rules, regulatory documents, the listingregulatory rules of the place where the Company's shares are listed, the Articles of Association and other provisions of the System.</p> <p>The independent non-executive directors shall obtain the consent of more than half of all independent non-executive directors for the exercise of the duties and responsibilities set out in subparagraphs (I) to (VIII), and the consent of all independent non executive directors for the exercise of the duties and responsibilities set out in (VI) above.</p> <p>The Company shall disclose in a timely manner the exercise by the independent non-executive directors of the powers and duties listed in above subparagraph (I), and in the event that the said powers and duties cannot be exercised properly, the Company shall disclose the specific circumstances and the reasons therefor.</p>	
<p>Article 11 The independent non-executive directors of the Company shall also express their independent opinions on the following matters to the Board of Directors or the general meeting of the Company:</p> <p>(I) External guarantees;</p>	<p>Deleted</p>	<p>Stated the relevant powers and functions in accordance with the Administrative Measures for Independent Directors of Listed Companies and the Self-discipline Regulatory Guidelines for</p>

Original Article	Revised Article	Basis of Revision
<p>(II) Material related party transactions;</p> <p>(III) Nomination, appointment and removal of directors;</p> <p>(IV) Appointment or removal of senior management;</p> <p>(V) Remuneration and equity incentive programs for directors and senior management of the Company;</p> <p>(VI) Changing the use of proceeds;</p> <p>(VII) Formulating proposals for capitalization of capital reserves;</p> <p>(VIII) Formulation of profit distribution policy, profit distribution plan and cash dividend plan;</p> <p>(IX) Changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;</p> <p>(X) The issuance of a non-standard unqualified audit opinion by a certified public accountant on the Company's financial accounting reports;</p> <p>(XI) The engagement and removal of the accounting firm;</p> <p>(XII) The acquisitions by the management of the Company;</p> <p>(XIII) Material reorganization of the assets of the Company;</p> <p>(XIV) The repurchase of shares by the Company through centralized bidding and trading;</p> <p>(XV) Evaluation report on internal control of the Company;</p> <p>(XVI) Changes in the undertakings of the Company's made to related parties;</p>		<p>Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

Original Article	Revised Article	Basis of Revision
<p>(XVII) The impact of the issuance of preferred shares of the Company on the interests of various categories of shareholders of the Company;</p> <p>(XVIII) matters relating to strategy, policy, corporate performance, accountability, resources, key appointments and code of conduct;</p> <p>(XIX) Taking the lead in potential conflicts of interest;</p> <p>(XX) Serving as a member of the Audit Committee, the Remuneration and Nomination Committee and other special committees of the Board of Directors upon invitation;</p> <p>(XXI) To conscientiously review the Company’s performance against established corporate goals and objectives and monitor the reporting of the Company’s performance;</p> <p>(XXII) Other matters that the independent non-executive directors consider may harm the interests of the Company and its minority shareholders;</p> <p>(XXIII) Other matters stipulated by laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the place where the Company’s shares are listed and the Articles of Association, or as recognized by the CSRC.</p> <p>The independent non-executive directors shall express one of the following types of opinions on the above matters: agreement; qualified opinion and the reasons thereof; objection and the reasons thereof; inability to express an opinion and the impediments thereto. The opinions expressed shall be clear and unambiguous.</p>		

Original Article	Revised Article	Basis of Revision
<p>If the abovementioned matters are required to be disclosed, the Company shall announce the opinions of the independent non-executive directors. When the independent non-executive directors have divergent views and are unable to reach a unanimous view, the Board of Directors shall disclose the opinions of each independent non-executive director separately.</p>		
<p>Article 12 The independent opinions from independent non-executive directors on a material matter should include at least the following:</p> <p>(I) The basic information of the material matter;</p> <p>(II) The basis for the opinion, including the procedures performed, documents verified, contents of on-site inspections;</p> <p>(III) The legality and compliance of the material matter;</p> <p>(IV) The impact on the interests of the listed company and the minority shareholders, the potential risks, and the effectiveness of the measures taken by the Company;</p> <p>(V) Concluding opinions expressed. In the event that a qualified opinion, objection or inability to express an opinion on a material matter are made, the relevant independent non-executive director shall clearly state the reasons.</p> <p>The independent non-executive director shall sign to confirm the independent opinion issued, and report the said opinion to the Board of Directors in a timely manner, which will be disclosed together with the relevant announcement of the Company.</p>	<p>Article 12²⁵ The independent opinions from independent non-executive directors on a material matter should be clear and unambiguous and should include at least the following:</p> <p>(I) The basic information of the material matter;</p> <p>(II) The basis for the opinion, including the procedures performed, documents verified, contents of on-site inspections;</p> <p>(III) The legality and compliance of the material matter;</p> <p>(IV) The impact on the interests of the Company listed company and the minority shareholders, the potential risks, and the effectiveness of the measures taken by the Company;</p> <p>(V) Concluding opinions expressed, including agreement, qualified opinion and the reasons thereof, objection and the reasons thereof, inability to express an opinion and the impediments thereto. In the event that a qualified opinion, objection or inability to express an opinion on a material matter are made, the relevant independent non executive director shall clearly state the reasons.</p> <p>The independent non-executive director shall sign to confirm the independent opinion issued, and report the said opinion to the Board of Directors in a timely manner, which will be disclosed together with the relevant announcement of the Company.</p>	<p>Amended in accordance Article 3.5.19 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

Original Article	Revised Article	Basis of Revision
None	<p>Article 26 The following matters shall be submitted to the Board for consideration after the consent of a majority of all independent non-executive directors is obtained:</p> <p>(I) Disclosable related party transactions;</p> <p>(II) Proposals for the Company and the relevant parties to modify or waive their undertakings;</p> <p>(III) Decisions made and measures adopted by the Board of the acquiree regarding acquisition;</p> <p>(IV) Other matters prescribed by laws, administrative regulations, departmental rules, regulatory documents, regulatory requirements of the place where the Company's shares are listed and the Articles of Association.</p>	<p>Added in accordance with Article 23 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.17 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>
None	<p>Article 27 Prior to the convening of a Board meeting, the independent non-executive directors may communicate with the secretary of the Board of Directors to make inquiries, requests for supplementary materials, raise opinions and suggestions in respect of the matters to be reviewed. The Board of Directors and the relevant personnel shall seriously study the questions, requests and opinions raised by the independent non-executive directors and provide timely feedback to the independent non-executive directors on the implementation of the amendments to the resolutions.</p>	<p>Added in accordance with Article 19 of the Administrative Measures for Independent Directors of Listed Companies</p>
None	<p>Article 28 The independent non-executive directors shall attend Board meetings in person. If, for any reason, they are unable to attend the meeting in person, the independent non-executive directors shall review the materials of the meeting in advance, form a clear opinion and delegate other independent non-executive directors in writing to attend the meeting on their</p>	<p>Added in accordance with Article 20 of the Administrative Measures for Independent Directors of Listed Companies</p>

Original Article	Revised Article	Basis of Revision
	<p>behalf.</p> <p>If an independent non-executive director fails to attend two consecutive Board meetings in person and does not delegate another independent non-executive director to attend the meeting on his/her behalf, the Board of Directors shall propose to convene a general meeting to remove the independent non-executive director from his/her position within thirty days from the date of occurrence of such fact.</p>	
None	<p>Article 29 Where an independent non-executive director votes against or abstains from voting on a resolution of the Board of Directors, he/she shall state the specific reasons and basis thereof, the legality and compliance of the matter to which the resolution relates, the risks that may exist and the impact on the interests of the Company and the minority shareholders. The objection of the independent non-executive directors shall be disclosed concurrently with the resolution of the Board of Directors by the Company and shall be set out in the resolution of the Board of Directors and minutes of the meeting.</p>	<p>Added in accordance with Article 21 of the Administrative Measures for Independent Directors of Listed Companies</p>
None	<p>Article 30 The independent non-executive directors shall actively participate in and attend in person the meetings of the special committees in which they serve. If for any reason they are unable to attend the meetings in person, they shall review the materials of the meetings in advance, form a clear opinion, and delegate other independent non-executive directors in writing to attend the meetings on their behalf. When an independent non-executive director is concerned about a major matter of the Company within the scope of the duties and responsibilities of the special committee in the course of performing his/her duties, he/she may, in</p>	<p>Added in accordance with Article 25 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.20 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

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	<p>accordance with the procedures, submit it to the special committee for discussion and consideration in a timely manner.</p>	
None	<p>Article 31 The independent non-executive directors shall pay continuous attention to the implementation of the relevant Board resolutions as stipulated in Article 26 of the System and the relevant rules, and shall report to the Board of Directors in a timely manner if they find that there is any violation of the laws, administrative regulations, departmental rules, regulatory documents, the regulatory rules of the place where the Company's shares are listed and the Articles of Association, or any violation of the resolutions of the general meeting and the Board of Directors, and may request the Company to provide a written explanation. Where disclosure matters are involved, the Company shall make timely disclosure.</p> <p>In the event that the Company fails to provide an explanation or make timely disclosure in accordance with the preceding paragraph, the independent non-executive directors may report the matter to the CSRC and the Shenzhen Stock Exchange.</p>	Added in accordance with Article 22 of the Administrative Measures for Independent Directors of Listed Companies
None	<p>Article 32 The independent non-executive directors shall spend no less than fifteen days per year working on-site at the Company.</p> <p>In addition to attending general meetings, meetings of the Board of Directors and its special committees, and Specialized Meetings of Independent Non-executive Directors in accordance with the regulations, independent non-executive directors may perform their duties in a variety of ways, such as obtaining information on the Company's operations on a regular basis, listening to reports from the management, communicating with</p>	Added in accordance with Article 30 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.24 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board

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	intermediaries such as the head of the internal audit department and the accounting firm that undertakes the Company's auditing business, conducting on-site inspections, and communicating with the minority shareholders.	
None	<p>Article 33 Independent non-executive Directors shall make work records that detail the performance of their duties. Information obtained by independent non-executive directors in the course of performing their duties, minutes of relevant meetings, and records of communications with staff members of the Company and intermediaries form an integral part of the work records. For important contents in the work records, the independent non-executive directors may request the secretary to the Board of Directors and other relevant personnel to sign and confirm, and the Company and relevant personnel shall render cooperation.</p> <p>Work records of independent non-executive directors and information provided by the Company to independent non-executive directors shall be kept for at least ten years.</p>	Added in accordance with Article 31 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.25 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board
None	<p>Article 34 Independent non-executive Directors shall fulfill their duties as Directors in accordance with laws, fully understand the operation of the Company and the contents of the Board resolutions, safeguard the interests of the Company and all shareholders, and pay special attention to the protection of the legitimate rights and interests of minority shareholders.</p> <p>If there is any conflict among the shareholders or directors of the Company which would materially impact the operation and management of the Company, the independent non-executive directors shall take the</p>	Added in accordance with Article 3.5.26 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board

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	initiative to perform their duties so as to safeguard the overall interests of the Company.	
None	Article 35 The Company shall improve the communication mechanism between the independent non-executive directors and the minority shareholders, and independent non-executive directors may verify the issues raised by the investors with the Company in a timely manner.	Added in accordance with Article 32 of the Administrative Measures for Independent Directors of Listed Companies
None	<p>Article 36 The independent non-executive directors shall submit an annual work report to the annual general meeting of the Company to explain their performance of duties. The annual work report shall include the following contents:</p> <p>(I) The number of times, ways and votes of attending the Board meetings, and the number of times attending the general meetings throughout the year;</p> <p>(II) Participation in the work of special committees of the Board of Directors and Specialized Meeting of Independent Non-executive Directors;</p> <p>(III) Consideration of the matters as stipulated in Article 26 of the System and relevant rules, and exercise of the special powers and functions of the independent non-executive directors as set out in paragraph 1 of Article 24 of the System;</p> <p>(IV) Information on significant matters, methods and results of communication with the internal audit department and the accounting firm that undertakes the Company's auditing business regarding the Company's financial and business status;</p> <p>(V) Communication with minority shareholders;</p> <p>(VI) The time and content of on-site work at the Company;</p>	Added in accordance with Article 33 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.28 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board

Original Article	Revised Article	Basis of Revision
	<p>(VII) Other circumstances of the performance of duties.</p> <p>The annual work report of the independent non-executive directors shall be disclosed no later than the time when the Company gives notice of annual general meeting.</p>	
None	<p>Article 37 The independent non-executive directors shall continuously strengthen the study of securities laws and regulations and rules, and improve their ability to perform their duties.</p>	Added in accordance with Article 34 of the Administrative Measures for Independent Directors of Listed Companies
None	<p>Chapter VI Guarantees for the Performance of Duties of Independent Non-executive Directors</p>	A separate chapter is established in accordance with the Administrative Measures for Independent Directors of Listed Companies. The contents of the original Chapters 3, 4 and 6 are incorporated.
<p>Article 13 The Company shall provide necessary working conditions for the independent non-executive directors to perform their duties. The secretary to the Board of Directors of the Company shall actively provide support to independent non-executive directors in performing their duties, such as briefing and provision of materials. When independent opinions, proposals and written statements expressed by independent non-executive directors shall be announced, the secretary to the Board of Directors shall make timely announcements on the stock exchange of the Company.</p>	<p>Article 1338 The Company shall provide necessary working conditions and personnel support for the independent non-executive directors to perform their duties. The secretary to the Board of Directors of the Company and relevant departments and personnel shall actively provide support to independent non-executive directors in performing their duties, such as briefing and provision of materials. When independent opinions, proposals and written statements expressed by independent non-executive directors shall be announced, the secretary to the Board of Directors shall make timely announcements on the stock exchange of the Company.</p> <p>The secretary to the Board of Directors shall ensure that there is a smooth flow of information between the independent non-executive directors and other directors, senior management and other relevant personnel, and that the independent non-executive directors have access to</p>	Amended in accordance with Article 35 of the Administrative Measures for Independent Directors of Listed Companies

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	adequate resources and necessary professional advice in the performance of their duties.	
None	<p>Article 39 The Company shall ensure that independent non-executive directors have the same right to know as other directors. In order to ensure the effective exercise of the powers and functions of independent non-executive directors, the Company shall inform the independent non-executive directors of the Company's operation on a regular basis, provide information, and organize or cooperate with the independent non-executive directors to carry out on-site inspections.</p> <p>The Company may organize independent non-executive directors to participate in research and argumentation before the Board of Directors considers major and complex matters, fully listen to the opinions of independent non-executive directors, and provide timely feedback to independent non-executive directors on the adoption of their opinions.</p>	Added in accordance with Article 36 of the Administrative Measures for Independent Directors of Listed Companies
None	<p>Article 40 The Company shall give notice of Board meetings to independent non-executive directors in a timely manner, provide relevant meeting materials no later than the period for notice of Board meetings as stipulated in the laws, administrative regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association, and provide independent non-executive directors with an effective channel of communication; where a meeting of a special committee of the Board of Directors is convened, the Company shall, in principle, provide relevant materials and information no later than three days prior to the convening of the meeting of the special committee. The Company shall keep the above meeting materials for at least ten years.</p>	Added in accordance with Article 37 of the Administrative Measures for Independent Directors of Listed Companies

Original Article	Revised Article	Basis of Revision
	<p>When two or more independent non-executive directors consider that the meeting materials are incomplete, insufficiently argued or not provided in a timely manner, they may propose in writing to the Board of Directors to postpone the meeting or to adjourn the consideration of the matter, and the Board of Directors shall adopt such proposal.</p> <p>Meetings of the Board of Directors and special committees are held on-site in principle. On the premise of ensuring that all participating directors are able to fully communicate and express their opinions, the meeting may be held by video, telephone or other means in accordance with the procedures when necessary.</p>	
None	<p>Article 41 Where an independent non-executive director exercises his/her powers, the Company's directors, senior management and other relevant personnel shall render cooperation, and shall not refuse, obstruct or conceal relevant information, or interfere with his/her independent exercise of powers and functions.</p> <p>If independent non-executive directors encounter obstruction when exercising their powers and duties in accordance with the law, they may explain the circumstances to the Board of Directors, request the directors, senior management and other relevant personnel to render cooperation, and record the specific circumstances of the obstruction and the resolution of the situation in their work records; if the obstruction still cannot be eliminated, they may report it to the CSRC and the stock exchange.</p> <p>If the performance of duties by independent non-executive directors involves information that should be disclosed, the Company shall handle</p>	<p>Added in accordance with Article 38 of the Administrative Measures for Independent Directors of Listed Companies and Article 3.5.23 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

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	the disclosure in a timely manner; if the Company does not disclose the information, the independent non-executive directors may apply for disclosure directly or report to the CSRC and the stock exchange.	
Article 15 The Company shall bear the expenses incurred by the independent non-executive director in engaging an intermediary agency and other reasonable expenses necessary in exercising his/her powers and functions.	Article 15 42 The Company shall bear the expenses incurred by the independent non-executive director in engaging an intermediary agency and other reasonable expenses necessary in exercising his/her powers and functions.	
None	Article 43 The Company can establish liability insurance systems for independent non-executive directors to reduce the potential risks arising from the normal duty performance of independent non-executive directors.	Amended in accordance with Article 40 of the Administrative Measures for Independent Directors of Listed Companies
None	Article 44 The Company shall grant the independent non-executive directors allowances appropriate to their duties. In addition to the above allowances, independent non-executive directors shall not obtain other benefits from the Company, its substantial shareholders, de facto controllers or interested units and individuals.	Amended in accordance with Article 41 of the Administrative Measures for Independent Directors of Listed Companies. Article 23 of the original Chapter VI “Allowances and Performance Fees of Independent Non-executive Directors” is incorporated into this chapter.
None	Article 45 The criteria for the allowances of independent non-executive directors shall be formulated by the Board of Directors, considered and approved by the general meeting, and disclosed in the annual report of the Company or in accordance with the regulatory rules of the place where the Company’s shares are listed.	Amended in accordance with Article 41 of the Administrative Measures for Independent Directors of Listed Companies. Article 24 of the original Chapter VI “Allowances and Performance Fees of Independent Non-executive Directors” is adjusted to this chapter.
Chapter IV Code of Conduct for Independent Non-Executive Directors	Deleted	
Article 16 If an independent non-executive director identifies that one of the following circumstances exists in the Company, he/she shall actively fulfill his/her due diligence obligations, make	Deleted	Stated in other articles according to Article 18 of the Administrative Measures for Independent Directors of Listed

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<p>timely report to the Shenzhen Stock Exchange, and, if necessary, engage an intermediary agency to carry out a special investigation:</p> <p>(I) Any material matter has not been submitted to the Board of Directors for consideration as required;</p> <p>(II) Any information disclosure obligation has not been fulfilled in time;</p> <p>(III) Any false record, misleading statement or material omission in its public information;</p> <p>(IV) Other potential violations of laws, regulations or the legitimate rights and interests of minority shareholders.</p>		<p>Companies and Article 3.5.18 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board. The contents are incorporated into Article 24 of Chapter V after the amendment.</p>
<p>Article 17 Independent non-executive Directors shall, in principle, ensure to spend no less than ten days per year conducting on-site understanding of the Company’s production and operation conditions, and the establishment and implementation of management and internal control systems, as well as on-site inspection on the implementation of resolutions of the Board of Directors.</p>	<p>Deleted</p>	<p>Amended in accordance with Article 30 of the Administrative Measures for Independent Directors of Listed Companies. The contents are incorporated into Article 32 of Chapter V after the amendment.</p>
<p>Article 18 In the event of any of the following circumstances, the independent non-executive directors shall promptly report to the CSRC, the Shenzhen Stock Exchange and local offices of the CSRC at the place where the Company is located:</p> <p>(I) Being removed by the Company but in the opinion of himself/herself the reason for such removal is inappropriate;</p> <p>(II) Resignation of an independent non-executive director due to the situation in the Company that hinders discharging of duties by the independent non-executive director in accordance with laws;</p> <p>(III) Written proposal by more than two independent non-executive directors to postpone the convening of a Board</p>	<p>Article 18⁴⁶ In the event of any of the following circumstances, the independent non-executive directors shall promptly report to the CSRC, the Shenzhen Stock Exchange and local offices of the CSRC at the place where the Company is located:</p> <p>(I) Being removed by the Company but in the opinion of himself/herself the reason for such removal is inappropriate;</p> <p>(II) Resignation of an independent non-executive director due to the situation in the Company that hinders discharging of duties by the independent non-executive director in accordance with laws;</p> <p>(III) Written proposal by more than two independent non-executive directors to postpone the convening of a Board</p>	<p>Amended in accordance with Article 3.5.27 of the Self-discipline Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange No. 1 – Standardized Operation of Listed Companies on the Main Board</p>

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<p>meeting or the consideration of relevant matters is not adopted in case of insufficient materials for the Board meeting;</p> <p>(IV) The Board of Directors fails to adopt effective measures when receiving report that the Company, the directors, the supervisors and senior management are suspected to violate any law or regulation;</p> <p>(V) Other matters that constitute a material obstruction against the performance of duties by independent non-executive directors.</p> <p>If the independent non-executive director makes a public statement on any of the above circumstances, he/she shall report to the Shenzhen Stock Exchange before disclosure, and make an announcement on the media designated by the securities regulatory authorities for information disclosure after being reviewed by the Shenzhen Stock Exchange.</p>	<p>meeting or the consideration of relevant matters is not adopted in case of insufficient materials for the Board meeting;</p> <p>(IV) The Board of Directors fails to adopt effective measures when receiving report that the Company, the directors, the supervisors and senior management are suspected to violate any law or regulation;</p> <p>(V) Other matters that constitute a material obstruction against the performance of duties by independent non-executive directors.</p> <p>If the independent non-executive director makes a public statement on any of the above circumstances, he/she shall report to the Shenzhen Stock Exchange before disclosure, and make an announcement on the media designated by the securities regulatory authorities for information disclosure after being reviewed by the Shenzhen Stock Exchange.</p>	
<p>Article 19 Independent non-executive Directors shall submit a work report to the annual general meeting of the Company. Such report shall contain the following:</p> <p>(I) Methods and number of attendance and votes at the Board meetings, and number of attendance at general meetings throughout the year;</p> <p>(II) Independent opinions he or she has issued;</p> <p>(III) Information on proposals for convening Board meetings, appointment or dismissal of accounting firms, independent engagement of external auditors and consulting firms, and on-site understanding and inspection;</p> <p>(IV) Other measures taken by him/her to protect legitimate rights and interests of minority shareholders.</p>	Deleted	Amended in accordance with Article 33 of the Administrative Measures for Independent Directors of Listed Companies. The contents are incorporated into Article 36 of Chapter V after the amendment.

Original Article	Revised Article	Basis of Revision
Article 20 Independent non-executive Directors shall keep written records of their performance of duties.	Deleted	Amended in accordance with Article 31 of the Administrative Measures for Independent Directors of Listed Companies. The contents are incorporated into Article 33 of Chapter V after the amendment.
Chapter VI Allowances and Performance Fees of Independent non-executive Directors	Deleted	The chapter is adjusted according to the Administrative Measures for Independent Directors of Listed Companies
Article 23 Unless otherwise stipulated in regulations and policies, independent non-executive directors are entitled to receive appropriate allowances from the Company. In addition to the above allowances, independent non-executive directors shall not acquire any additional and undisclosed benefits, including equity incentives, from the Company and its subsidiaries, controlling shareholder or interested institutions and personnel.	Deleted	The chapter is adjusted according to the Administrative Measures for Independent Directors of Listed Companies. The contents are adjusted to Chapter VI after the amendment.
Article 24 The standards of the allowances of independent non-executive directors shall be proposed by the Board of Directors, approved by the general meeting and disclosed in annual report of the Company or in accordance with the listing rules of the place where the shares are listed.	Deleted	The chapter is adjusted according to the Administrative Measures for Independent Directors of Listed Companies. The contents are adjusted to Chapter VI after the amendment.
Article 25 The reasonable expenses incurred by the independent non-executive directors during their performance of duties shall be borne by the Company.	Deleted	The chapter is adjusted according to the Administrative Measures for Independent Directors of Listed Companies. The contents are adjusted to Chapter VI after the amendment.

Original Article	Revised Article	Basis of Revision
Chapter VII Supplementary Provisions	Chapter VII Supplementary Provisions	
Article 26 The System shall be interpreted by the Board of Directors of the Company.	Article 26 47 The System shall be interpreted by the Board of Directors of the Company.	
Article 27 Matters not covered in the System shall be implemented in accordance with the provisions of relevant national laws, regulations, other regulatory documents and the Articles of Association.	Article 27 48 Matters not covered in the System or any inconsistency between the System and the provisions of laws, administrative regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association promulgated or amended after the effective date of the System shall be implemented in accordance with the provisions of relevant national laws, administrative regulations, departmental rules , other regulatory documents, regulatory rules of the place where the Company's shares are listed and the Articles of Association.	
Article 28 After being considered and approved by the general meeting of the Company, the System shall come into effect from the date on which the H shares publicly issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited. From the date on which the System comes into effect, the original Independent Non-executive Director System of the Company will automatically expire.	Article 28 49 After being considered and approved by the general meeting of the Company, the The System shall come into effect from the date of consideration and approval by the general meeting of the Company on which the H shares publicly issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited. From the date on which the System comes into effect, the original Independent Non-executive Director System of the Company will automatically expire.	