THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a 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 of China Southern Airlines Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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中国南方航空股份有限公司
CHINA SOUTHERN AIRLINES COMPANY LIMITED

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

(Stock Code: 1055)

(1) MAJOR AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES FRAMEWORK AGREEMENT; (2) DISCLOSEABLE AND MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO 2026 – 2028 FINANCE AND LEASE SERVICE FRAMEWORK AGREEMENT; (3) AUTHORISATION TO XIAMEN AIRLINES COMPANY LIMITED ON THE PROVISION OF GUARANTEES TO ITS SUBSIDIARIES; (4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE PROCEDURAL RULES AND ABOLISHMENT OF THE SUPERVISORY COMMITTEE; AND (5) NOTICE OF EGM

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

SOMERLEY CAPITAL LIMITED

A notice convening the EGM to be held at 2:30 p.m., on Friday, 12 December 2025 at No. 3301 Conference Room, 33rd Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC, a form of proxy to be used at the EGM is despatched by the Company together with this circular and is also published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.csair.com).

If you are not able to attend and/or vote at the EGM, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

25 November 2025

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

"2023–2025 Finance and Lease Service Framework Agreement"	the 2023–2025 finance and lease service framework agreement entered into between the Company and CSA Leasing on 28 October 2022, pursuant to which CSA Leasing agreed to (i) provide finance leasing service to the Company in relation to the Leased Aircraft, Leased Simulators and Leased Aviation Related Equipment; and (ii) provide operating lease service to the Company in relation to certain aircraft, engines and Aviation Related Equipment for the period from 1 January 2023 to 31 December 2025 in accordance with its terms and conditions and the relevant implementation agreements contemplated thereunder
"2023–2025 Finance Lease Transactions"	the finance lease of the Leased Aircraft, the Leased Simulators and the Leased Aviation Related Equipment pursuant to the 2023–2025 Finance and Lease Service Framework Agreement
"2023–2025 Operating Lease Transactions"	the operating lease of the aircraft, engines and Aviation Related Equipment pursuant to the 2023–2025 Finance and Lease Service Framework Agreement
"2026–2028 Finance and Lease Service Framework Agreement"	the 2026–2028 finance and lease service framework agreement entered into between the Company and CSA Leasing on 27 October 2025, pursuant to which CSA Leasing agreed to, among others, (i) provide finance leasing service to the Company in relation to the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment; (ii) provide operating lease service to the Company in relation to certain aircraft, engines, simulators and Aviation Related Equipment; and (iii) sell aircraft and disassembled fuselages, casings or aviation materials to the Company for the period from 1 January 2026 to 31 December 2028 in accordance with its terms and conditions and the relevant implementation agreements contemplated thereunder
"A Share(s)"	A share(s) of RMB1.00 each in the capital of the Company

"Aircraft Related Acquisition Agreements"	the individual agreements in relation to the acquisition of aircraft and disassembled fuselages, casings or aviation materials by the Company from CSA Leasing to be entered into by the Company pursuant to the 2026–2028 Finance and Lease Service Framework Agreement
"Aircraft Related Acquisitions"	the acquisition of aircraft and disassembled fuselages, casings or aviation materials by the Company from CSA Leasing to be entered into by the Company pursuant to the 2026–2028 Finance and Lease Service Framework Agreement
"Aircraft Related Acquisitions Cap(s)"	the relevant annual cap(s) for the Aircraft Related Acquisitions contemplated under the 2026–2028 Finance and Lease Service Framework Agreement
"Aviation Related Equipment"	the special equipment (including special vehicles, logistics and warehousing facilities and equipment, kitchen equipment, servers and network equipment, onboard equipment, accelerated processing unit (APU), take-off and landing gear and other aviation materials, etc.)
"Articles of Association"	the articles of association of the Company, as amended from time to time
"associate(s)"	has the meaning as defined in the Listing Rules
"Authorisation on the Provision of Guarantees"	the authorisation by the EGM to Xiamen Airlines on the provision of guarantees to Hebei Airlines, SPVs, Xiamen Airlines Finance Lease and its SPV, Jiangxi Airlines and Shangzhou Logistics
"Board"	the board of Directors
"Company"	China Southern Airlines Company Limited, a company incorporated under the laws of the PRC whose H Shares and A Shares are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively
"connected person"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules

"CSAH"	China Southern Air Holding Company Limited, a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
"CSAH Group"	CSAH and its subsidiaries
"CSA Leasing"	China Southern Air Leasing Company Limited* (南航國際融資租賃有限公司), a company incorporated in the PRC with limited liability, and wholly-owned by CSAH as at the Latest Practicable Date
"Deposit Services Cap(s)"	the maximum daily balance of deposits placed by the Group (including the corresponding interest accrued thereon) on any given day during the term of the Financial Services Framework Agreement
"Directors"	the directors of the Company
"EGM"	the first extraordinary general meeting of 2025 of the Company to be convened at 2:30 p.m., on Friday, 12 December 2025
"Finance Company"	China Southern Airlines Group Finance Company Limited, a company incorporated in the PRC with limited liability
"Finance Lease Agreement(s)"	the individual finance lease agreements in relation to the finance lease of the Leased Aircraft, the Leased Engines, the Leased Simulators and the Leased Aviation Related Equipment to be entered into by the Company pursuant to the 2026–2028 Finance and Lease Service Framework Agreement
"Finance Lease Cap(s)"	the relevant annual cap(s) for the Finance Lease Transactions contemplated under the 2026-2028 Finance and Lease Service Framework Agreement
"Finance Lease Transactions"	the finance lease of the Leased Aircraft, the Leased Engines, the Leased Simulators and the Leased Aviation Related Equipment pursuant to the 2026–2028 Finance and Lease Service Framework Agreement

"Financial Services Framework Agreement"	the financial services framework agreement dated 27 October 2025 entered into between the Company and the Finance Company
"Group"	the Company and its existing subsidiaries
"H Share(s)"	H share(s) of RMB1.00 each in the capital of the Company
"Hebei Airlines"	Hebei Airlines Company Limited, a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Xiamen Airlines as at the Latest Practicable Date
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	the International Financial Reporting Standards issued by the International Accounting Standards Board
"IFRS 16"	the International Financial Reporting Standard 16 issued by the International Accounting Standards Board, set out the principles for the recognition, measurement, presentation and disclosure of leases
"Independent Board Committee"	the independent committee of the Board, the members of which consist of the independent non-executive Directors, formed to advise the Independent Shareholders with respect to (i) the Provision of Deposit Services and the proposed Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the Proposed Lease Transactions and the proposed Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement

"Independent Financial Adviser"	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of (i) the Provision of Deposit Services and the proposed Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the Proposed Lease Transactions and the proposed Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement
"Independent Shareholders"	shareholders of the Company other than CSAH and its associates
"Jiangxi Airlines"	Jiangxi Airlines Company Limited, a limited liability company incorporated under the laws of the PRC and a majority-held subsidiary of Xiamen Airlines as at the Latest Practicable Date
"Latest Practicable Date"	19 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Lease Cap(s)"	collectively, the Finance Lease Cap(s), the Operating Lease Cap(s) and the Aircraft Related Acquisitions Cap(s)
"Leased Aircraft"	the aircraft planned to be introduced by the Company during the period from 1 January 2026 to 31 December 2028, and to be entered into the finance lease under the 2026–2028 Finance and Lease Service Framework Agreement
"Leased Engines"	the engines planned to be introduced by the Company during the period from 1 January 2026 to 31 December 2028, and to be entered into the finance lease under the 2026–2028 Finance and Lease Service Framework Agreement
"Leased Aviation Related Equipment"	the Aviation Related Equipment planned to be introduced by the Company during the period from 1 January 2026 to 31 December 2028, and to be entered into the finance lease under the 2026–2028 Finance and Lease Service Framework Agreement
"Leased Simulators"	the simulators planned to be introduced by the Company during the period from 1 January 2026 to 31 December 2028, and to be entered into the finance lease under the 2026–2028 Finance and Lease Service Framework Agreement

"Lessee(s)"	The Company (including the wholly-owned or controlled subsidiaries of the Company or their wholly-owned or controlled subsidiaries)
"Lessor(s)"	CSA Leasing and wholly-owned subsidiaries of CSA Leasing or wholly-owned project subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Nan Lung"	Nan Lung Holding Limited, a wholly-owned subsidiary of CSAH
"NFRA"	National Financial Regulatory Administration
"Operating Lease Agreement(s)"	the individual operating lease agreements in relation to the operating lease of certain aircraft, engines, simulators and Aviation Related Equipment to be entered into by the Company pursuant to the 2026–2028 Finance and Lease Service Framework Agreement
"Operating Lease Cap(s)"	the relevant annual cap(s) for the Operating Lease Transactions contemplated under the 2026–2028 Finance and Lease Service Framework Agreement
"Operating Lease Transactions"	the operating lease of the certain aircraft, engines, simulators and Aviation Related Equipment pursuant to the 2026–2028 Finance and Lease Service Framework Agreement
"PBOC"	the People's Bank of China, the central bank of the PRC
"PRC" or "China"	the People's Republic of China (other than, for the purpose of this circular only, Hong Kong, Macau and Taiwan)
"Previous Financial Services Framework Agreement"	the previous financial services framework agreement dated 28 October 2022 entered into between the Parties
"Proposed Lease Transactions"	collectively, the Finance Lease Transactions, the Operating Lease Transactions and the Aircraft Related Acquisitions

"Provision of Deposit Services"	The provision of deposit of money services (including but not limited to time deposit, saving deposit) by the Finance Company to the Group pursuant to the Financial Services Framework Agreement
"Provision of Loan Services"	the provision of loan services (including loans, commercial bill discount business and other credit line services) by the Finance Company to the Group pursuant to the Financial Services Framework Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shangzhou Logistics"	Shangzhou Aviation Logistics Co., Ltd., a limited liability company incorporated under the laws of the PRC and a joint venture of Xiamen Airlines as at the Latest Practicable Date
"Share(s)"	collectively, the H Shares and A Shares
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SPVs"	Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited to Xiamen Airlines No. 18 (Xiamen) Aircraft Lease Company Limited, limited liability companies incorporated under the laws of the PRC and wholly-owned subsidiaries of Xiamen Airlines as at the Latest Practicable Date
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Xiamen Airlines"	Xiamen Airlines Company Limited, a limited liability company incorporated under the laws of the PRC and a majority-held subsidiary of the Company as at the Latest Practicable Date

"Xiamen Airlines Capital"	Xiamen Airlines Capital (Hong Kong) Company Limited, a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Xiamen Airlines as at the Latest Practicable Date
"Xiamen Airlines Finance Lease"	Xiamen Airlines Finance Lease Company Limited, a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Xiamen Airlines as at the Latest Practicable Date
"US dollars" or "US$"	United States dollars, the lawful currency of the United States of America

* *For identification purpose only*

中国南方航空股份有限公司
CHINA SOUTHERN AIRLINES COMPANY LIMITED

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

(Stock Code: 1055)

Directors:

Executive Directors:

Ma Xu Lun *(Chairman of the Board)*

Han Wen Sheng *(Vice Chairman of the Board and President)*

Independent Non-Executive Directors:

Pansy Catilina Chiu King Ho

Guo Wei

Zhang Jun Sheng

Zhu Hai Ping

Supervisors:

Zhang Tao *(Chairman of the Supervisory Committee)*

Wei Zhen Xing

Yang Bin

Registered address:

Unit 301, 3/F, Office Tower

Guanhao Science Park Phase I

12 Yuyan Street, Huangpu District

Guangzhou, Guangdong Province

PRC 510530

25 November 2025

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES FRAMEWORK AGREEMENT; (2) DISCLOSEABLE AND MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO 2026 – 2028 FINANCE AND LEASE SERVICE FRAMEWORK AGREEMENT; (3) AUTHORISATION TO XIAMEN AIRLINES COMPANY LIMITED ON THE PROVISION OF GUARANTEES TO ITS SUBSIDIARIES; (4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE PROCEDURAL RULES AND ABOLISHMENT OF THE SUPERVISORY COMMITTEE; AND (5) NOTICE OF EGM

I. INTRODUCTION

References are made to the announcements of the Company dated 27 October 2025 in relation to (i) the Financial Services Framework Agreement; (ii) the 2026–2028 Finance and Lease Service Framework Agreement; and (iii) the Authorisation on the Provision of Guarantees; and the announcement of the Company dated 28 August 2025 in relation to the proposed amendments to the Articles of Association and the Procedural Rules of the Shareholders' General Meeting, the Procedural Rules of the Board of Directors and abolishment of the Supervisory Committee.

The purpose of this circular is, among other things, to provide you with more information in relation to (i) the Financial Services Framework Agreement and the Deposit Services Caps, as well as the 2026–2028 Finance and Lease Service Framework Agreement and the Lease Caps; (ii) the Authorisation on the Provision of Guarantees; (iii) the proposed amendments to the Articles of Association and the Procedural Rules of the Shareholders' General Meeting, the Procedural Rules of the Board of Directors and abolishment of the Supervisory Committee; and (iv) to enable you to make an informed decision on whether to vote for or against the resolutions at the EGM.

II. FINANCIAL SERVICES FRAMEWORK AGREEMENT

(1) Financial Services Framework Agreement

(i) Date

27 October 2025 (after trading hours)

(ii) Parties

(a) The Company, its principal business activity of the Company is that of civil aviation.

(b) The Finance Company, a non wholly-owned subsidiary of CSAH which is owned as to approximately 51.42% by CSAH and 48.58% by the Company together with its four subsidiaries. The principal business activity of the Finance Company is that of providing financial services, which it is authorised to carry out under the applicable rules and regulations of the PRC.

(iii) Subject matter

Pursuant to the Financial Services Framework Agreement, the Finance Company agreed to provide the following financial services to the Group:

Provision of Deposit Services

The Finance Company shall accept deposit of money from the Group at interest rates not lower than interest rate rules prescribed by the PBOC from time to time for the same term of deposit. The Finance Company will in turn deposit the whole of such sums of money with certain policy banks, state-owned large scale commercial banks and equity commercial banks to control the risk. The Finance Company will ensure the Group is able to use the deposits at any time. The Finance Company could instantly withdraw the deposit from the policy banks, state-owned large scale commercial banks and equity commercial banks at any time and without any restrictions via the online financial service systems. There will not be any penalty for early withdrawal from the policy banks, state-owned large scale commercial banks and equity commercial banks by the Finance Company or from the Finance Company by the Group at any time.

The interest rate for the Group's deposits with the Finance Company shall not be lower than the rate payable by major commercial banks in the PRC for comparable deposits.

The Finance Company shall provide the Group with transfer and settlement services in normal business activities in accordance with the needs of the Group and relevant national regulations.

Provision of Loan Services

The Finance Company shall provide loans, commercial bill discounting services and other credit services to the Group. The Finance Company and the Company shall enter into of separate loan agreements, which will set out the terms and conditions of the loan services, upon application by the Company during the term of the Financial Services Framework Agreement. The Company will comply with the Listing Rules when entering into such separate written agreements. The total amount of loans extended by the Finance Company to the CSAH Group and its subsidiaries (excluding the Group) must not exceed the sum of the Finance Company's share capital, provident fund or money deposit received from other parties (except the Group).

The interest rate for loans provided to the Group by the Finance Company shall not be higher than the interest rate rules prescribed by the PBOC for the same type of loan and, subject to the above, the interest rate charged on the loans to the Group shall be equal to or lower than the rate charged by major commercial banks in the PRC for comparable loans.

The Company will make repayment of principal and payment for interest in accordance with the payment terms of the separate loan agreements as might be entered into between the parties.

Provision of other financial services

Upon request by the Company, the Finance Company shall also provide other financial services to the Group, including guarantee business, financial and financing consultation, foreign exchange business, credit certification and other relevant advice and agency business, and other businesses which are approved by NFRA and PBOC to be operated by the Finance Company by entering into of separate agreements, which will set out the terms and conditions of such services. If the Company is approved to issue bond, the Finance Company can accept engagement by the Company to provide bond issuance or underwriting services, subject to the entering into of separate agreements. The Company will comply with the reporting, annual review, announcement and shareholders' approval requirements of the Listing Rules if the transaction amount of other financial services contemplated under the Financial Services Framework Agreement would exceed the relevant threshold when entering into such separate written agreements.

For the other financial services provided by the Finance Company under the Financial Services Framework Agreement, the handling fees charged by the Finance Company for the provision of other financial services shall be fixed according to the rate of fees chargeable prescribed by the regulatory institutions such the NFRA or the PBOC and, subject to the above principle, the fees chargeable shall be equal to or lower than the rate charged by the Finance Company against independent third parties for the same type of financial services.

The Company will make payment for such fees and commissions in accordance with the payment terms of the separate agreements for other financial services as might be entered into between the Parties.

(iv) Term of the Financial Services Framework Agreement

The Financial Services Framework Agreement is for a fixed term of three years, commencing from 1 January 2026 to 31 December 2028.

(v) Proposed annual Caps

In respect of the Provision of Deposit Services, pursuant to the Financial Services Framework Agreement, each of the maximum daily balance of deposits (including the corresponding interests accrued thereon) placed by the Group for each of the three years ending 31 December 2028 shall not exceed the Deposit Services Caps which are set at RMB30.0 billion, RMB32.0 billion and RMB35.0 billion, respectively, on any given day.

In respect of the Provision of Loan Services, the maximum daily outstanding loan provided by the Finance Company to the Group (including the corresponding interests payable accrued thereon) for each of the three years ending 31 December 2028 shall not exceed RMB30.0 billion, RMB32.0 billion and RMB35.0 billion, respectively, on any given day.

In respect of the other financial services to be provided by the Finance Company to the Group, the annual fees payable by the Group to the Finance Company will not exceed RMB7.5 million, and the total amount of credit line involved in other financial services (including letters of guarantee, factoring, bill acceptance, etc.) shall not exceed RMB13.0 billion annually during the term of the Financial Services Framework Agreement.

For each of the three years ending 31 December 2028, the comprehensive credit line provided by the Finance Company to the Group (i.e. the loan services and the other financial services) shall not exceed RMB43.0 billion, RMB45.0 billion and RMB48.0 billion, respectively.

The Deposit Services Caps of RMB30.0 billion, RMB32.0 billion and RMB35.0 billion are determined principally by reference to:

(1) the cash position of the Group. The amount of cash and cash equivalents held by the Group as at 31 December 2024, 30 June 2025 and 30 September 2025 were approximately RMB12,984 million, approximately RMB12,692 million (unaudited) and approximately RMB14,414 million (unaudited);

(2) the original annual caps provided for the Provision of Deposit Services under the Previous Financial Services Agreement for the three years ending 31 December 2025 of RMB20.0 billion, RMB21.0 billion and RMB22.0 billion respectively (details of which are provided in the announcement of the Company dated 28 October 2022);

(3) the growth in maximum historical daily balance of the deposits of the Group placed with the Finance Company during the two financial years ended 31 December 2024 and the nine months ended 30 September 2025 (as provided below);

(4) the maximum historical daily balance of the deposits of the Group placed with the Finance Company was close to RMB22.0 billion during the first half of 2025, which indicated that the existing Cap of RMB22.0 billion for the year ending 31 December 2025 has been nearly fully utilized;

(5) the operation scale of the Group which is expected to continue to expand and the ability of centralised fund management which continues to increase and in turn result in an increase in the deposits and loans demand;

(6) the bonds and loans of the Company in the amount of approximately RMB8.0 billion will mature in the coming three years and the Company will need to prepare repayment funds in advance of the maturity, leading to an increase in the temporary deposit demand; and

(7) the Group's plan to increase utilisation rate of its funds through the centralised fund management with the Finance Company. The Finance Company, which primarily serves as the financial service provider to CSAH Group (including the Group), is familiar with the operation, business needs and capital plans of the Group. By maintaining accounts with the Finance Company and leveraging on the Finance Company as the settlement platform, fund transmission time can be reduced to expedite the turnaround of funds. In addition, capital pooling can provide flexibility to the Group in making timely intergroup transfer from time to time without any restriction in meeting its funding needs, utilise idle cash balances within the Group, and reduce funding cost of the Group in general.

(vi) Historical figures

The original annual caps under the Previous Financial Services Framework Agreement were as follows:

	For the financial year ended/ ending 31 December		
	2023	**2024**	**2025**
	RMB (million)	*RMB (million)*	*RMB (million)*
Maximum daily amount of deposits placed by the Group	20,000	21,000	22,000
Maximum daily amount of outstanding loans owed by the Group	20,000	21,000	22,000
Annual fees payable under the provision of other financial service	7.5	7.5	7.5
Maximum comprehensive credit line	30,000	30,000	30,000

The historical figures relating to the Provision of Deposit Services, Provision of Loan Services and provision of other financial services, during the two financial years ended 31 December 2024 and nine months ended 30 September 2025, were as follows:

	Balance of the deposits placed with the Finance Company as at RMB *(million)*	**Balance of the outstanding loans provided by the Finance Company as at RMB** *(million)*	**Fees payable to the Finance Company for the provision of other financial services for the financial period ended RMB** *(million)*
31 December 2023	8,940	7,442	1.11
31 December 2024	14,580	10,808	2.70
30 September 2025 (unaudited)	14,125	11,227	1.22

The historical maximum daily balance of the deposits with the Finance Company placed by the Group and the historical maximum daily balance of outstanding loans owned by the Group to the Finance Company, during the two financial years ended 31 December 2024 and nine months ended 30 September 2025, were as follows:

	For the financial year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB (million)	*RMB (million)*	*RMB (million)* (unaudited)
Maximum daily amount of deposits placed by the Group *(Note)*	19,059	18,856	20,743
Maximum daily amount of outstanding loans owed by the Group	9,358	10,808	13,800
Maximum comprehensive credit line	22,695	22,585	22,735

Note: The original annual caps for the Provision of Deposit Services under the Previous Financial Services Framework Agreement for each of the three years ending 31 December 2025 amounted to RMB20.0 billion, RMB21.0 billion and RMB22.0 billion respectively. The maximum daily utilisation rate for each of the two years ended 31 December 2024 and the nine months ended 30 September 2025 amounted to 95.30%, 89.79% and 94.29% respectively.

The loans provided by the Finance Company to the Group in the past were unsecured. In future, if the Company provides any guarantee and/or security in respect of any future loans to be provided by the Finance Company to members of the Group, it will comply with the then applicable requirements under the Listing Rules.

The Company expects the transaction amount of the Provision of Deposit Services, the Provision of Loan Services and the provision of other financial services for the year ending 31 December 2025 will not exceed the annual caps for the year ending 31 December 2025 under the Previous Financial Services Framework Agreement.

(2) Internal control and risk management measures

The main internal control and risk management measures of the Company as set out as follows:

(i) Financial Services Provided by the Finance Company to the Group

- for the Provision of Deposit Services, the Provision of Loan Services and the provision of other financial services under the Financial Services Framework Agreement, the Finance Division of the Company is responsible for monitoring that the interest rates or fees for the specific transactions under the Financial Services Framework Agreement are determined according to the pricing policies as set out in the Financial Services Framework Agreement;

- for the Provision of Deposit Services, the Finance Division of the Company is responsible for closely monitoring the outstanding deposit balance of the Group with the Finance Company on a daily basis to ensure that it does not exceed the proposed annual caps and will check the applicable deposit interest rates upon obtaining the notices on interest received from the Finance Company to ensure that they are in compliance with the pricing policies as set out in the Financial Services Framework Agreement. The general manager and chief accountant of the Company will review the above procedures on a regular basis;

- the Finance Division of the Company is responsible for evaluating the specific information reported by the Finance Company on a monthly basis regarding the status of the Company's deposit and re-deposit with other commercial banks made by the Finance Company to ensure the specific transactions are conducted in compliance with the pricing policies as set out in the Financial Services Framework Agreement, as well as to ensure the aggregate outstanding deposit balance of the Group with the Finance Company does not exceed the proposed annual caps; and

- the Finance Division of the Company is responsible for checking to make sure that the Finance Company will monitor the interest rate rules prescribed by the PBOC and compare the rates and terms offered by major commercial banks in the PRC when the need for deposit arises, so that the Company can make sure the interest rates and terms of the Group's deposits with the Finance Company are on normal commercial terms or better. If the interest rate rules prescribed by the PBOC has made any changes, the Finance Division of the Company would liaise and negotiate with the Finance Company to make sure any adjustment to the deposit rates made by the Finance Company are in compliance with the relevant new interest rates rules prescribed by the PBOC and the pricing policy under the Finance Services Framework Agreement.

(ii) General Measures

- the internal audit department of the Company is responsible for reviewing and assessing the internal control procedures of the Group, including but not limited to the relevant information in relation to the Financial Services Framework Agreement on an annual basis. In addition, the internal audit department will prepare an internal control report and submit to the Board for review and approval;

- the Law & Standards Division of the Company is responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions under the Financial Services Framework Agreement, including but not limited to the implementations of the pricing policies, payment arrangements and actual transaction amount under the specific transactions on a monthly basis to ensure the relevant transactions are conducted in compliance with the Financial Services Framework Agreement;

- the Board Office of the company is responsible for regularly check on the implementation of the pricing policies and proposed annual caps as set out in the Financial Services Framework Agreement;

- the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions contemplated under the Financial Services Framework Agreement to ensure that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the related agreements are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; and

- the auditors of the Company will also conduct an annual review on the pricing policies and annual caps of the continuing connected transactions under the Financial Services Framework Agreement.

Taking into account of: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; (ii) the above-mentioned review procedures against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the Financial Services Framework Agreement; and (iii) there was not any non-compliance identified during the period under the Previous Financial Services Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the Company have implemented effective internal control and risk management measures, and such methods and procedure can ensure that the transactions contemplated under the Financial Services Framework Agreement will be conducted on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

(3) Reasons and Benefits of the Financial Services Framework Agreement

The main reasons for the election by the Company to continue to use the Finance Company for the provision of the relevant financial services are as follows:

- on 31 March 2009, pursuant to the financial services agreement entered into between the Company and the Finance Company, CSAH, as the controlling shareholder of the Finance Company, has undertaken to the Company the following:

  - the Finance Company is a duly incorporated enterprise group finance company under the "Administrative Measures for Enterprise Group Finance Companies" and the other relevant rules and regulations, whose principal business is to provide finance management services, such as deposit and financing for the members of the Group and the relevant capital flows are kept within the Group;

  - the operations of the Finance Company are in compliance with the requirements of the relevant laws and regulations and it is running well, therefore the deposits placed with and loans from the Finance Company of the Company are definitely secure. In future, the Finance Company will continue to operate in strict compliance with the requirements of the relevant laws and regulations;

  - in respect of the Company's deposits with and borrowings from the Finance Company, the Company will continue to implement its internal procedures in accordance with the relevant laws and regulations and the Articles of Association, and CSAH will not intervene in the relevant decision-making process of the Company; and

- as the Company is independent from CSAH in respect of its assets, businesses, personnel, finance and organizational structures, CSAH will continue to fully respect the rights of the Company to manage its own operations, and will not intervene in the daily business operations of the Company; and

- according to the above undertakings made by CSAH, the Board considers that due to (i) the Finance Company is regulated by the PBOC and the NFRA and provides its services in accordance with and in satisfaction of the rules and operational requirements of relevant laws and regulations these regulatory authorities, and (ii) the business and operations of the Finance Company have been in a sound and solid conditions, CSAH have a sound basis to make such undertakings that "the deposits placed with and loans from the Finance Company of the Company are definitely secure", which means CSAH considers that there would be no risks for the Group on the deposits placed with and loans from the Finance Company, and CSAH would assume any risks caused by the deposits placed with and loans from the Finance Company by compensating the Company with any loss of the deposits placed with or loans from the Finance Company according to the relevant laws and regulations. Taking account into the undertakings made by the CSAH and the other reasons as set out in the announcement, including but not limited to (i) the business and operation of the Finance Company is highly regulated and are in compliance with the laws and regulations, ensuring compliance with stringent laws and operational requirements; (ii) the operating results and financial performance of the Finance Company is in a healthy condition; (iii) the historical transactions between the Group and the Finance Company are running well; and (iv) that CSAH would assume any risks by compensating the Company with any loss of the deposits placed with or loans from the Finance Company, the Board is also of the view that the deposits placed with and loans from the Finance Company are secure;

- the Board has passed the "The Risk Control Policy relating to the Connected Transactions between China Southern Airlines Company Limited and Southern Airlines Group Finance Company Limited", an internal policy of the Company regulating connected transactions between the Company and Finance Company, on 28 July 2010 (the full text of which has been uploaded on the website of the Shanghai Stock Exchange at www.sse.com.cn). Pursuant to this policy, the Group shall implement certain risk control measures before and during the course of depositing money with the Finance Company, including reviewing the business licence of the Finance Company, reviewing the financial reports and formulating risk assessment reports prior to depositing money with the Finance Company and on a regular basis after depositing money with the Finance Company, and periodically transferring out

all or part of its deposits in the Finance Company to ensure the safety and liquidity of these deposits. The Group carried out connected transactions with the Finance Company in accordance with this policy, so as to ensure the safety and liquidity of the deposits placed by the Group with the Finance Company; and

- as the Finance Company is a regulated financial institution in the PRC, it is entitled to interbank interest rates which are generally higher than normal commercial interest rates. Accordingly, it will be more beneficial to the Group to make deposit with the Finance Company instead of directly with the relevant banks.

The Board (including the independent non-executive Directors) considers that the terms in relation to the Provision of Loan Services and other financial services under the Financial Services Framework Agreement are fair and reasonable and are entered into on normal commercial terms or better and in the ordinary and usual course of business of the Company and in the interests of the Group and its Shareholders as a whole.

The Board (including the independent non-executive Directors) further considers that the terms in relation to the Provision of Deposit Services under the Financial Services Framework Agreement and the Deposit Services Caps in respect of the maximum daily balance of deposit (including the corresponding interests accrued thereon) are fair and reasonable and are entered into on normal commercial terms or better and in the ordinary and usual course of business of the Company and in the interests of the Group and its Shareholders as a whole.

(4) Implications under the Listing Rules

The Finance Company is a non-bank finance company established under the direction of the PBOC with the main business scope of providing various financial services, including deposit and loan facilities, credit facilities, guarantee, remittance of money and credit references, principally to the CSAH Group. CSAH, the controlling shareholder of the Company, directly and indirectly holding approximately 66.52% equity interests in the Company as at the Latest Practicable Date, is a connected person of the Company. The Finance Company is a non-wholly owned subsidiary of CSAH thus also a connected person of the Company. As the Finance Company is a connected person of the Company under the Listing Rules, the Financial Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios for the Provision of Deposit Services is higher than 25% but less than 100% on an annual basis, the Provision of Deposit Services constitutes a continuing connected transaction subject to the reporting, annual review, announcement and the shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, the Provision of Deposit Services constitutes the provision of financial assistance under rule 14.04(1)(e) of the Listing Rules and thus a major transaction under Chapter 14 of the Listing Rules.

The Provision of Loan Services and the provision of credit line services (including letters of guarantee, factoring, bill acceptance, etc.) in the other financial services by the Finance Company to the Group would amount to financial assistance by a connected person for the benefit of the Group, which are on normal commercial terms or better, and such loans are not secured by the assets of the Group, therefore the Provision of Loan Services and the provision of credit line services (including letters of guarantee, factoring, bill acceptance, etc.) in the other financial services is exempt under rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and shareholders' approval requirements.

In respect of the other financial services to be provided by the Finance Company to the Group, the total fees payable by the Group to the Finance Company will not exceed RMB7.5 million for each of the three years ending 31 December 2028. As all the applicable percentage ratios for the provision of the other financial services by the Finance Company to the Group are less than 0.1% on an annual basis, which fall within the de minimis threshold set out in rule 14A.76 of the Listing Rules, the provision of the other financial services by the Finance Company to the Group is exempt from the reporting, annual review, announcement and shareholders' approval requirements of the Listing Rules.

Among the six Directors, two connected Directors, Mr. Ma Xu Lun and Mr. Han Wen Sheng, were required to abstain from voting in the Board meeting in respect of the resolutions to approve the Financial Services Framework Agreement. All remaining four Directors who were entitled to vote, unanimously approved the above resolution. The format and procedure for passing the resolution was in compliance with the Company Law of the PRC and the Articles of Association.

CSAH and its associates, who were directly and indirectly holding an aggregate of 12,053,304,972 Shares (representing approximately 66.52% of the issued share capital of the Company) as at the Latest Practicable Date, are required to abstain from voting in respect of the proposed resolution to approve the Provision of Deposit Services under the Financial Services Framework Agreement in the EGM.

III. 2026–2028 FINANCE AND LEASE SERVICE FRAMEWORK AGREEMENT

(1) 2026–2028 Finance and Lease Service Framework Agreement

(i) General Terms

Date	:	27 October 2025
Lessor(s)	:	CSA Leasing (including the wholly-owned subsidiaries or wholly-owned project subsidiaries of CSA Leasing or their wholly-owned subsidiaries)
Lessee(s)	:	The Company (including the wholly-owned or controlled subsidiaries of the Company or their wholly-owned or controlled subsidiaries)
Effective term	:	From 1 January 2026 to 31 December 2028
Effectiveness and conditions	:	The 2026–2028 Finance and Lease Service Framework Agreement is effective upon execution by the parties and approval of the 2026–2028 Finance and Lease Service Framework Agreement and the transactions contemplated thereunder by the Board and the Independent Shareholders at the EGM.

(ii) Finance Lease Transactions

The major terms of the Finance Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement are set out as follows:

Subject matter under the Finance Lease Transactions	:	The Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment comprises part of the aircraft, engines, simulators and Aviation Related Equipment in the Company's introduction plan from 1 January 2026 to 31 December 2028, subject to adjustment from time to time.

The Company has signed or will sign aircraft purchase agreements with aircraft manufacturing company in relation to the Leased Aircraft, which agreements have been or will be negotiated and agreed independently and separately and has fulfilled or will fulfill the resolution procedures of the Board and the Company's general meetings and announcement obligations in accordance with relevant laws and regulations (including the Listing Rules). Only Finance Lease Transactions with agreements commencing from 1 January 2026 will be subject to the 2026–2028 Finance and Lease Service Framework Agreement.

As for the engines, simulators and the Aviation Related Equipment, the Company has signed or will sign the relevant purchase agreements with the independent third parties, which agreements have been or will be negotiated and agreed independently and separately and will fulfil or has fulfilled the relevant internal approval procedures in accordance with relevant laws and regulations (including the Listing Rules).

Aggregate principal amount of the Finance Lease Transactions : Not more than 100% of the consideration for the purchase of the subject matter (including the aircraft, the engines, the simulators and the Aviation Related Equipment).

Rental fee/Interest rate : The rental fee is the repayment of the principal amount for the subject matter and the interest under the Finance Lease Transactions.

Under the Finance Lease Transactions, the applicable interest rate will be further determined and agreed by the Company and CSA Leasing with reference to the bidding or inquiry results of the Company in respect of financing of the aircraft, engines, simulators and Aviation Related Equipment satisfying the prerequisites as disclosed below under the item "Prerequisites".

The rental fee, of which the principal portion is measured according to the equal-principal (equal instalment principal and corresponding interests incurred by the remaining principal) or average-capital-plus-interests (average instalment for all the principal and interests) standard, or such standard of measurement as otherwise agreed by the Company and CSA Leasing, is payable monthly, quarterly or semi-annually in arrears, commencing on the delivery date or replacement date of each of the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment and concluding on the date of the last payment for such subject matter, subject to the terms and conditions of each individual Finance Lease Agreement. In accordance with tax law requirements, the Lessor(s) will provide the Lessee(s) full value added tax invoices in respect of the principal amount for the subject matter and the interest thereunder for finance lease services, which enables the Lessee(s) to deduct value added tax.

(Note: By adopting the equal principal standard, the principal to be paid by the Lessee(s) in each period remain constant throughout the entire repayment period with a gradually decreasing interests to be paid towards the end of the repayment period. By adopting the average-principal-plus-interests standard, the principal and interests to be repaid by the Lessee(s) in each period are constant throughout the entire repayment period, such that with the passage of time the principal to be paid by the Lessee(s) will be increasing while the interests to be paid by the Lessee(s) will be decreasing. According to previous finance lease transactions and as a general market practice, the equal-principal standard is commonly adopted in reaching the rental fee of aircraft and engines, while the average-capital-plus-interests standard is commonly adopted in reaching the rental fee of the simulators and Aviation Related Equipment. If there is change in market practice, the Company and CSA Leasing may consider adopting such other standard of measurement to be in line with the market practice.)

Prerequisites : The Company may mandate the finance lease arrangements for the aircraft, the engines, the simulators and the Aviation Related Equipment to CSA Leasing depending on the following prerequisites:

(1) the stable operation of CSA Leasing, and CSA Leasing's qualification and ability in engaging in large-scale aircraft, engines, simulators and Aviation Related Equipment finance lease transactions;

(2) the comprehensive costs (including the relevant rental fee and deduct other costs which would be saved according to favourable condition such as deductible value added tax) of the fee proposal(s) regarding the finance lease of aircraft, engines and simulators offered by CSA Leasing to the Company shall not be higher than (i) the comprehensive costs of the same type of transactions carried out by the Company during the relevant period, or (ii) the comprehensive costs of the quotations offered by other independent third parties (among which the quotations from independent third parties shall not be less than two). The comprehensive costs of the fee proposal(s) regarding the finance lease of the Aviation Related Equipment offered by CSA Leasing to the Company (i) shall not be higher than the comprehensive costs of the quotations offered by other independent third parties (among which the quotations from independent third parties shall not be less than two); or (ii) if no quotations are provided by independent third parties, shall not be higher than the comprehensive costs of bank loans for the same type of equipment during the relevant period; and

(3) the capability of the Lessor(s) to issue value added tax invoices in accordance with tax law requirements for the entire principal amount and interest payments of finance lease under the finance lease services, which enables the Lessee(s) to deduct value added tax.

Buy-back : During the lease period, the Lessor(s) have ownerships of the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment. Upon the payment of the last instalment of rental fee by the Lessee(s) to the Lessor(s) for each of the relevant Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment, the Lessee(s) is entitled to purchase the relevant Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment back from the Lessor(s) at a nominal purchase price for such subject matter. The Lessor(s) shall complete all relevant and necessary procedures in assigning the ownership in such Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment to the Lessee(s).

Implementation Agreements : To implement the Finance Lease Transactions, separate Finance Lease Agreement(s) will be entered into between the Lessee(s) and the Lessor(s) in respect of each of the Leased Aircraft, Leased Engines, Leased Simulator and Leased Aviation Related Equipment, the terms of which will in all material respects be consistent with the binding principles, guidelines, terms and conditions contained in the 2026–2028 Finance and Lease Service Framework Agreement.

The lease period of the subject matter under the 2026–2028 Finance and Lease Service Framework Agreement will be agreed upon entering into the individual Finance Lease Agreements. Based on previous similar transactions, the lease period of the Leased Aircraft under the separate Finance Lease Agreement(s) would be 10 years. Based on the common practice of the aviation industry, the lease period of the Leased Engines would be 10 years and the Leased Simulators would be 5 years. In addition, with reference to the accounting policy in respect of the Aviation Related Equipment of the Company, the lease period of the Leased Aviation Related Equipment under the separate Finance Lease Agreement(s) would be 5-10 years.

(iii) Operating Lease Transactions

The major terms of the Operating Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement are set out as follows:

Subject matter under the Operating Lease Transactions	:	The aircraft (including new aircraft as well as middle-aged and old aircraft to be disposed of by the Company through sale and leaseback arrangement), engines, simulators and the Aviation Related Equipment in the Company's introduction plan through operating lease from 1 January 2026 to 31 December 2028.
Rental fee	:	The rental fee will be further determined and agreed by the Company and CSA Leasing with reference to the bidding or inquiry results of the Company in respect of leasing of aircraft, engines, simulators and Aviation Related Equipment satisfying the prerequisites as disclosed below under the item "Prerequisites". The rental fee will be prepaid by the Company on a monthly or quarterly basis or as agreed upon by the Lessor(s) and the Lessee(s), commencing on the delivery date or replacement date of each of the aircraft, engines, simulators and the Aviation Related Equipment.
Prerequisites	:	The Company may mandate the operating lease arrangement for the aircraft, engines, simulators and the Aviation Related Equipment depending on the following prerequisites: (1) the aircraft, engines, simulators and Aviation Related Equipment under the Operating Lease Transactions are owned by the Lessor(s) with proprietary rights or the Lessor(s) owns the legal right to lease them; and

(2) the comprehensive costs (including the relevant rental fee plus any other charges) of the fee proposal(s) regarding the operating lease of the aircraft, the engines, the simulators and the Aviation Related Equipment offered by CSA Leasing to the Company shall not be higher than (i) the comprehensive costs of the same type of transaction carried out by the Company during the relevant period, or (ii) the comprehensive costs of the quotations offered by other independent third parties (among which the quotations from independent third parties shall not be less than two), and if the Company does not have current transactions of the same model or type, the lease terms shall not be higher than the reference price of the lease terms provided by third-party valuation agency for aircraft of the same model and age in the current global market. The comprehensive costs of the middle-aged and old aircraft to be disposed of by the Company through sale and leaseback arrangement and the spare engine to be leased by the Company through operating lease shall not be higher than (i) the comprehensive costs of the quotations provided by other independent third parties, or (ii) the existing lease price of the same type of aircraft and engines of the Company (to be determined based on the lease price of aircraft of the same model and age and the lease price of engine of the same model in the domestic market, and adjusted by conditions and utilization rate of the aircraft and the engine). The rental fee will be determined after fair negotiation by CSA Leasing and the Company.

Ownership : During the lease period, the Lessor(s) have ownerships of the aircraft, engines, simulators and the Aviation Related Equipment and the Lessee(s) have the rights to use the aircraft, engines, simulators and the Aviation Related Equipment. Upon the expiry of the lease period, the Lessee(s) shall return the aircraft, engines, simulators and the Aviation Related Equipment to the Lessor(s).

Implementation Agreements : To implement the Operating Lease Transactions, separate Operating Lease Agreement(s) will be entered into between the Lessee(s) and the Lessor(s) in respect of each of the aircraft, engines, simulators and the Aviation Related Equipment, the terms of which will in all material respects be consistent with the binding principles, guidelines, terms and conditions contained in the 2026–2028 Finance and Lease Service Framework Agreement.

In relation to the pricing policy, the Company will obtain and review (i) at least two proposals from independent third parties regarding the finance lease of the aircraft, engines, simulators and Aviation Related Equipment to evaluate and determine if the comprehensive costs (including the relevant rental fee and deduct other favourable cost-saving conditions) of the fee proposal(s) provided by the Lessor(s) are fair and reasonable, and no less favourable than those offered by independent third parties; and (ii) at least two proposals from independent third parties regarding operating lease of aircraft, engines, simulators and the Aviation Related Equipment and determine if the comprehensive costs provided by the Lessor(s) are fair and reasonable, and no less favourable than those offered by independent third parties or, in the event that the two items above is not applicable due to the unavailability of proposals or due to the occasional operation needs of the Company, and the Company will also refer to the pricing policy as disclosed above under the item "Prerequisites".

(iv) Aircraft Related Acquisitions

The major terms of the Aircraft Related Acquisitions under the 2026–2028 Finance and Lease Service Framework Agreement are set out as follows:

Subject matter under the Aircraft Related Acquisitions : Aircraft and disassembled fuselages, casings or aviation materials to be acquired by the Company from CSA Leasing.

Consideration : The consideration will be further determined and agreed by the Company and CSA Leasing with reference to the prerequisite as disclosed below under the item "Prerequisite".

Prerequisites : The Company may mandate the acquisitions of the aircraft and disassembled fuselages, casings or aviation materials depending on the following prerequisite:

(1) In respect of the acquisition of entire aircraft by the Company from CSA Leasing, if the transaction is carried out on a property exchange, it shall be executed in accordance with the transaction results of the public tender on the property exchange. If the transaction is not carried out on a property exchange, but through a direct transaction between the Company and CSA Leasing, the purchase price of the aircraft by the Company shall be determined by negotiation between the Company and CSA Leasing based on the valuation of the aircraft by independent third-party valuer, and taking into account CSA Leasing's tax and fee costs and reasonable financing costs.

(2) In respect of the acquisition of disassembled fuselages, casings or aviation materials by the Company from CSA Leasing, the Company shall negotiate with CSA Leasing on price and other conditions through bidding or price inquiry, and reach an agreement based on the result that is not higher than the quotations offered by independent third parties to the Company.

Implementation Agreements : To implement the Aircraft Related Acquisitions, separate Aircraft Related Acquisition Agreement(s) will be entered into between the Lessee(s) and the Lessor(s) in respect of each of the aircraft and disassembled fuselages, casings or aviation materials, the terms of which will in all material respects be consistent with the binding principles, guidelines, terms and conditions contained in the 2026–2028 Finance and Lease Service Framework Agreement.

(2) Information about the parties

The Company

The principal business activity of the Company is that of civil aviation.

CSA Leasing and CSAH

CSA Leasing is principally engaged in the provision of financial leasing, operating leasing, purchase of finance lease assets and other related businesses. CSA Leasing is a company incorporated in the PRC with limited liability, and owned as to 25% by China Southern Airlines Group Capital Holding Limited* (中國南航集團資本控股有限公司), 25% by Nan Lung Holding Limited, each a wholly-owned subsidiary of CSAH, and 50% by CSAH as at the Latest Practicable Date. CSAH is a state-owned enterprise established in the PRC. The principal business activity of CSAH is operating the Group and other enterprises which the Group invested in and which constitutes wholly state-owned assets and state-owned equity formed through the state's investments.

(3) Historical transaction amounts and proposed annual caps

(i) Finance Lease Transactions

Historical Transaction Amounts

The Company has conducted transactions in relation to finance leasing with CSA Leasing in each of the three years ending 31 December 2025, namely the 2023–2025 Finance Lease Transactions under the 2023–2025 Finance and Lease Service Framework Agreement. The proposed total rental fee (including principal and interest) and handling fee under the 2023–2025 Finance Lease Transactions for the three years ending 31 December 2025 was US$4,133.27 million (or the equivalent amount in RMB), US$4,132.98 million (or the equivalent amount in RMB) and US$3,628.68 million (or the equivalent amount in RMB). Under the 2023–2025 Finance and Lease Service Framework Agreement, the Lessee(s) shall pay handling fee for each of the leased aircraft, simulators and Aviation Related Equipment, which is not more than 1% of the principal amount for the respective leased aircraft, the simulators and Leased Aviation Related Equipment. The handling fee under the 2023–2025 Finance Lease Transactions is included in the annual cap for the 2023–2025 Finance Lease Transactions. Pursuant to IFRS 16, the 2023–2025 Finance Lease Transactions under the 2023–2025 Finance and Lease Service Framework Agreement will be recognised as right-of-use assets, the proposed annual cap for the 2023–2025 Finance Lease Transactions for the three years ending 31 December 2025 was approximately

US$3,361 million (or the equivalent amount in RMB), US$3,331 million (or the equivalent amount in RMB) and US$2,896 million (or the equivalent amount in RMB), respectively. The actual rental fee (including principal and interests) and handling fee payable under the 2023–2025 Finance Lease Transactions for the year ended 31 December 2023, for the year ended 31 December 2024 and for the nine months ended 30 September 2025 was US$1,051 million (or the equivalent amount in RMB), US$822 million (or the equivalent amount in RMB) and US$1,382 million (or the equivalent amount in RMB), respectively. The utilisation rate of the annual caps for the 2023–2025 Finance Lease Transactions for each of the two years ended 31 December 2024 and the nine months ended 30 September 2025 are 25.43%, 19.89% and 38.09% respectively.

The main reasons for the difference between the actual transaction amount and the annual cap were due to tightened supply chains in the aircraft industry, manufacturers delayed the delivery of new aircraft, leading to a significant decrease in the number of aircraft actually introduced by the Company in 2023–2025 than expected, the reduction in financing costs due to the reduction in loan prime rate, and lowered the lease payments.

The Company expects the transaction amount of the 2023–2025 Finance Lease Transaction for the year ending 31 December 2025 will not exceed the annual caps for the year ending 31 December 2025 under the 2023–2025 Finance and Lease Service Framework Agreement.

Proposed Annual Caps

As for the Finance Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement, the total fee payable is the sum of the rental fee and the buy-back fee, and the total rental fee payable under the Finance Lease Transactions equals to the sum of the principal and the interest payable under each Finance Lease Agreement for the entire lease period for each of the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment.

Combining the new aircraft, engines, simulators and Aviation Related Equipment orders signed by the Company, the number of new aircraft, engines, simulators and Aviation Related Equipment that may be introduced in the future and the number of old aircraft, engines, simulators and Aviation Related Equipment planned for finance leases, the Company has made planned arrangements for financing leases from 2026 to 2028. In particular, over the next three years, the Company plans to introduce aircraft including Airbus A320 Series, A350 Series, Boeing B787 Series, B737 Series, and COMAC C919 etc. Based on the planned introduction schedule of aircraft, engines, simulators and Aviation Related Equipment from 2026 to 2028, the Company

estimates the proposed total rental fee (including principal and interest) payable under the Finance Lease Transactions by considering (i) number of the aircraft, engines, simulators and Aviation Related Equipment to be introduced from 2026 to 2028; (ii) unit purchase price for each types of aircraft, engines, simulators and Aviation Related Equipment, which the Company assumes to be in line with the purchase price under the previous similar transactions after taking into account any price concessions granted to the Company by the relevant suppliers;, (iii) the lease period for each of the Leased Aircraft, the Leased Engines would be 10 years, the Leased Simulators would be 5 years and the lease period for each of the Leased Aviation Related Equipment would be 5-10 years as disclosed above; and (iv) the prevailing benchmark interest rate of 3.5%, which is the benchmark interest rate for RMB loan for over five years set by the PBOC (the "**PBOC Benchmark Rate**") on 21 July 2025.

When the Company entering into the separate Finance Lease Agreement for each of the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment, the actual interest rate will be determined based on the prevailing interest rate offered by winning bidders of finance lease transactions of the same type in the markets during the corresponding period. As a market practice, such prevailing interest rate of a finance lease transaction will be a premium or discount with a fix percentage to the PBOC Benchmark Rate. Based on the previous proposals received by the Company from the independent third parties, the interest rate usually would not be higher than the relevant PBOC Benchmark Rate. During the term of the Finance Lease Agreement(s), if the PBOC Benchmark Rate is adjusted by the People's Bank of China, the interest rate for the Finance Lease Transactions shall be adjusted accordingly in the same direction. Having considered the basis of determining the actual interest rate of the Finance Lease Agreement(s), the Board is of the view that such arrangement is on normal commercial terms and in the interest of the Company and its Shareholders.

The Company believes that it would be appropriate to adopt the PBOC Benchmark Rate in arriving the proposed total interest payable under the Finance Lease Transactions, after considering that the PBOC Benchmark Rate is commonly adopted in finance lease transactions in the PRC, especially when the repayment of rental fee (including interests payable) is denominated in RMB and having provided certain buffer to the Company as compared with the current market condition.

The Company will monitor the proposed cap as disclosed below and make sure it will not be exceeded. If the interest payable is higher than the one used in arriving the proposed cap for the Finance Lease Transactions, the Company may choose to reduce the transaction volume with CSA Leasing (including lowering the financing percentage). However, in any event, the Company will comply with the Listing Rules from time to time if the proposed cap would be exceeded.

Based on the assumption that (i) the maximum aggregate transaction amount (including the principal and interest payable) of the aircraft finance lease transactions shall not exceed 60% of the aggregate amount (including the principal and interest payable) of all the aircraft planned to be introduced under the Company's introduction plan from 2026 to 2028; and (ii) the maximum aggregate transaction amount of the finance lease of the engines, the simulators and the Aviation Related Equipment shall not exceed total amount of the engines, the simulators and the Aviation Related Equipment to be introduced under the Company's introduction plan from 2026 to 2028, the proposed total rental fee (including principal and interest) under the Finance Lease Transactions is set out as below:

Units: US$ in millions

Transaction period	**For the year ending 31 December 2026**	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
Total rental fee	3,800 (or the equivalent amount in RMB)	4,700 (or the equivalent amount in RMB)	5,000 (or the equivalent amount in RMB)

Pursuant to IFRS 16, the Finance Lease Transactions by the Company (including the wholly-owned or controlled subsidiaries of the Company or their wholly-owned or controlled subsidiaries) as lessee under the 2026–2028 Finance and Lease Service Framework Agreement will be recognised as right-of-use assets, the proposed annual caps for the Finance Lease Transactions for each of the three years ending 31 December 2028 under the 2026–2028 Finance and Lease Service Framework Agreement are approximately US$3,300 million (or the equivalent amount in RMB), US$4,200 million (or the equivalent amount in RMB) and US$4,400 million (or the equivalent amount in RMB), respectively. The proposed caps are set on the total value of right-of-use assets relating to the Finance Lease Transactions, which are calculated during the future years by discounting the estimated total rental fee (including principal and interest) for the newly added Leased Aircraft, the Leased Engines, the Leased Simulators and the Leased Aviation Related Equipment in each year with discount rates which is either the interest rate implicit in the lease or the Company's incremental borrowing rate. To illustrate how the caps are determined, the discount rates used in the above calculation was 3.5%, which are equivalent to the current PBOC Benchmark Rate with reference to the corresponding lease periods.

(ii) Operating Lease Transactions

Historical Transaction Amounts

The Company has conducted transactions in relation to operating leasing with CSA Leasing in each of the three years ending 31 December 2025, namely the 2023–2025 Operating Lease Transactions under the 2023–2025 Finance and Lease Service Framework Agreement. The proposed maximum annual rental fee under the 2023–2025 Operating Lease Transactions for the three years ending 31 December 2025 was US$197 million (or the equivalent amount in RMB), US$356 million (or the equivalent amount in RMB) and US$486 million (or the equivalent amount in RMB), respectively, and the proposed maximum total rental fee under the 2023–2025 Operating Lease Transactions for the three years ending 31 December 2025 was US$1,524 million (or the equivalent amount in RMB), US$1,436 million (or the equivalent amount in RMB) and US$1,119 million (or the equivalent amount in RMB), respectively. Pursuant to IFRS 16, the Operating Lease Transactions by the Company as lessee under the 2023–2025 Finance and Lease Service Framework Agreement will be recognised as right-of-use assets, the proposed annual cap for 2023–2025 Operating Lease Transactions for the three years ending 31 December 2025 was US$1,262 million (or the equivalent amount in RMB), US$1,174 million (or the equivalent amount in RMB) and US$916 million (or the equivalent amount in RMB), respectively. The actual total rental fee payable under the 2023–2025 Operating Lease Transactions for the year ended 31 December 2023, for the year ended 31 December 2024, and for the nine months ended 30 September 2025 was US$36 million (or the equivalent amount in RMB), US$227 million (or the equivalent amount in RMB) and US$385 million (or the equivalent amount in RMB), respectively. The utilisation rate of the annual caps for the 2023–2025 Operating Lease Transactions for each of the two years ended 31 December 2024 and the nine months ended 30 September 2025 are 2.36%, 15.81% and 34.41% respectively.

The main reasons for the difference between the actual transaction amount and the annual cap were due to tightened supply chains in the aircraft industry, manufacturers delayed the delivery of new aircraft leading to a significant decrease in the number of aircraft actually introduced by the Company in 2023–2025 than expected.

The Company expects the transaction amount of the 2023–2025 Operating Lease Transaction for the year ending 31 December 2025 will not exceed the annual caps for the year ending 31 December 2025 under the 2023–2025 Finance and Lease Service Framework Agreement.

Proposed Annual Caps

Combining the new aircraft, engines, simulators and Aviation Related Equipment orders signed by the Company, the number of new aircraft, engines, simulators and Aviation Related Equipment that may be introduced in the future and the number of old aircraft, engines, simulators and Aviation Related Equipment planned for operating leases, the Company has made planned arrangements for operating leases from 2026 to 2028. In particular, over the next three years, the Company plans to introduce aircraft including Airbus A320 Series, A350 Series, Boeing B787 Series, B737 Series, and COMAC C919 etc. Based on the planned introduction schedule of aircraft, engines, simulators and Aviation Related Equipment from 2026 to 2028, the Company estimates the annual rental fee and total rental fee payable under the Operating Lease Transactions by considering the number of aircraft, engines, simulators and Aviation Related Equipment planned to be introduced by operating lease based on the Company's introduction plan for 2026 to 2028 and their estimated monthly rental fee. For aircraft, the Company made reference to the available market data on current market value and lease rate factor generally adopted in the aviation industry for aircraft of different models and age. The calculation of the monthly rental fee is derived by multiplying the relevant current market value and lease rate factor for aircraft of similar model and age. Specifically, the Company considered the conditions and utilisation of individual aircraft and (i) the lease period for the new aircraft being 12 years and a lease rate factor of 0.588%-0.947%; and (ii) the lease period for the middle-aged and old aircraft being 3 years and a lease rate factor of 2.53%. For engines, the Company made reference to the available market data on current lease rates generally adopted in the aviation industry for engines of different models and age, considering the condition and utilisation of individual engines, and the lease period being 3 years for new engines and 2 to 7 years for old engines. For simulators, the Company considered the lease period for the simulators being 8 years and a lease rate factor of 1%. For Aviation Related Equipment, the Company has taken into account the market conditions and adopted a lease rate factor of 1.25%.

Based on the assumption that (i) the maximum aggregate transaction amount (including the principal and interest payable) of operating lease transactions of the aircraft shall not exceed 50% of the aggregate amount of all aircraft planned to be introduced under the Company's introduction plan from 2026 to 2028; and (ii) the maximum aggregate transaction amount of the operating lease of the engines, the simulators and the Aviation Related Equipment shall not exceed total amount of the engines, the simulators and the Aviation Related Equipment planned to be introduced under the Company's introduction plan from 2026 to 2028, the proposed maximum annual rental fee and total rental fee under the Operating Lease Transactions is set out as below:

Units: US$ in millions

Transaction period	**For the year ending 31 December 2026**	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
Annual rental fee *(Note 1)*	500 (or the equivalent amount in RMB)	1,000 (or the equivalent amount in RMB)	1,300 (or the equivalent amount in RMB)
Total rental fee *(Note 2)*	3,100 (or the equivalent amount in RMB)	4,500 (or the equivalent amount in RMB)	3,200 (or the equivalent amount in RMB)

Notes:

1. The annual rental fee refers to the rental actually payable by the Company to CSA Leasing each year, including the 12-month rental for existing aircraft, engines, simulators and Aviation Related Equipment and newly added aircraft, engines, simulators and Aviation Related Equipment in that year.

2. The total rental fee refers to the total rental for newly added aircraft, engines, simulators and Aviation Related Equipment with a full lease term of 2 years to 12 years leased by the Company from CSA Leasing by way of operating lease each year.

Pursuant to IFRS 16, the Operating Lease Transactions by the Company as lessee under the 2026–2028 Finance and Lease Service Framework Agreement will be recognised as right-of-use assets, the proposed annual caps for the Operating Lease Transactions for the three years ending 31 December 2028 under the 2026–2028 Finance and Lease Service Framework Agreement are approximately US$2,800 million (or the equivalent amount in RMB), US$3,900 million (or the equivalent amount in RMB) and US$2,900 million (or the equivalent amount in RMB), respectively. The proposed caps are set on the total value of right-of-use assets relating to Operating Lease Transactions, which are calculated during the future years by discounting the

estimated total rental fee as disclosed in the table above for the newly added aircraft, engines, simulators and Aviation Related Equipment in each year with discount rates which is either the interest rate implicit in the lease or the Company's incremental borrowing rate. To illustrate how the caps are determined, the discount rates used in the above calculation is 3.5% which is equivalent to the benchmark interest rate for RMB loan set by the PBOC with reference to the corresponding lease periods.

(iii) Aircraft Related Acquisitions

Historical Transaction Amounts

The historical transaction amounts for the acquisition of aircraft and disassembled fuselages, casings or aviation materials by the Company from CSA Leasing for the two years ended 31 December 2024 and the nine months ended 30 September 2025 are nil.

Proposed Annual Caps

Set out below are the annual caps which are the maximum amounts estimated to be payable by the Company to CSA Leasing for the Aircraft Related Acquisitions for the three years ending 31 December 2028:

Units: US$ in millions

Transaction period	**For the year ending 31 December 2026**	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
Total transaction amount	129 (or the equivalent amount in RMB)	792 (or the equivalent amount in RMB)	572 (or the equivalent amount in RMB)

The annual caps for the three years ending 31 December 2028 are determined with reference to (i) the requirements of the Company for the purchase of the relevant aircraft, disassembled fuselages, casings or aviation materials for the three years ending 31 December 2028 based on the need for expanding fleet structure, the aircraft introduction plan and the market conditions at the time; and (ii) the estimated unit purchase price of the relevant aircraft, disassembled fuselages, casings or aviation materials to be purchased by the Company from CSA Leasing under the 2026–2028 Finance and Lease Service Framework Agreement determined with reference to the then book value of each aircraft, disassembled fuselages, casings or aviation materials.

(4) Reasons for entering into the Proposed Lease Transactions and benefits expected to accrue to the company

Entering into the 2026–2028 Finance and Lease Service Framework Agreement will broaden financing channels for the aircraft, the engines, the simulators and the Aviation Related Equipment and also increase the fleet through operating lease to satisfy the business development need of the Company and the industry growth. The finance lease of the aircraft, the engines, the simulators and the Aviation Related Equipment would provide more flexibility than those being purchased directly by the Group and have less impact on the working capital of the Group. The operating lease of aircraft, engines, simulators and the Aviation Related Equipment would also provide the flexibility for the Group on the arrangement of its fleet.

As for the Finance Lease Transactions, by utilising the finance lease structure to introduce the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment, the Lessor(s) can provide value added tax invoices for the principal amount and interest payments under the Finance Lease Agreements to the Lessee(s) in accordance with tax law requirements and therefore, the Lessee(s) can use it to deduct value added tax. Through adopting the finance lease arrangement provided by CSA Leasing under the Finance Lease Transactions, the maximum savable financing costs for the Lessee(s) as compared to adopting secured loans arrangements with equivalent interest rates are estimated as follows:

Units: US$ in millions

Transaction period	**For the year ending 31 December 2026**	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
The maximum savable financing costs under the Finance Lease Transactions	41 (or the equivalent amount in RMB)	50 (or the equivalent amount in RMB)	55 (or the equivalent amount in RMB)

Under the 2023–2025 Finance and Lease Service Framework Agreement, the Group introduced 42 aircraft by adopting the finance lease arrangement provided by CSA Leasing and 16 aircraft by adopting the operating lease arrangement provided by CSA Leasing in the two years ended 31 December 2024. Further, the Group expects to further introduce a total of 53 aircraft for the year ending 31 December 2025 under the 2023–2025 Finance and Leasing Services Framework Agreement by adopting the finance lease arrangement provided by CSA Leasing.

By purchasing aircraft and disassembled fuselages, casings, or aviation materials from CSA Leasing under the Aircraft Related Acquisitions, the Company is able to convert certain leased aircraft into owned assets, thereby further reducing aircraft operating costs. The acquisition of fuselages, casings or aviation materials facilitates the timely replenishment of the Company's aircraft capacity.

The terms and conditions of the Proposed Lease Transactions are agreed after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) are of the view that each of the Finance Lease Transactions, the Operating Lease Transactions and the Aircraft Related Acquisitions are on normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of each of the Finance Lease Transactions, the Operating Lease Transactions and the Aircraft Related Acquisitions are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Based on the basis of determining the proposed annual caps for each of the Finance Lease Transactions, the Operating Lease Transactions and the Aircraft Related Acquisitions as disclosed above, the Directors consider that the proposed annual caps for each of the Finance Lease Transactions, the Operating Lease Transactions and the Aircraft Related Acquisitions are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

(5) Internal control and risk management measures

The main internal control and risk management measures of the Company are set out as follows:

(i) 2026–2028 Finance and Lease Service Framework Agreement

- The Company has formulated and adopted specific guidelines for its aircraft financing procurement (the "**Aircraft Financing Procurement Guidelines**") which stipulates the procedures on selection of lessor(s) for aircraft finance lease transactions and the criteria to be met by qualified bidders including (i) if the bidder is an overseas company or a domestic bank, it should have the credit rating at Baa3 rated by Moody or BBB-rated by Standard & Poor's or above; (ii) if the bidder is a finance lease company under items (iii) and (iv) below, the registered capital of such finance lease company should be more than RMB170 million or the equivalent amount in foreign currency; (iii) if the bidder is a domestic company which was originally a finance lease company established under the approval by China Banking Regulatory Commission, it should comply with the relevant requirements of the capital adequacy ratio

and customer concentration ratio; and (iv) if the bidder is a domestic company which was originally a finance lease company established under the approval by Ministry of Commerce, the risk assets (defined as total assets less cash, bank deposits and government bond) of such finance lease company should not be more than 10 times of its total net assets. From the previous aircraft finance lease transactions, the Company has had a pool of at least 20 qualified bidders meeting the criteria under the Aircraft Financing Procurement Guidelines. First, the Finance Division would prepare, and upon approval, send to the qualified bidders, the procurement documents inviting the submission of proposals. After obtaining the proposals submitted by the qualified bidders, a project review committee of the Company comprising members from the Finance Division and the Law & Standards Division of the Company will be formed to review and assess the proposals. In general, the following steps, namely (a) preliminary review, where the Finance Division would arrive in an assessment price on individual items with reference to the benchmark interest conditions, the difference in finance interests, the finance costs, the finance term, the finance cap, the finance ratio, legal costs and tax related conditions, (b) multiple rounds of interim review regarding the assessment price attributable to specific items in the proposals and (c) final review of the proposals, will be involved in the review and assessment procedures by the project review committee, and the successful bidder will be determined with reference to the assessment prices. In the case of equal scores given to two or more proposals at the final review, the successful bidder will be determined with reference to the proposal with the higher scores on quality. Regarding the Finance Lease Transactions, if CSA Leasing has been selected as the successful bidder, the project review committee will further make sure the comprehensive costs provided by the CSA Leasing are no less favourable than those offered by independent third parties. The results of assessment by the project review committee will subsequently be reported to the senior management of the Company for final approval. In addition, the procurement supervision department of the Company will undertake the functions of examination and supervision during the whole process to make sure the bidding and reviewing process is in compliance with the internal rules and pricing policy.

- For the finance lease of the aircraft, engines, simulators and Aviation Related Equipment under the Finance Lease Transactions, the Company will comply with its internal guidance, including the abovementioned Aircraft Financing Procurement Guidelines.

- In respect of the operating lease of the aircraft (including new aircraft as well as middle-aged and old aircraft to be disposed of by the Company through sale and leaseback arrangement), engines and the Aviation Related Equipment under the Operating Lease Transactions, the Company will comply with the internal procurement management rules, including aircraft introduction management rules (the "**Aircraft Introduction Management Rules**") which stipulate procedures for aircraft introduction by the Group (including the operating lease of aircraft). For each operating lease project, the Strategic Planning & Investment Division of the Company will lead to establish the aircraft lease implementation team comprising members from Strategic Planning & Investment Division, Finance Division, Maintenance & Engineering Division, and Law & Standards Division of the Company, as well as members from the Sales and Marketing Committee, the Chief Flight Team, the Operations Command Centre, and import and export trading companies, who may be invited depending on the needs of particular projects. The aircraft lease implementation team will also draft the project commencement request, where the project would only commence when such project commencement request has been approved by the Aircraft Operating Lease (including Lease-and-Buyback) Leading Team. Afterwards, five steps, namely (i) publish a proposal request announcement on the Company's procurement tender website, (ii) evaluating and submitting for approval the proposals received, (iii) reviewing, negotiating, submitting for approval and signing the letter of intent, (iv) reviewing and negotiating the agreement, and (v) signing the agreement, will be involved in the whole transaction process regarding the operating lease of aircraft. In particular, during the step of evaluating proposals, if CSA Leasing has been selected as the successful bidder, the project review committee will further make sure the comprehensive costs provided by the CSA Leasing are no less favourable than those offered by independent third parties. In addition, each department involved in the aircraft lease implementation team has the right to review and comment on the proposals, and they will make sure the process for Operating Lease Transactions is in compliance with the internal rules and pricing policy.

- The Finance Division of the Company is responsible for monitoring the daily connected transactions of the Company and reporting to the audit committee of the Company and independent non-executive Directors on a quarterly basis. The Finance Division of the Company shall supervise the implementation agreements for the transactions contemplated under the 2026–2028 Finance and Lease Service Framework Agreement to ensure they are entered into: (i) in accordance with the review and evaluation procedure set out in this circular and the terms of the 2026–2028 Finance and Lease Service Framework Agreement; (ii) in the ordinary and usual course of business of the Group; (iii) on normal commercial terms or better; (iv) no less favourable than terms offered by independent third parties to the Company; and (v) according to the 2026–2028 Finance and Lease Service Framework Agreement on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and

- The independent non-executive Directors shall review and will continue to review the implementation agreements to ensure that they have been entered into on normal commercial terms or better, and according to the 2026–2028 Finance and Lease Service Framework Agreement on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and provide confirmation in the Company's annual report.

(ii) General Measures

- The internal audit department of the Company is responsible for reviewing and assessing the internal control procedures of the Group, including but not limited to the relevant information in relation to the 2026–2028 Finance and Lease Service Framework Agreement on an annual basis. In addition, the internal audit department will prepare an internal control report and submit to the Board for review and approval;

- The Law & Standards Division of the Company is responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions under the 2026–2028 Finance and Lease Service Framework Agreement, including but not limited to the implementations of the pricing policies, payment arrangements and actual transaction amount under the specific transactions on a monthly basis to ensure the relevant transactions are conducted in compliance with the 2026–2028 Finance and Lease Service Framework Agreement;

- The Board Office of the Company is responsible for regular check on the implementation of the pricing policies and proposed annual caps as set out in the 2026–2028 Finance and Lease Service Framework Agreement;

- The independent non-executive Directors have reviewed and will continue to review the continuing connected transactions contemplated under the 2026–2028 Finance and Lease Service Framework Agreement to ensure that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the related agreements are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; and

- The auditors of the Company will also conduct an annual review on the pricing policies and annual cap of the continuing connected transactions under the 2026–2028 Finance and Lease Service Framework Agreement.

Taking into account of: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; (ii) the abovementioned review procedures against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the 2026–2028 Finance and Lease Service Framework Agreement; and (iii) there was not any non-compliance identified during the period under the 2023–2025 Finance and Lease Service Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that the Company have implemented effective internal control and risk management measures, and such methods and procedure can ensure that the transactions contemplated under the 2026–2028 Finance and Lease Service Framework Agreement will be conducted on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

(6) Implication under the listing rules

As at the Latest Practicable Date, CSA Leasing is wholly-owned by CSAH, the controlling shareholder of the Company. The Lessor(s) is thus a connected person of the Company. Therefore, the Proposed Lease Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios set out in the Listing Rules in respect of the Finance Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement is more than 25% but less than 100% on an annual basis, the Finance Lease Transactions will constitute a continuing connected transaction and major transaction of the Company under the Listing Rules. Therefore, the Finance Lease Transactions is subject to (i) the disclosure, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) the requirements applicable to major transactions under Chapter 14 of the Listing Rules.

As one or more of the relevant applicable percentage ratios set out in the Listing Rules in respect of the Operating Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement is more than 25% but less than 100% on an annual basis, the Operating Lease Transactions will constitute a continuing connected transaction and major transaction of the Company under the Listing Rules, therefore the Operating Lease Transactions is subject to (i) the disclosure, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) the requirements applicable to major transaction under Chapter 14 of the Listing Rules.

As one or more of the relevant applicable percentage ratios set out in the Listing Rules in respect of the Aircraft Related Acquisitions under the 2026–2028 Finance and Lease Service Framework Agreement is more than 5% but less than 25% on an annual basis, the Aircraft Related Acquisitions will constitute continuing connected transactions and discloseable transactions of the Company under the Listing Rules. Therefore, the Aircraft Related Acquisitions is subject to (i) the disclosure, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) the requirements applicable to discloseable transactions under Chapter 14 of the Listing Rules.

Among the six Directors, two connected Directors, Mr. Ma Xu Lun and Mr. Han Wen Sheng, were required to abstain from voting in the Board meeting in respect of the resolutions to approve the transactions contemplated under the 2026–2028 Finance and Lease Service Framework Agreement. All remaining four Directors who were entitled to vote, unanimously approved the above resolution. The format and procedure for passing the resolutions were in compliance with the Company Law of the PRC and the Articles of Association.

CSAH and its associates, who were directly and indirectly holding an aggregate of 12,053,304,972 Shares (representing approximately 66.52% of the issued share capital of the Company) as at the Latest Practicable Date, will abstain from voting on the ordinary resolutions approving the 2026–2028 Finance and Lease Service Framework Agreement and the transactions contemplated thereunder at the EGM.

IV. AUTHORISATION TO XIAMEN AIRLINES ON THE PROVISION OF GUARANTEES TO ITS SUBSIDIARIES

(1) General Information

Reference is made to the announcement of the Company dated 27 October 2025 in relation to the Authorisation on the Provision of Guarantees.

On 27 October 2025, the Board resolved to authorise Xiamen Airlines to provide guarantees to Hebei Airlines, SPVs, Xiamen Airlines Finance Lease and its SPV, Jiangxi Airlines and Shangzhou Logistics with a maximum balance up to RMB2,959 million, RMB1,300 million, RMB1,500 million, RMB327 million and RMB300 million or equivalent in foreign currency during the period from 1 January 2026 to 31 December 2026, respectively, and authorise the legal representative of the above relevant companies (or their authorised persons) to carry out all formalities relating to the above guarantees, including but not limited to the signing of relevant agreements and documents. The Authorisation on the Provision of Guarantees shall be subject to the Shareholders' approval at the EGM in accordance with the requirements of Shanghai Stock Exchange and the Articles of Association.

(2) Information on the Guaranteed Parties

Guarantor	Guaranteed party	Guarantor's shareholding structure	Asset-liability ratio of the guaranteed party for the most recent period	Balance of guarantee as of now	Guarantee amount for this time	Proportion of guarantee amount to the latest audited net assets of the listed company	Expected validity period of the guarantee	Whether it is a related guarantee	Whether there is a counter-guarantee
I. To Wholly-Owned Subsidiaries									
Xiamen Airlines	Hebei Airlines	100%	83.29%	RMB2,778 million	Up to RMB2,959 million or equivalent in foreign currency	8.52%	12 months	No	No
Xiamen Airlines	SPVs	100%	/	RMB1,278 million	Up to RMB1,300 million or equivalent in foreign currency	3.74%	12 months	No	No

Guarantor	Guaranteed party	Guarantor's shareholding structure	Asset-liability ratio of the guaranteed party for the most recent period	Balance of guarantee as of now	Guarantee amount for this time	Proportion of guarantee amount to the latest audited net assets of the listed company	Expected validity period of the guarantee	Whether it is a related guarantee	Whether there is a counter-guarantee
II. To Controlling Subsidiaries									
Xiamen Airlines	Xiamen Airlines Finance Lease and its SPV	75%	Xiamen Airlines Finance Lease 77.54%	0	Up to RMB1,500 million or equivalent in foreign currency	4.32%	12 months	No	No
Xiamen Airlines	Jiangxi Airlines	60%	49.47%	RMB246 million	Up to RMB327 million or equivalent in foreign currency	0.94%	12 months	No	No
III. To Joint Ventures and Associates									
Xiamen Airlines	Shangzhou Logistics	37.9%	33.69%	0	Up to RMB300 million or equivalent in foreign currency	0.86%	12 months	No	No

(i) Hebei Airlines

Type of guaranteed party	☑Legal person ☐Other _____
Name of the guaranteed party	Hebei Airlines Company Limited
Type of guaranteed party and shareholding of the listed company	☑Wholly-owned subsidiary ☐Controlling subsidiary ☐Joint venture ☐Other_____
Major shareholder and shareholding structure	Owned as to 100% by Xiamen Airlines
Legal representative	Chen Hong Bo
Unified social credit code	911300007816069526

Establishment date	October 2005
Place of registration	World Trade Plaza Hotel, No. 303 Zhongshan East Road, Chang'an District, Shijiazhuang, Hebei Province
Registered capital	RMB3,590 million
Company type	Limited liability company
Business scope	Domestic (including Hong Kong, Macau, and Taiwan) air passenger and cargo transport services; international (to the neighboring countries) air passenger and cargo transport services; civil aircraft maintenance; operation and management of dedicated roads for airports; leasing of aviation equipment, tools and devices, and sale of aviation equipment; import and export of commodities and technologies (except for those prohibited by PRC or subject to approval); insurance brokerage and agency services; advertising design, production, agency and publishing services; catering services; retail of prepackaged foods, daily necessities, artwork and souvenirs; business training (excluding educational training, vocational training and other training that requires approval); laundry services; and leasing of non-residential real estate (businesses subject to approval according to the laws may only be carried out upon approval by the relevant authority)

Key financial indicators
(in RMB million)

Item	**As at 30 September 2025/ January to September 2025** (unaudited)	**As at 31 December 2024/ Year 2024** (audited)
Total assets	5,320.86	5,074.48
Total liabilities	4,431.79	4,486.84
Net assets	889.06	587.64
Revenue	3,365.46	4,017.09
Net profit	301.43	277.10

(ii) SPVs

Type of guaranteed party	☑Legal person ☐Other _____
Name of the guaranteed party	Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited to Xiamen Airlines No. 18 (Xiamen) Aircraft Lease Company Limited
Type of guaranteed party and shareholding of the listed company	☑Wholly-owned subsidiary ☐Controlling subsidiary ☐Joint venture ☐Other _____
Major shareholder and shareholding structure	Owned as to 100% by Xiamen Airlines
Legal representative	Wang Qing
Place of registration	Unit 431-H, 4th Floor, Building C, Xiamen International Shipping Center, No. 93 Xiangyu Road, Xiamen Area (Bonded Area) of China (Fujian) Pilot Free Trade Zone
Registered capital	Ranging from RMB0.1 million to RMB0.2 million, respectively, depending on the quantity and model of the aircrafts operated by each SPV
Company type	Limited liability company

Business scope	Leasing of aircraft and aircraft equipment (SPVs only); leasing of other unspecified machinery and equipment (excluding items subject to approval); purchase of leased property from the domestic and overseas; treatment of residual value of leased property; other unspecified professional consulting services (excluding items subject to approval); import and export of various types of commodities and technologies (with no import and export commodity catalogue attached), except for those restricted or prohibited by the country to be operated or imported or exported by the company; social economy consulting services (excluding financial consulting services); and other unspecified services (excluding items subject to approval)

SPVs have no financial information for the latest one year and one period.

(iii) Xiamen Airlines Finance Lease and its SPV

Type of guaranteed party	☑Legal person ☐Other _____
Name of the guaranteed party	Xiamen Airlines Finance Lease Company Limited
Type of guaranteed party and shareholding of the listed company	☐Wholly-owned subsidiary ☑Controlling subsidiary ☐Joint venture ☐Other _____
Major shareholder and shareholding structure	Owned as to 75% by Xiamen Airlines and 25% by Xiamen Airlines Capital (Hong Kong) Company Limited
Legal representative	Cai Jin Gao
Unified social credit code	91350200MA33TTN092
Establishment date	May 2020

Place of registration	201-111, 2nd Floor, No. 7 Huyu Road, Xiamen Area (Comprehensive Bonded Zone) of China (Fujian) Pilot Free Trade Zone
Registered capital	RMB1,000 million
Company type	Limited liability company
Business scope	Finance lease, leasing, purchase of leased property from the domestic and overseas, treatment of residual value of and maintenance of leased property, leasing transaction consulting and guarantee services and other financial leasing businesses approved by the relevant authority; concurrent operation of commercial factoring business in connection with the major businesses of Xiamen Airlines Finance Lease; other unspecified professional consulting services (excluding items subject to approval); import and export of various types of commodities and technologies (with no import and export commodity catalog attached), except for those restricted or prohibited by PRC to be operated or imported or exported by the company; social economy consulting services (excluding financial consulting services); and other unspecified services (excluding items subject to approval). (The aforementioned businesses do not include business to which the special management measures for foreign investment admission apply.)

Key financial indicators
(in RMB million)

Item	**As at 30 September 2025/ January to September 2025** (unaudited)	**As at 31 December 2024/ Year 2024** (audited)
Total assets	4,983.80	3,985.76
Total liabilities	3,864.63	2,910.26
Net assets	1,119.17	1,074.50
Revenue	49.97	47.78
Net profit	43.67	37.11

The SPV of Xiamen Airlines Finance Lease are 11 wholly-owned project companies established for risk isolation, ranging from Xiamen Airlines Rong No. 1 (Xiamen) Leasing Company Limited to Xiamen Airlines Rong No. 11 (Xiamen) Leasing Company Limited, with registered addresses in the Xiamen area of China (Fujian) Pilot Free Trade Zone and Tianjin Pilot Free Trade Zone, respectively. Each SPV's legal representative is Cai Jin Gao. Two of the SPV have a registered capital of RMB171 million, while the other SPV each has a registered capital of RMB0.1 million.

Business Scope: Licensed Project: financial leasing companies establish project companies in bonded areas within China to carry out financial leasing business. (For projects that require approval by law, business activities can only be carried out after approval by relevant departments. The specific business projects shall be subject to the approval documents or licenses issued by the relevant departments).

Shareholder and shareholding structure: owned as to 100% by Xiamen Airlines Finance Lease. SPV have no financial information for the latest one year and one period.

(iv) Jiangxi Airlines

Type of guaranteed party	☑Legal person ☐Other _____
Name of the guaranteed party	Jiangxi Airlines Company Limited
Type of guaranteed party and shareholding of the listed company	☐Wholly-owned subsidiary ☑Controlling subsidiary ☐Joint venture ☐Other _____
Major shareholder and shareholding structure	owned as to 60% by Xiamen Airlines and 40% by Jiangxi Aviation Industry Group Company Limited
Legal representative	Kang Zhi Yang
Unified social credit code	913601223513239017
Establishment date	April 2015
Place of registration	Building 5, Nanchang Base, Nanchang Changbei Airport, Nanchang Economic and Technological Development Zone, Nanchang, Jiangxi Province

Registered capital	RMB2,500 million
Company type	Limited liability company
Business scope	Public air transport, civil aircraft maintenance, food sales, alcohol business (items that need to be approved according to law can only be operated within the validity period of the license after being approved by the relevant departments, and the specific business items and license period are subject to the approval documents or licenses of the relevant departments). General items: aviation international cargo transport agency, supply chain management services, civil aviation materials sales, cargo import and export, technology import and export, domestic trade agency, housing leasing, non-residential real estate leasing, advertising production, advertising release, advertising design and agency, arts and crafts and collectibles wholesale (except ivory and its products), internet sales (except for the sales of goods subject to approval), cosmetics retail, daily necessities sales, sports goods and equipment retail, household appliances sales, household goods sales, sales of office supplies, tea set sales, luggage sales, toy sales (except for projects that require approval according to law, business activities can be carried out independently with a business license in accordance with the law)

Key financial indicators
(in RMB million)

Item	**As at 30 September 2025/ January to September 2025** (unaudited)	**As at 31 December 2024/ Year 2024** (audited)
Total assets	3,452.11	3,324.32
Total liabilities	1,707.75	1,687.13
Net assets	1,744.36	1,637.18
Revenue	1,724.78	1,948.14
Net profit	107.18	153.09

(v) Shangzhou Logistics

Type of guaranteed party	☑Legal person ☐Other _____
Name of the guaranteed party	Shangzhou Aviation Logistics Company Limited
Type of guaranteed party and shareholding of the listed company	☐Wholly-owned subsidiary ☐Controlling subsidiary ☑Joint venture ☐Other _____
Major shareholder and shareholding structure	Owned as to 37.9% by Xiamen Airlines, 50.1% by Xiamen C&D Inc. and 12% by Fujian Zongteng Network Company Limited
Legal representative	Wang Zhi Bing
Unified social credit code	91350200MA8TXPEU0G
Establishment date	September 2021
Place of registration	Room 601H, Free Trade Law Building, No. 15 Xiangxing 1st Road, Xiamen Area of China (Fujian) Pilot Free Trade Zone
Registered capital	RMB1,000 million
Company type	Limited liability company
Business scope	Mainly engaged in air international cargo transportation agency, domestic cargo transportation agency, land international cargo transportation agency, sea international cargo transportation agency, etc.

Key financial indicators
(in RMB million)

Item	As at 30 September 2025/ January to September 2025 (unaudited)	As at 31 December 2024/ Year 2024 (audited)
Total assets	1,235.90	1,328.91
Total liabilities	416.35	537.08
Net assets	819.55	791.83
Revenue	1,031.87	1,304.54
Net profit	27.72	25.35

(3) Main Contents of Authorisation on the Provision of Guarantees

As at the Latest Practicable Date, Xiamen Airlines has not entered into any guarantee agreements with any third-party entities beyond the scope of authorisation. The abovementioned guarantee limits shall only be taken as the maximum guarantee that may be provided by Xiamen Airlines as authorised, and the specific guarantee amounts within the foregoing guarantee limits shall be subject to the guarantee agreements entered into with the relevant financial institutions. The Company will perform its information disclosure obligations in accordance with the actual execution of any guarantee agreement.

(4) Status of the Cumulative External Guarantees

As at the date of this announcement, the Company and Xiamen Airlines have provided loan guarantees for self-sponsored trainee pilots with respect to their training fees. The outstanding loan guaranteed amounts approximately to RMB39.9163 million, representing approximately 0.11% of the Company's audited net assets for the latest period and the amount of the joint liability guarantee is approximately RMB28.2642 million. The balance of guarantee provided by the Company and its controlled subsidiaries to 29 special purpose vehicles in operation is US$4,648 million, with no overdue guarantees up to date. The balance of guarantees provided by Xiamen Airlines to its controlled subsidiaries (excluding SPVs) is RMB3,024 million. The total amount of guarantee provided by the Company and its controlled subsidiaries to their controlled subsidiaries amounts approximately to RMB36,050 million, representing approximately 103.80% of the Company's audited net assets for the latest period (all of the above figures in relation to the guarantees are unaudited).

V. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE PROCEDURAL RULES AND ABOLISHMENT OF THE SUPERVISORY COMMITTEE

Reference is made to the announcement of the Company dated 28 August 2025 in relation to the proposed amendments to the Articles of Association and the Procedural Rules of the Shareholders' General Meeting, the Procedural Rules of the Board of Directors (the "**Proposed Amendments**") and abolishment of the Supervisory Committee.

On 28 August 2025, the Company convened the ninth meeting of the tenth session of the Board, in which the Board considered and approved, among others, the resolutions in relation to the proposed amendments to the Articles of Association, the Proposed Amendments, and the abolishment of the Supervisory Committee.

In accordance with the "Company Law of the People's Republic of China" (《中華人民共和國公司法》), the "Guidelines for the Articles of Association of Listed Companies" (《上市公司章程指引》), the "Rules for the Shareholders' General Meeting of Listed Companies" (《上市公司股東會規則》), as well as regulatory requirements, and in combination with the actual situation of the Company, it is proposed that the relevant provisions of the Articles of Association, the Procedural Rules of the Shareholders' General Meeting and the Procedural Rules of the Board of Directors shall be amended accordingly.

The Proposed Amendments to the Articles of Association mainly include (a) removing the section(s) and provisions relating to the Supervisory Committee; and (b) amending the statutory functions and powers of the Supervisory Committee as prescribed by the Company Law to be exercised by the Audit and Risk Management Committee of the Board.

Following the completion of the Proposed Amendments, the Company will no longer have any supervisor or the Supervisory Committee, the statutory functions and powers of the Supervisory Committee as prescribed by the Company Law shall be exercised by the Audit and Risk Management Committee of the Board. Correspondingly, the Procedural Rules of the Supervisory Committee will be abolished.

The details of the Proposed Amendments to the Articles of Association are set out in Appendix III to this circular, the details of the proposed amendments to the Procedural Rules of the Shareholders' General Meeting are set out in Appendix IV to this circular, the details of the proposed amendments to the Procedural Rules of the Board of Directors are set out in Appendix V to this circular Proposed Amendments shall be subject to the approval of the Shareholders by way of special resolutions at the EGM for consideration.

VI. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all four independent non-executive Directors has been formed to consider (i) the Provision of Deposit Services and the Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the Proposed Lease Transactions and the Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement so far as the Company and the Shareholders are concerned as a whole. Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

The Independent Board Committee, having taken into account and based on the recommendation of the Independent Financial Adviser, considers that (i) the Provision of Deposit Services and the Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the Proposed Lease Transactions and the Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement are on normal commercial terms or better, in ordinary course of business of the Company, fair and reasonable so far as the Company and its Shareholders as a whole are concerned and in the interests of the Company and the Shareholders as a whole.

VII. EGM

A notice convening the EGM to be held at 2:30 p.m., on Friday, 12 December 2025 at No. 3301 Conference Room, 33rd Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC, a form of proxy to be used at the EGM is despatched by the Company together with this circular and is also published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.csair.com).

In order to determine the list of Shareholders who are entitled to attend the EGM, the Company's register of members will be closed from Thursday, 4 December 2025 to Friday, 12 December 2025, both days inclusive, during which period no transfer of H Shares will be effected. In order to attend and vote at the EGM, holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at or before 4:30 p.m. on Wednesday, 3 December 2025, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Whether or not you intend to be present at the EGM, you are requested to complete and return the form of proxy enclosed in the notice of EGM in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the EGM and voting in person if you so wish.

VIII. RECOMMENDATION OF THE BOARD

The Directors believe that the resolutions proposed for consideration and approval by the Shareholders at the EGM are in the best interests of the Company and the Shareholders as a whole, and the Company will continue to comply with the requirements of the Listing Rules and all the decisions made by the Board will be in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM as set out in the notice of EGM.

IX. RESPONSIBILITY STATEMENT

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

X. ADDITIONAL INFORMATION

Your attention is drawn to (1) the letter from the Independent Board Committee as set out on pages IBC-1 to IBC-2 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM in relation to (i) the Provision of Deposit Services and the Deposit Services Caps under the Financial Services Framework Agreement and (ii) the Proposed Lease Transactions and the Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement; and (2) the letter from the Independent Financial Adviser as set out on pages IFA-1 to IFA-41 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to (i) the Provision of Deposit Services and the Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the Proposed Lease Transactions and the Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement.

Your attention is drawn to the financial and general information set out in the appendices to this circular.

By order of the Board
Ma Xu Lun
Chairman

The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Provision of Deposit Services and the proposed Deposit Services Caps under the Financial Services Framework Agreement, and the Proposed Lease Transactions and the proposed Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement, which has been prepared for the purpose of inclusion in this circular.

中国南方航空股份有限公司
CHINA SOUTHERN AIRLINES COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1055)

25 November 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES FRAMEWORK AGREEMENT; AND (2) DISCLOSEABLE AND MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO 2026 – 2028 FINANCE AND LEASE SERVICE FRAMEWORK AGREEMENT

INTRODUCTION

We refer to a circular (the "**Circular**") of the Company dated 25 November 2025 of which this letter forms part. Capitalised terms used in this letter have the same meaning as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you whether the terms of (i) the Provision of Deposit Services and the proposed Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the Proposed Lease Transactions and the proposed Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement are on normal commercial terms or better, in ordinary and usual course of business of the Company, fair and reasonable as far as the Company and the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board as set out on pages 1 to 51 of the Circular and the letter from the Independent Financial Adviser as set out on pages IFA-1 to IFA-41 of the Circular, which contains, inter alia, its advice and recommendation regarding (i) the terms of the Provision of Deposit Services and the proposed Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the terms of the Proposed Lease Transactions and the proposed Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement with the principal factors and reasons for its advice and recommendation.

RECOMMENDATION

Taking into account the advice and recommendation of the Independent Financial Adviser, we are of the view that (i) the terms of the Provision of Deposit Services and the proposed Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the terms of the Proposed Lease Transactions and the proposed Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement are on normal commercial terms or better, in ordinary course of business of the Company, fair and reasonable so far as the Company and its Shareholders are concerned and in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the proposed resolution to approve (i) the Financial Services Framework Agreement and (ii) the 2026–2028 Finance and Lease Service Framework Agreement at the EGM.

Yours faithfully,
For and on behalf of the Independent Board Committee of
CHINA SOUTHERN AIRLINES COMPANY LIMITED

Pansy Catilina Chiu King Ho **Guo Wei** **Zhang Jun Sheng** **Zhu Hai Ping**
Independent Non-executive Directors

The following is the text of the letter of advice from Somerley Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

25 November 2025

To: the Independent Board Committee and Independent Shareholders

Dear Sirs,

(1) MAJOR AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES FRAMEWORK AGREEMENT; AND (2) DISCLOSEABLE AND MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO 2026 – 2028 FINANCE AND LEASE SERVICE FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with (i) the Provision of Deposit Services and the proposed Deposit Services Caps under the Financial Services Framework Agreement, and (ii) the Proposed Lease Transactions and the proposed Lease Caps under the 2026–2028 Finance and Lease Service Framework Agreement, details of which are set out in the letter from the Board of the circular of the Company dated 25 November 2025 (the "**Circular**"), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As the Previous Financial Services Framework Agreement and 2023–2025 Finance and Lease Service Framework Agreement will expire on 31 December 2025, on 27 October 2025 (after trading hours), the Company entered into (i) the Financial Services Framework Agreement with the Finance Company and (ii) the 2026–2028 Finance and Lease Service Framework Agreement with CSA Leasing, to renew and extend the term of the agreements for a period of three years, commencing from 1 January 2026 to 31 December 2028 and set the annual caps for the transactions contemplated thereunder for the extended term.

CSAH, the controlling shareholder of the Company, directly and indirectly holding approximately 66.52% equity interests in the Company as at the Latest Practicable Date, is a connected person of the Company under the Listing Rules. The Finance Company is a non-wholly-owned subsidiary of CSAH and CSA Leasing is wholly-owned by CSAH. Thus, each of the Finance Company and CSA Leasing is also a connected person of the Company under the Listing Rules. Accordingly, each of the Financial Services Framework Agreement and the 2026–2028 Finance and Lease Service Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios for the Provision of Deposit Services is higher than 25% but less than 100% on an annual basis, the Provision of Deposit Services constitutes a continuing connected transaction of the Company subject to the reporting, annual review, announcement and the shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, the Provision of Deposit Services constitutes the provision of financial assistance under Rule 14.04(1)(e) of the Listing Rules and thus a major transaction under Chapter 14 of the Listing Rules. As one or more of the relevant applicable percentage ratios set out in the Listing Rules in respect of each of the Finance Lease Transactions and the Operating Lease Transactions under the 2026-2028 Finance and Lease Service Framework Agreement is more than 25% but less than 100% on an annual basis, each of the Finance Lease Transactions and the Operating Lease Transactions will constitute a continuing connected transaction and major transaction of the Company subject to (i) the disclosure, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) the requirements applicable to major transactions under Chapter 14 of the Listing Rules. As one or more of the relevant applicable percentage ratios set out in the Listing Rules in respect of the Aircraft Related Acquisitions under the 2026-2028 Finance and Lease Service Framework Agreement is more than 5% but less than 25% on an annual basis, the Aircraft Related Acquisitions will constitute continuing connected transactions subject to (i) the disclosure, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) the requirements applicable to discloseable transactions under Chapter 14 of the Listing Rules.

An EGM will be convened to seek the approval of the Provision of Deposit Services under the Financial Services Framework Agreement (including the proposed Deposit Services Caps) and the Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement (including the proposed Finance Lease Caps, the proposed Operating Lease Caps and the proposed Aircraft Related Acquisitions Caps).

The Independent Board Committee, comprising all the independent non-executive Directors, namely Pansy Catilina Chiu King Ho, Guo Wei, Zhang Jun Sheng and Zhu Hai Ping, has been established to advise the Independent Shareholders in relation to the Provision of Deposit Services under the Financial Services Framework Agreement (including the proposed Deposit Services Caps) and the Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement (including the proposed Finance Lease Caps, the proposed Operating Lease Caps and the proposed Aircraft Related Acquisitions Caps). We, Somerley Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated or connected with the Company, the Finance Company, CSA Leasing or their respective associates, close associates or core connected persons and, accordingly, are considered eligible to give independent advice on the Provision of Deposit Services under the Financial Services Framework Agreement and the Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Finance Company, CSA Leasing or their respective core associates, close associates or core connected persons.

In formulating our advice and recommendation, we have reviewed, among others, (i) the Financial Services Framework Agreement in relation to the Provision of Deposit Services; (ii) the 2026–2028 Finance and Lease Service Framework Agreement in relation to the Proposed Lease Transactions; (iii) annual report of the Company for the years ended 31 December 2022 ("**FY2022**") (the "**2022 Annual Report**"), 2023 ("**FY2023**") (the "**2023 Annual Report**") and 2024 ("**FY2024**") (the "**2024 Annual Report**") and the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"), and (iv) the Circular. In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the "**Management**") and the respective professional advisers of the Company and have assumed that they are true, accurate and complete in all material aspects and in relation to any opinions to be honestly held at the time they were made and will remain, in relation to the facts to be true, accurate and complete in all material aspects and in relation to any opinions to be honestly held, up to the date of the EGM. We have also sought and received confirmation from the Group that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have, however, not conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the Provision of Deposit Services under the Financial Services Framework Agreement (including the proposed Deposit Services Caps) and the Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement (including the proposed Finance Lease Caps, the proposed Operating Lease Caps and the proposed Aircraft Related Acquisitions Caps), we have taken into consideration the following principal factors and reasons:

1. Information on the Parties

1.1. Information on the Group

The Group is principally engaged in the operation of civil aviation, including the provision of passenger, cargo mail delivery, and other extended transportation services. According to the 2024 Annual Report, the Group is the biggest airline in China with the most developed route network and the largest annual passenger traffic. According to the 2025 Interim Report, as at 30 June 2025, the Group had a fleet of 943 passenger and cargo aircraft, of which 266 were under finance leases, 322 were under operating leases, and 355 were directly purchased. The average age is approximately 9.3 years.

1.2. Information on Finance Company

The Finance Company, a non wholly-owned subsidiary of CSAH which is owned as to approximately 51.42% by CSAH and 48.58% by the Company together with its four subsidiaries. The principal business activity of the Finance Company is that of providing financial services, which it is authorised to carry out under the applicable rules and regulations of the PRC.

Regulatory environment of the Finance Company

The Finance Company is a non-bank finance company established under the direction of the PBOC with the main business scope of providing various financial services, including deposit and loan facilities, credit facilities, guarantee, remittance of money and credit references, principally to the CSAH Group and is subject to compliance with relevant rules and regulations as promulgated by the NFRA including compliance with the Administrative Measures for Enterprise Group Finance Companies ("**Administrative Measures**"), which is to regulate the operation of group finance companies and reduce the possible financial risk, and other regulations promulgated by the PBOC and the NFRA.

We have discussed with the Management and understand that the Administrative Measures imposes certain requirements on finance companies such as the Finance Company, including but not limited to, maintaining certain capital adequacy, cash balance and liquidity ratios. We also requested and obtained the risk assessment report of the Finance Company (the "**Risk Assessment Report**"), which illustrated the specific major regulatory ratio requirements. Set out below are the major regulatory ratio requirements confirmed by the Company to be applicable the relevant ratios of the Finance Company as at 31 December 2024:

Major regulatory ratios	**Requirements**	**As at 31 December 2024**
Capital adequacy ratio	Not lower than the regulatory requirement *(Note)*	14.71%
Liquidity ratio	Not lower than 25%	47.84%
Investment ratio	Not higher than 70%	20.02%
Non-performing asset ratio	Not higher than 4%	0.00%
Non-performing loan ratio	Not higher than 5%	0.00%
Guarantee ratio	Not higher than 100%	0.00%
Total liabilities outside of the Group to net capital	Not higher than 100%	0.00%

Note: According to NFRA, the regulatory requirement is not lower than 10.5%

As shown in the table above, we note that all applicable ratios of the Finance Company are in compliance with the regulatory requirements as promulgated by the NFRA. As confirmed by the Finance Company, the NFRA has not taken any disciplinary actions, or imposed penalties or fines on the Finance Company since its incorporation.

As further advised by the management of Finance Company, Finance Company is required to submit quarterly compliance report regarding the business operation of Finance Company to the NFRA. We have further discussed and confirmed with the Company that, the Company is not aware of any record of non-compliance with the relevant rules and regulations by the Finance Company during the period under the Previous Financial Services Framework Agreement.

Furthermore, pursuant to the Administrative Measures, the controlling shareholder(s) of the Finance Company should take the key responsibility to mitigate possible risks and will increase such group finance company's capital accordingly based on the actual need. We noted from Finance Company's articles of association that CSAH, being the controlling shareholder of the Company, undertook that CSAH will provide funding to Finance Company to satisfy its capital needs if necessary.

1.3. Information on CSA Leasing and CSAH

CSA Leasing is principally engaged in the provision of financial leasing, operating leasing, purchase of finance lease assets and other related businesses. CSA Leasing is a company incorporated in the PRC with limited liability, and owned as to 25% by China Southern Airlines Group Capital Holding Limited* (中國南航集團資本控股有限公司), 25% by Nan Lung Holding Limited, each a wholly-owned subsidiary of CSAH, and 50% by CSAH as at the Latest Practicable Date. CSAH is a state-owned enterprise established in the PRC. The principal business activity of CSAH is operating the Group and other enterprises which the Group invested in and which constitutes wholly state-owned assets and state-owned equity formed through the state's investments.

2. The Provision of Deposit Services under the Financial Services Framework Agreement

2.1. Reasons for and benefits of the Provision of Deposit Services

Pursuant to the Finance Services Framework Agreement, the Finance Company will provide certain financial services to the Group, among others, the Finance Company shall accept deposit of money from the Group at interest rates not lower than interest rate rules prescribed by the PBOC from time to time for the same term of deposit. With reference to the letter from the Board in the Circular, the main reasons for the election by the Company to continue to use the Finance Company for the Provision of Deposit Services included, among other

things, the following. Please refer to the section headed "(3) Reasons and Benefits of the Financial Services Framework Agreement" in the letter from the Board of the Circular for details.

Well-established and reliable relationship

As advised by the Management, since its establishment, the Finance Company has been providing financial services to the Group. Such long established relationship had allowed the Finance Company to develop in-depth understanding of the Group's business and capital requirements. Furthermore, CSAH, being a state-owned enterprise and the controlling shareholder of the Finance Company, has undertaken to the Company, as the following:

- the Finance Company is a duly incorporated enterprise group finance company under the Administrative Measures and the other relevant rules and regulations, whose principal business is to provide finance management services, such as deposit and financing for the members of the Group and the relevant capital flows are kept within the Group;

- the operations of the Finance Company are in compliance with the requirements of the relevant laws and regulations and it is running well, therefore the deposits placed with and loans from the Finance Company of the Company are definitely secure. In future, the Finance Company will continue to operate in strict compliance with the requirements of the relevant laws and regulations;

- in respect of the Company's deposits with and borrowings from the Finance Company, the Company will continue to implement its internal procedures in accordance with the relevant laws and regulations and the Articles of Association, and CSAH will not intervene in the relevant decision-making process of the Company; and

- as the Company is independent from CSAH in respect of its assets, businesses, personnel, finance and organizational structures, CSAH will continue to fully respect the rights of the Company to manage its own operations, and will not intervene in the daily business operations of the Company.

According to the above undertakings made by CSAH, the Board considers that due to (i) the Finance Company is regulated by the PBOC and the NFRA and provides its services in accordance with and in satisfaction of the rules and operational requirements of relevant laws and regulations these regulatory authorities, and (ii) the business and operations of the Finance Company have been in a sound and solid conditions, CSAH have a sound basis to make such undertakings that "the deposits placed with and loans from the Finance Company of the Company are definitely secure", which means CSAH considers that there would be

no risks for the Group on the deposits placed with and loans from the Finance Company, and CSAH would assume any risks caused by the deposits placed with and loans from the Finance Company by compensating the Company with any loss of the deposits placed with or loans from the Finance Company according to the relevant laws and regulations.

Taking into account the following:

(i) the business and operation of the Finance Company is highly regulated and are in compliance with the laws and regulations, ensuring compliance with stringent laws and operational requirements. Also, the Finance Company is regulated by the PBOC and the NFRA, which requires, among others, the Finance Company to provide its services in accordance with the Administrative Measures. We have obtained and reviewed the approval granted by the relevant authority permitting the Finance Company to carry out financial services including the Provision of Deposit Services. Also, we have been advised by the Management that, to the best knowledge of the Company, there is no record of material non-compliance with the relevant law, rules and regulations in the PRC applicable to the Finance Company. From our review of the official website of NFRA, we did not note any non-compliance record of the Finance Company during the period under the Previous Financial Services Framework Agreement;

(ii) the Company shall obtain and review the latest audited annual report of the Finance Company to assess the risk before the deposits are actually made by the Company. From the information provided by the Management, the key financial figures of the Finance Company remained relatively stable with solid asset base in the two years ended 31 December 2024 and the six months ended 30 June 2025. Also, we have obtained and reviewed the Risk Assessment Reports for the two years ended 31 December 2024 and the six months ended 30 June 2025. We noted that the key risk ratios are in line with the regulatory requirements;

(iii) the operating results and financial performance of the Finance Company is in a healthy condition and the Company is entitled to be informed of the operating and financial conditions of the Finance Company on a regular basis and whether the Finance Company has violated any rules and regulations. As advised by the Management, there has been no default records for the deposits placed by Group in the Finance Company during the two years ended 31 December 2024 and the six months ended 30 June 2025. In the event of material adverse changes, the Company has the right to take risk response measures such as full or partial withdrawal of the Company's deposits and request the Finance Company to rectify the situation within a certain period;

(iv) despite the Finance Company may re-deposit money with certain policy banks, state-owned large scale commercial banks and equity commercial banks, the Finance Company could instantly withdraw such deposits at any time without restrictions or penalties. The Finance Company has also undertaken that, among others, the Company shall have the right to withdraw the whole or part of the Company's deposits with the Finance Company from time to time;

(v) no material adverse issues in historical transactions between the Group and the Finance Company during the period under the Previous Financial Services Framework Agreement as advised by the Company; and

(vi) CSAH would assume any risks by compensating the Company with any loss of the deposits placed with the Finance Company, we concur with the Directors that CSAH have a sound basis in making the aforementioned undertakings and the deposits placed by the Group with the Finance Company have limited risks.

Favourable interest rates and sharing of profits

The Group usually receives interest on its money deposited with the Finance Company at rates which are no less favourable than the rate payable by major commercial banks in the PRC for comparable deposits. This arrangement allows the Group to achieve a more efficient use of its current capital, since the Group can enjoy better interest rates on depositing its current capital with the Finance Company than the major commercial banks in the PRC can offer to the Group.

As the Finance Company is a regulated financial institution in the PRC and is entitled to interbank interest rates, which are generally higher than normal commercial interest rates when re-depositing deposits with commercial banks in the PRC. Accordingly, it will be more beneficial to the Group to make deposit with the Finance Company instead of directly with the relevant banks. The Company also directly and indirectly holds approximately 48.58% equity interest in the Finance Company through its subsidiaries. Accordingly, the Company will share the benefit from the Finance Company's profits.

Effective fund management and capital risks control

Pursuant to the relevant regulations of the PBOC and the NFRA, the customers of the Finance Company are principally limited to entities within the CSAH Group (including the Group); and the Finance Company is not allowed to provide services to the independent third parties outside of the CSAH Group, thereby reducing the risks that the Finance Company may otherwise be exposed to if its customers included other entities unrelated to the Group. As advised by the Management, the provision of services to independent third parties

outside of the CSAH Group may expose the Finance Company to additional credit risks as (i) the Finance Company may have limited access to financial and background information of independent third parties for due diligence purpose; (ii) the Finance Company may have no prior relationship with such independent third parties, making it difficult to assess their payment patterns, financial stability, or creditworthiness; and (iii) the Finance Company may face greater challenges in recovery in the event of non-payment, due to the absence of undertakings from CSAH. By leveraging the Finance Company as the settlement platform, the Company can strengthen its centralised funds management and shorten the transit time for fund transfer.

As advised by the Management, the Finance Company will report to the Company on a monthly basis regarding the status of the Company's deposit and re-deposit with other commercial banks made by the Finance Company so as to strengthen the Company's supervision over its deposit in the Finance Company.

Additionally, as stated in the letter from the Board of the Circular, the Board has passed the "The Risk Control Policy relating to the Connected Transactions between China Southern Airlines Company Limited and Southern Airlines Group Finance Company Limited", an internal policy of the Company regulating connected transactions between the Company and Finance Company, on 28 July 2010 (the full text of which has been uploaded on the website of the Shanghai Stock Exchange at www.sse.com.cn). Pursuant to this policy, the Group shall implement certain risk control measures before and during the course of depositing money with the Finance Company, including reviewing the business license of the Finance Company, reviewing the financial reports and formulating risk assessment reports prior to depositing money with the Finance Company and on a regular basis after depositing money with the Finance Company, and periodically transferring out all or part of its deposits in the Finance Company to ensure the safety and liquidity of these deposits. The Group carried out connected transactions with the Finance Company in accordance with this policy, so as to ensure the safety and liquidity of the deposits placed by the Group with the Finance Company.

Based on the above and the fact that (i) the Company is not restricted under the Financial Services Framework Agreement to place deposits with any other banks or financial institutions; and (ii) the deposit rates offered by the Finance Company were not lower than those promulgated by the PBOC or those offered by major commercial banks in the PRC (as set out in our analysis in the section below), we concur with the Directors' view that the Provision of Deposit Services under the Financial Services Framework Agreement was entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

2.2. Principal terms of the Provision of Deposit Services

The following table tabulates a summary of the major terms of the Provision Deposit Services, details of which are set out in the section headed "(1) Financial Services Framework Agreement" of the letter from the Board of the Circular:

Date	27 October 2025 (after trading hours)
Parties	(i) the Company; and (ii) Finance Company.
Term	For a fixed term of three years, commencing from 1 January 2026 to 31 December 2028.
Services to be provided	The Finance Company shall accept deposit of money from the Group at interest rates not lower than interest rate rules prescribed by the PBOC from time to time for the same term of deposit. The Finance Company will in turn deposit the whole of such sums of money with certain policy banks, state-owned large scale commercial banks and equity commercial banks to control the risk. The Finance Company will ensure the Group is able to use the deposits at any time. The Finance Company could instantly withdraw the deposit from the policy banks, state-owned large scale commercial banks and equity commercial banks at any time and without any restrictions via the online financial service systems. There will not be any penalty for early withdrawal from the policy banks, state-owned large scale commercial banks and equity commercial banks by the Finance Company or from the Finance Company by the Group at any time.
Pricing principles	The interest rate for the Group's deposits with the Finance Company shall not be lower than the rate payable by major commercial banks in the PRC for comparable deposits.

We have reviewed the terms of the Financial Services Framework Agreement and compared to that of the Previous Financial Services Framework Agreement. From our review and as advised by the Management, the principal terms of the Financial Services Framework Agreement are generally in line with those in the Previous Financial Services Framework Agreement.

As advised by the Management, the Finance Company will ensure the Group is able to use the deposits at any time to satisfy the operation needs of the Group. The Finance Company could instantly withdraw the deposit from policy banks, the state-owned large scale commercial banks and equity commercial banks at any time and without any restrictions via the online financial service systems. Also, there will not be any penalty for early withdrawal from the policy banks, state-owned large scale commercial banks and equity commercial banks by the Finance Company or from the Finance Company by the Group at any time. As (i) the deposit placed in the state-owned commercial banks and equity commercial banks could be withdrawn by the Finance Company freely without restrictions; and (ii) the Company could withdraw the deposit from the Finance Company freely without restrictions, the control over such deposit could be monitored and safeguarded by the Group and the Finance Company.

Pursuant to the Financial Services Framework Agreement, the interest rate (such as term deposit rate and saving deposit rate) for the Group's deposits with the Finance Company shall not be lower than the rate payable by major commercial banks in the PRC for comparable deposits. In order to ensure that the interest rates of the deposits placed by the Group with the Finance Company are on normal commercial terms and no less favorable to the Group, the Finance Division of the Company is responsible for checking to make sure that the Finance Company will monitor the interest rate rules prescribed by the PBOC and compare the rates and terms offered by major commercial banks in the PRC (the "**Major Commercial Banks**") when the need for deposit arises, so that the Company can make sure the interest rates and terms of the Group's deposits with the Finance Company are on normal commercial terms or better. If the interest rate rules prescribed by the PBOC has made any changes, the Finance Division of the Company would liaise and negotiate with the Finance Company to make sure any adjustment to the deposit rates made by the Finance Company are in compliance with the relevant new interest rates rules prescribed by the PBOC and the pricing policy under the Finance Services Framework Agreement.

We have obtained the list of term deposits placed by the Group with the Finance Company during the two years ended 31 December 2024 and the nine months ended 30 September 2025 and selected, from each period, 5 sample deposits to cover each type of deposit transactions including term deposit, notice deposit and current deposit (the "**Sample Deposits**"), and compared the relevant term deposit rates to (i) the relevant benchmark deposits interest rates promulgated by the PBOC; or (ii) the relevant interest rates for similar term deposits offered by major commercial banks in the PRC during such period. From our review, we noted that the interest rates offered by the Finance Company to the Group were in line with/ not lower than those promulgated by the PBOC or those offered by major commercial banks in the PRC. As such, we consider that the Provision of Deposit Services was carried out in accordance with the terms of the Previous Financial Services Framework Agreement.

The purpose of our review of samples is to be satisfied that the Provision of Deposit Services were carried out in accordance with the terms of the Previous Financial Services Framework Agreement. Given that the selected samples covered each period during the term of the Previous Financial Services Framework Agreement on a random basis and covered each type of deposit transactions, we consider the sample size is sufficient and representative to determine that the Provision of Deposit Services had adhered to the relevant terms.

Based on the above, we are of the view that the terms of the Provision of Deposit Services under the Financial Services Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

2.3. The proposed Deposit Services Caps

The table below sets out the historical maximum daily balance of deposits placed with the Finance Company by the Group during the two years ended 31 December 2024 and the nine months ended 30 September 2025:

Historical transaction amounts	**For the year ended 31 December**		**For the year ending 31 December**
	2023	**2024**	**2025**
	(RMB'million)	*(RMB'million)*	*(RMB'million)*
Maximum daily amount of deposits placed by the Group	19,059	18,856	20,743 *(Note)*
Existing annual cap	20,000	21,000	22,000
Utilisation rate	95.3%	89.8%	94.3% *(Note)*

Note: The maximum daily balance of deposits placed with the Finance Company by the Group and the utilisation rate of the annual cap for the year ending 31 December 2025 was calculated as at 30 September 2025.

As disclosed in the letter from the Board of the Circular, the Company expects the transaction amount of the Provision of Deposit Services for the year ending 31 December 2025 will not exceed the annual cap for the year ending 31 December 2025 under the Previous Financial Services Framework Agreement.

Pursuant to the Financial Services Framework Agreement, each of the maximum daily balance of deposits (including the corresponding interests accrued thereon) placed by the Group for each of the three years ending 31 December 2028 shall not exceed the Deposit Services Caps which are set at RMB30.0 billion, RMB32.0 billion and RMB35.0 billion, respectively, on any given day.

As disclosed in the letter from the Board of the Circular, the proposed Deposit Services Caps are determined principally by reference to:

(1) the cash position of the Group. The amount of cash and cash equivalents held by the Group as at 31 December 2024, 30 June 2025 and 30 September 2025 were approximately RMB12,984 million, approximately RMB12,692 million (unaudited) and approximately RMB14,414 million (unaudited);

(2) the original annual caps provided for the Provision of Deposit Services under the Previous Financial Services Agreement for the three years ending 31 December 2025 of RMB20.0 billion, RMB21.0 billion and RMB22.0 billion respectively (details of which are provided in the announcement of the Company dated 28 October 2022);

(3) the growth in maximum historical daily balance of the deposits of the Group placed with the Finance Company during the two financial years ended 31 December 2024 and the nine months ended 30 September 2025 (as provided below);

(4) the maximum historical daily balance of the deposits of the Group placed with the Finance Company was close to RMB22.0 billion during the first half of 2025, which indicated that the existing cap of RMB22.0 billion for the year ending 31 December 2025 has been nearly fully utilized;

(5) the operation scale of the Group which is expected to continue to expand and the ability of centralised fund management which continues to increase and in turn result in an increase in the deposits and loans demand;

(6) the bonds and loans of the Company in the amount of approximately RMB8.0 billion will mature in the coming three years and the Company will need to prepare repayment funds in advance of the maturity, leading to an increase in the temporary deposit demand; and

(7) the Group's plan to increase utilisation rate of its funds through the centralised fund management with the Finance Company. The Finance Company, which primarily serves as the financial service provider to CSAH Group (including the Group), is familiar with the operation, business needs and capital plans of the Group. By maintaining accounts with the Finance Company and leveraging on the Finance Company as the settlement platform, fund transmission time can be reduced to expedite the turnaround of funds. In addition, capital pooling can provide flexibility to the Group in making timely intergroup transfer from time to time without any restriction in meeting its funding needs, utilise idle cash balances within the Group, and reduce funding cost of the Group in general.

In assessing the fairness and reasonableness of the proposed Deposit Services Caps, we have discussed with the Management and noted that the proposed Deposit Services Caps were determined principally based on the following:

(1) the utilisation rates of the existing annual caps amounting to approximately 95.3%, 89.8%, and 94.3% for the two years ended 31 December 2024, and for the nine months ended 30 September 2025, respectively, indicating that the existing annual caps has been nearly fully utilised;

(2) the maximum daily balance of deposits placed by the Group for the year ending 31 December 2026 is set at RMB30.0 billion, representing a growth rate of approximately 36.3% compared to the existing maximum daily balance of deposits year ending 31 December 2025, which is in line with the growth in cash and cash equivalents of the Group from approximately RMB9.5 billion as at 31 December 2023 to approximately RMB13.0 billion as at 31 December 2024 of approximately 36.2%;

(3) as at 31 July 2025, the deposit balance of the China Southern Air Logistics Company Limited ("**CSA Logistics**"), a subsidiary of the Company, in the Finance Company reached approximately RMB8.3 billion, representing a year-on-year increase of 30%. Considering such a growth rate, the projected maximum deposit balances of CSA Logistics for the three years from 2026 to 2028 are RMB10.0 billion, RMB12.0 billion and RMB15.0 billion, respectively;

(4) as at 31 July 2025, the deposit balance of other subsidiaries of the Company was approximately RMB5.6 billion, representing a year-on-year increase of 8%. Considering such a growth rate, the projected maximum deposit balances from such subsidiaries for the three years from 2026 to 2028 are RMB6.0 billion, RMB6.5 billion and RMB7.0 billion, respectively;

(5) as advised by the Management, certain bonds and loans of the Company will mature in the coming three years, and the Company will need to prepare repayment funds in advance of the maturity, leading to an increase in the temporary deposit demand. We have reviewed the 2025 Interim Report and noted that (i) approximately RMB20.4 billion of non-financial corporate debt financing instruments will mature in the next three years; and (ii) approximately RMB86.9 billion of borrowings are repayable within one year. As advised by the Management, among the debts that will mature in coming years, it is expected that two of which in an aggregate amount of approximately RMB8.0 billion will require temporary deposit service from the Finance Company. Such repayment amount will create significant deposit demand immediately prior to repayment; and

(6) the Finance Company primarily serves as the financial service provider to CSAH Group (including the Group) and is familiar with the operation, business needs and capital plans of the Group. By maintaining accounts with the Finance Company and leveraging on the Finance Company as the settlement platform, fund transmission time can be reduced to expedite the turnaround of funds. In addition, capital pooling can provide flexibility to the Group in making timely intergroup transfer from time to time without any restriction in meeting its funding needs, utilise idle cash balances within the Group, and reduce funding cost of the Group in general.

Having considered above, and the fact that the proposed Deposit Services Caps provide the Group an option, but not an obligation, for the Group to deposit its funds with Finance Company, providing flexibility to the Group when sourcing financial service providers with favorable interest rates, we are of the view that the proposed Deposit Services Caps, are fair and reasonable so far as the Independent Shareholders are concerned.

2.4. Internal control and risk management measures

As set out in the letter from the Board of the Circular, the following internal control and risk management measures are adopted by the Company in relation to the Provision of Deposit Services by the Finance Company to the Group:

(a) the Finance Division of the Company is responsible for monitoring that the interest rates or fees for the specific transactions under the Financial Services Framework Agreement are determined according to the pricing policies as set out in the Financial Services Framework Agreement;

(b) the Finance Division of the Company is responsible for closely monitoring the outstanding deposit balance of the Group with the Finance Company on a daily basis to ensure that it does not exceed the proposed annual caps and will check the applicable deposit interest rates upon obtaining the notices on interest received from the Finance Company to ensure that they are in compliance with the pricing policies as set out in the Financial Services Framework Agreement. The general manager and chief accountant of the Company will review the above procedures on a regular basis;

(c) the Finance Division of the Company is responsible for evaluating the specific information reported by the Finance Company on a monthly basis regarding the status of the Company's deposit and re-deposit with other commercial banks made by the Finance Company to ensure the specific transactions are conducted in compliance with the pricing policies as set out in the Financial Services Framework Agreement, as well as to ensure the aggregate outstanding deposit balance of the Group with the Finance Company does not exceed the proposed annual caps;

(d) the Finance Division of the Company is responsible for checking to make sure that the Finance Company will monitor the interest rate rules prescribed by the PBOC and compare the rates and terms offered by major commercial banks in the PRC when the need for deposit arises, so that the Company can make sure the interest rates and terms of the Group's deposits with the Finance Company are on normal commercial terms or better. If the interest rate rules prescribed by the PBOC has made any changes, the Finance Division of the Company would liaise and negotiate with the Finance Company to make sure any adjustment to the deposit rates made by the Finance Company are in compliance with the relevant new interest rates rules prescribed by the PBOC and the pricing policy under the Finance Services Framework Agreement;

(e) the internal audit department of the Company is responsible for reviewing and assessing the internal control procedures of the Group, including but not limited to the relevant information in relation to the Financial Services Framework Agreement on an annual basis. In addition, the internal audit department will prepare an internal control report and submit to the Board for review and approval;

(f) the Law & Standards Division of the Company is responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions under the Financial Services Framework Agreement, including but not limited to the implementations of the pricing policies, payment arrangements and actual transaction amount under the specific transactions on a monthly basis to ensure the relevant transactions are conducted in compliance with the Financial Services Framework Agreement; and

(g) the Board Office of the company is responsible for regularly check on the implementation of the pricing policies and proposed annual caps as set out in the Financial Services Framework Agreement.

Based on (i) the above-mentioned measures and review procedures; (ii) to absence of any non-compliance identified during the period under the Previous Financial Services Framework Agreement as advised by the Company; and (iii) the fact that the Provision of Deposit Services are subject to the reporting requirements of the Listing Rules as set out in the section headed "4. Reporting requirements by the Listing Rules" below, we concur with the view of the Directors that the Group has implemented effective internal control procedures to ensure that the Provision of Deposit Services will be conducted on normal commercial terms and in accordance with the Financial Services Framework Agreement.

3. The Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement

3.1 Reasons for and benefits of the Proposed Lease Transactions

Well-established and reliable relationship with CSA Leasing

CSA Leasing is a wholly-owned subsidiary of CSAH, which is one of the three core PRC air transportation groups directly managed by the State-owned Assets Supervision and Administration Commission. Leveraging on the solid capital base and the extensive networks of CSAH, it is believed that CSA Leasing is capable to conduct the Proposed Lease Transactions with the Company. Since the Company and CSA Leasing are under common control of CSAH, it is expected that smooth communication and cooperation between the two companies can create business synergies and help to maximise their mutual benefits. We were also given to understand that the management team members of CSA Leasing possess extensive knowledge and experience in aircraft finance and leasing industries, which can help the Group to optimise the fleet structure through different lease transactions. In addition, CSA Leasing possesses the qualification and capability in engaging in large-scale aviation related finance lease and operating lease transactions and it is believed that, by developing better understanding to the Group's operational needs, CSA Leasing would be able to provide value-added services to the Group in a professional manner.

Finance cost savings under Finance Lease Transactions

By utilising the finance lease structure to introduce the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment, the Lessor(s) can provide value added tax invoices for the principal amount and interest payments under the Finance Lease Agreements to the Lessee(s) in accordance with tax law requirements and therefore, the Lessee(s) can use it to deduct value added tax. Through adopting the finance lease arrangement provided by CSA Leasing under the Finance Lease Transactions, the maximum savable financing costs for the Lessee(s) as compared to adopting secured loans arrangements with equivalent interest rates are estimated to be approximately US$41 million, US$50 million and US$55 million for the year ending 31 December 2026, 2027 and 2028, respectively. Therefore, entering into of the 2026–2028 Finance and Lease Service Framework Agreement would allow the Group to extend the utilisation of the structure of the finance lease arrangement and continue to benefit from the cost savings while executing the Company's introduction plan for aircraft, engines, simulators and Aviation Related Equipment from 2026 to 2028. Apart from saving financing costs, it is expected that the Finance Lease Transactions would also enhance the financial structure of the Company and ensure that the Company's funding needs are being satisfied.

Broadening of financing channels to facilitate the business development

As stated in the letter from the Board of the Circular, entering into the 2026–2028 Finance and Lease Service Framework Agreement will broaden financing channels for the aircraft, the engines, the simulators and the Aviation Related Equipment and also increase the fleet through operating lease to satisfy the business development need of the Company and the industry growth. The finance lease of the aircraft, the engines, the simulators and the Aviation Related Equipment would provide more flexibility than those being purchased directly by the Group and have less impact on the working capital of the Group. The operating lease of aircraft, engines, simulators and the Aviation Related Equipment would also provide the flexibility for the Group on the arrangement of its fleet.

As noted from the 2023 Annual Report and 2024 Annual Report, approximately 64.0% and 62.4% of the aircraft fleet of the Group were held under either finance lease or operating lease as at 31 December 2023 and 31 December 2024 respectively. As such, the renewal of the Finance and Lease Service Framework Agreement, in particular, in relation to the Proposed Lease Transactions is considered in line with the Group's financing strategy for its business operation. In addition, the 2026–2028 Finance and Lease Service Framework Agreement, however, does not restrict the Group to procure the Proposed Lease Transactions solely from CSA Leasing. Whether the Company may finally mandate the Proposed Lease Transactions to CSA Leasing depends on the prerequisite requirements as stated in the section headed "(1) 2026–2028 Finance and Lease Service Framework Agreement" in the letter from the Board of the Circular.

We are further advised by the Management that it is a common practice for air operators to enter into finance and operating leases with financial institutions for introduction of aircraft, simulators, engines and aviation related equipment. We have reviewed the annual reports, announcements and circulars published by major Chinese airlines listed on the Stock Exchange, and noted that Air China Limited ("**Air China**", stock code: 753. HK) and China Eastern Airlines Corporation Limited ("**China Eastern Airlines**", stock code: 670. HK) have also entered into similar finance and lease services with their connected persons.

Given that (i) members of CSA Leasing possess experience, expertise and have been providing similar services to the Group over the past years; (ii) not only that the renewal of the Finance and Lease service Framework Agreement will continue to allow financing costs saving and financing flexibility for the Group as discussed in the paragraphs above, most importantly, it will not obligate the Group to enter into any transactions with CSA Leasing, but will only allow CSA Leasing to be one of the available choices for the Group's selection for the Proposed Lease Transactions if the relevant terms provided are at a market rate or better; and (iii) it is a common way of financing for air operators in the aviation industry, we

are of the view that the entering into of the 2026–2028 Finance and Lease service Framework Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders.

3.2 Principal terms of the 2026–2028 Finance and Lease Service Framework Agreement

On 27 October 2025, the Company (including the wholly-owned or controlled subsidiaries of the Company or their wholly-owned or controlled subsidiaries), as the Lessee(s), entered into the 2026–2028 Finance and Lease Service Framework Agreement with CSA Leasing (including the wholly-owned subsidiaries or wholly-owned project subsidiaries of CSA Leasing or their wholly-owned subsidiaries), as the Lessor(s), in relation to the Finance Lease Transactions, Operating Lease Transactions and Aircraft Related Acquisitions, for a fixed term of three years commencing from 1 January 2026 to 31 December 2028. Please refer to the section headed "(1) 2026–2028 Finance and Lease Service Framework Agreement" of the letter from the Board in the Circular for the details of the terms of the 2026–2028 Finance and Lease Service Framework Agreement.

3.2.1. Finance Lease Transactions

The principal terms of the Finance Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement are summarised below:

Subject matter

The Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment comprises part of the aircraft, engines, simulators and Aviation Related Equipment in the Company's introduction plan from 1 January 2026 to 31 December 2028, subject to adjustment from time to time.

The Company has signed or will sign aircraft purchase agreements with aircraft manufacturing company in relation to the Leased Aircraft, which agreements have been or will be negotiated and agreed independently and separately and has fulfilled or will fulfill the resolution procedures of the Board and the Company's general meetings and announcement obligations in accordance with relevant laws and regulations (including the Listing Rules). Only Finance Lease Transactions with agreements commencing from 1 January 2026 will be subject to the 2026–2028 Finance and Lease Service Framework Agreement.

As for the engines, simulators and the Aviation Related Equipment, the Company has signed or will sign the relevant purchase agreements with the independent third parties, which agreements have been or will be negotiated and agreed independently and separately and will fulfil or has fulfilled the relevant internal approval procedures in accordance with relevant laws and regulations (including the Listing Rules).

Aggregate principal amount of the Finance Lease Transactions

Not more than 100% of the consideration for the purchase of the subject matter (including the aircraft, the engines, the simulators and the Aviation Related Equipment).

Rental fee/Interest rate

The rental fee is the repayment of the principal amount for the subject matter and the interest under the Finance Lease Transactions.

Under the Finance Lease Transactions, the applicable interest rate will be further determined and agreed by the Company and CSA Leasing with reference to the bidding or inquiry results of the Company in respect of financing of the aircraft, engines, simulators and Aviation Related Equipment satisfying the prerequisites as disclosed below under the item "Prerequisites".

The rental fee, of which the principal portion is measured according to the equal-principal (equal instalment principal and corresponding interests incurred by the remaining principal) or average-capital-plus-interests (average instalment for all the principal and interests) standard, or such standard of measurement as otherwise agreed by the Company and CSA Leasing, is payable monthly, quarterly or semi-annually in arrears, commencing on the delivery date or replacement date of each of the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment and concluding on the date of the last payment for such subject matter, subject to the terms and conditions of each individual Finance Lease Agreement. In accordance with tax law requirements, the Lessor(s) will provide the Lessee(s) full value added tax invoices in respect of the principal amount for the subject matter and the interest thereunder for finance lease services, which enables the Lessee(s) to deduct value added tax.

(Note: By adopting the equal principal standard, the principal to be paid by the Lessee(s) in each period remain constant throughout the entire repayment period with a gradually decreasing interests to be paid towards the end of the repayment period. By adopting the average-principal-plus-interests standard, the principal and interests to

be repaid by the Lessee(s) in each period are constant throughout the entire repayment period, such that with the passage of time the principal to be paid by the Lessee(s) will be increasing while the interests to be paid by the Lessee(s) will be decreasing. According to previous finance lease transactions and as a general market practice, the equal-principal standard is commonly adopted in reaching the rental fee of aircraft and engines, while the average-capital-plus-interests standard is commonly adopted in reaching the rental fee of the simulators and Aviation Related Equipment. If there is change in market practice, the Company and CSA Leasing may consider adopting such other standard of measurement to be in line with the market practice.)

Prerequisites

The Company may mandate the finance lease arrangements for the aircraft, the engines, the simulators and the Aviation Related Equipment to CSA Leasing depending on the following prerequisites:

(1) the stable operation of CSA Leasing, and CSA Leasing's qualification and ability in engaging in large-scale aircraft, engines, simulators and Aviation Related Equipment finance lease transactions;

(2) the comprehensive costs (including the relevant rental fee and deduct other costs which would be saved according to favourable condition such as deductible value added tax) of the fee proposal(s) regarding the finance lease of aircraft, engines and simulators offered by CSA Leasing to the Company shall not be higher than (i) the comprehensive costs of the same type of transactions carried out by the Company during the relevant period, or (ii) the comprehensive costs of the quotations offered by other independent third parties (among which the quotations from independent third parties shall not be less than two). The comprehensive costs of the fee proposal(s) regarding the finance lease of the Aviation Related Equipment offered by CSA Leasing to the Company (i) shall not be higher than the comprehensive costs of the quotations offered by other independent third parties (among which the quotations from independent third parties shall not be less than two); or (ii) if no quotations are provided by independent third parties, shall not be higher than the comprehensive costs of bank loans for the same type of equipment during the relevant period; and

(3) the capability of the Lessor(s) to issue value added tax invoices in accordance with tax law requirements for the entire principal amount and interest payments of finance lease under the finance lease services, which enables the Lessee(s) to deduct value added tax.

Buy-back

During the lease period, the Lessor(s) have ownerships of the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment. Upon the payment of the last instalment of rental fee by the Lessee(s) to the Lessor(s) for each of the relevant Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment, the Lessee(s) is entitled to purchase the relevant Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment back from the Lessor(s) at a nominal purchase price for such subject matter. The Lessor(s) shall complete all relevant and necessary procedures in assigning the ownership in such Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment to the Lessee(s).

Implementation Agreements

To implement the Finance Lease Transactions, separate Finance Lease Agreement(s) will be entered into between the Lessee(s) and the Lessor(s) in respect of each of the Leased Aircraft, Leased Engines, Leased Simulator and Leased Aviation Related Equipment, the terms of which will in all material respects be consistent with the binding principles, guidelines, terms and conditions contained in the 2026–2028 Finance and Lease Service Framework Agreement.

As set out in the letter from the Board of the Circular, the lease period of the subject matter under the 2026–2028 Finance and Lease Service Framework Agreement will be agreed upon entering into the individual Finance Lease Agreements. Based on previous similar transactions, the lease period of the Leased Aircraft under the separate Finance Lease Agreement(s) would be 10 years. Based on the common practice of the aviation industry, the lease period of the Leased Engines would be 10 years and the Leased Simulators would be 5 years. In addition, with reference to the accounting policy in respect of the Aviation Related Equipment of the Company, the lease period of the Leased Aviation Related Equipment under the separate Finance Lease Agreement(s) would be 5-10 years.

We have discussed with the Management and understand that, in conducting the Finance Lease Transactions, the Group will, among other things, obtain and review at least two financing proposals submitted by independent third parties through requests for proposals or other bidding procedures in relation to the Financing Lease Transactions to ensure the comprehensive costs (including the relevant rental fee and deduct other favourable cost-saving conditions) offered by CSA Leasing to the Group are fair and reasonable and no less favourable to the Group than those offered by independent third parties. In this regard, we have obtained from the Company

the bidding result of the largest Finance Lease Transactions for each of the year ended 31 December 2023, 2024 and the nine months ended 30 September 2025 in terms of transaction amount, the respective proposals/quotations submitted by independent third parties for the same type of leasing subject and the overall ranking of the suppliers (including independent third parties and CSA Leasing) based on the comprehensive costs. Among the aforementioned bidding results, we have obtained on random basis, a total of 12 sample agreements (including those between the Group and CSA Leasing and independent third parties). The samples reviewed covered the primary aircraft types of the Company. From our review, we noted that CSA Leasing was selected based on its terms offered in its financial proposal and the interest rates offered by CSA Leasing were no less favourable to the Group than those proposed by independent third parties.

The purpose of our review of samples is to be satisfied that the Finance Lease Transactions were carried out in accordance with the terms of the 2023–2025 Finance and Lease Service Framework Agreement. Given that the selected samples covered each period during the term of the 2023–2025 Finance and Lease Service Framework Agreement and covered primary aircraft types of the Company, we consider the sample size is sufficient and representative to determine that the Finance Lease Transactions had adhered to the relevant terms.

In addition, we have reviewed the latest published circulars of Air China and China Eastern Airlines in relation to the similar finance lease transactions entered into with respective connected persons, we noted that similar policies were adopted by these airlines in selecting the lessors for similar finance lease transactions. As disclosed in the circular dated 4 June 2025 published by Air China (the "**Air China Circular**"), the final transaction price will be determined on arm's length negotiations between both parties with reference to the prices for the same type of lease services offered by independent third parties and after taking into account certain factors. The final transaction price of the finance lease services should not be higher than the transaction prices offered by at least two independent third parties on the same conditions. As disclosed in the circular dated 31 July 2025 published by China Eastern Airlines (the "**China Eastern Airlines Circular**"), the finance leasing proposal(s) provided by connected persons of China Eastern Airlines in relation to the finance leasing services should have competitive advantages over other service provider, including but not limited to, the comprehensive costs of the proposal(s) regarding the finance leasing services shall not be higher than those offered by at least two other independent third parties.

Given that (i) it is a common practice in aviation industry to adopt requests for proposals or other bidding processes to select the parties to provide the finance lease services; and (ii) CSA Leasing would only be selected if its proposal is, from the Group's perspective, the most favourable one out of all the submitted proposals or lower than the finance lease transactions in relation to same type of transactions carried out by the Company during the relevant period, we are of the view that the terms of the Finance Lease Transaction under 2026–2028 Finance and Lease Service Framework Agreement are on normal commercial terms and fair and reasonable as far as the Company and Shareholders are concerned.

3.2.2 Operating Lease Transactions

The principal terms of the Operating Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement are summarised below:

Subject matter

The aircraft (including new aircraft as well as middle-aged and old aircraft to be disposed of by the Company through sale and leaseback arrangement), engines, simulators and the Aviation Related Equipment in the Company's introduction plan through operating lease from 1 January 2026 to 31 December 2028.

Rental fee

The rental fee will be further determined and agreed by the Company and CSA Leasing with reference to the bidding or inquiry results of the Company in respect of leasing of aircraft, engines, simulators and Aviation Related Equipment satisfying the prerequisites as disclosed below under the item "Prerequisites".

The rental fee will be prepaid by the Company on a monthly or quarterly basis or as agreed upon by the Lessor(s) and the Lessee(s), commencing on the delivery date or replacement date of each of the aircraft, engines, simulators and the Aviation Related Equipment.

Prerequisites

The Company may mandate the operating lease arrangement for the aircraft, engines, simulators and the Aviation Related Equipment depending on the following prerequisites:

(1) the aircraft, engines, simulators and Aviation Related Equipment under the Operating Lease Transactions are owned by the Lessor(s) with proprietary rights or the Lessor(s) owns the legal right to lease them; and

(2) the comprehensive costs (including the relevant rental fee plus any other charges) of the fee proposal(s) regarding the operating lease of the aircraft, the engines, the simulators and the Aviation Related Equipment offered by CSA Leasing to the Company shall not be higher than (i) the comprehensive costs of the same type of transaction carried out by the Company during the relevant period, or (ii) the comprehensive costs of the quotations offered by other independent third parties (among which the quotations from independent third parties shall not be less than two), and if the Company does not have current transactions of the same model or type, the lease terms shall not be higher than the reference price of the lease terms provided by third-party valuation agency for aircraft of the same model and age in the current global market. The comprehensive costs of the middle-aged and old aircraft to be disposed of by the Company through sale and leaseback arrangement and the spare engine to be leased by the Company through operating lease shall not be higher than (i) the comprehensive costs of the quotations provided by other independent third parties, or (ii) the existing lease price of the same type of aircraft and engines of the Company (to be determined based on the lease price of aircraft of the same model and age and the lease price of engine of the same model in the domestic market, and adjusted by conditions and utilization rate of the aircraft and the engine). The rental fee will be determined after fair negotiation by CSA Leasing and the Company.

Ownership

During the lease period, the Lessor(s) have ownerships of the aircraft, engines, simulators and the Aviation Related Equipment and the Lessee(s) have the rights to use the aircraft, engines, simulators and the Aviation Related Equipment. Upon the expiry of the lease period, the Lessee(s) shall return the aircraft, engines, simulators and the Aviation Related Equipment to the Lessor(s).

Implementation Agreements

To implement the Operating Lease Transactions, separate Operating Lease Agreement(s) will be entered into between the Lessee(s) and the Lessor(s) in respect of each of the aircraft, engines, simulators and the Aviation Related Equipment, the terms of which will in all material respects be consistent with the binding principles, guidelines, terms and conditions contained in the 2026–2028 Finance and Lease Service Framework Agreement.

We have discussed with the Management and understand that, the Company will obtain and review at least two proposals from independent third parties regarding operating lease of aircraft, engines, simulators and the Aviation Related Equipment and determine if the comprehensive costs provided by CSA Leasing are fair and reasonable, and no less favourable than those offered by independent third parties.

From our review of the Air China Circular and China Eastern Airlines Circular in relation to the similar operating lease transactions entered into with respective connected persons, we noted that similar policies were adopted by these airlines in selecting the lessors for similar operating lease transactions. As disclosed in the Air China Circular, the final transaction price of the operating lease services will be determined on arm's length negotiations between both parties with reference to the prices for the same type of lease services offered by independent third parties and after taking into account certain factors. The final transaction price of the operating lease services should not be higher than the transaction prices offered by at least two independent third parties on the same conditions. As disclosed in the China Eastern Airlines Circular, the operating leasing proposal(s) provided by connected persons of China Eastern Airlines in relation to the operating leasing services should have competitive advantages over other service provider, including but not limited to, the comprehensive costs of the proposal(s) regarding the operating leasing services offered by connected persons of China Eastern Airlines shall not be higher than those offered by at least two other independent third parties.

For middle-aged and old aircraft to be disposed of by the Company through sale and leaseback arrangement and the spare engine to be leased by the Company through operating lease, the Company will compare (i) the comprehensive costs of the quotations provided by other independent third parties, or (ii) the existing lease price of the same type of aircraft and engines of the Company (to be determined based on the lease price of aircraft of the same model and age and the lease price of engine of the same model in the domestic market, and adjusted by conditions and utilization rate of the aircraft and the engine) to ensure the comprehensive costs (including the

relevant rental fee plus any other charges) offered by CSA Leasing to the Group are fair and reasonable and no less favourable to the Group than those offered by independent third parties.

In this regard, we have obtained from the Company the largest 3 Operating Lease Transactions for each of the year ended 31 December 2023, 2024 and the nine months ended 30 September 2025 in terms of transaction amount, and the respective lease agreements with the independent third parties on the same type of aircrafts. The samples reviewed covered the primary aircraft types of the Company. From our review, we noted that the comprehensive costs (including the relevant rental fee plus any other charges) offered by CSA Leasing to the Group are no less favourable to the Group than those offered by independent third parties.

The purpose of our review of samples is to be satisfied that the Operating Lease Transactions were carried out in accordance with the terms of the 2023–2025 Finance and Lease Service Framework Agreement. Given that the selected samples covered each period during the term of the 2023–2025 Finance and Lease Service Framework Agreement and covered primary aircraft types of the Company, we consider the sample size is sufficient and representative to determine that the Operating Lease Transactions had adhered to the relevant terms.

Given that (i) it is a common practice in aviation industry to adopt requests for proposals or other bidding processes to select the parties to provide the operating lease services; and (ii) CSA Leasing would only be selected if its proposal is, from the Group's perspective, the most favourable one out of all the submitted proposals or lower than the existing lease price of the same type of transactions, we are of the view that the terms of the Operating Lease Transaction under 2026–2028 Finance and Lease Service Framework are on normal commercial terms and fair and reasonable as far as the Company and Shareholders are concerned.

3.2.3 Aircraft Related Acquisitions

The principal terms of the Aircraft Related Acquisitions under the 2026–2028 Finance and Lease Service Framework Agreement are summarised below:

Subject matter

The acquisition of aircraft and disassembled fuselages, casings or aviation materials by the Company from CSA Leasing.

Consideration

The consideration will be further determined and agreed by the Company and CSA Leasing with reference to the prerequisite as disclosed below under the item "Prerequisite".

Prerequisites

The Company may mandate the acquisitions of the aircraft and disassembled fuselages, casings or aviation materials depending on the following prerequisite:

(1) In respect of the acquisition of entire aircraft by the Company from CSA Leasing, if the transaction is carried out on a property exchange, it shall be executed in accordance with the transaction results of the public tender on the property exchange. If the transaction is not carried out on a property exchange, but through a direct transaction between the Company and CSA Leasing, the purchase price of the aircraft by the Company shall be determined by negotiation between the Company and CSA Leasing based on the valuation of the aircraft by independent third-party valuer, and taking into account CSA Leasing's tax and fee costs and reasonable financing costs.

(2) In respect of the acquisition of disassembled fuselages, casings or aviation materials by the Company from CSA Leasing, the Company shall negotiate with CSA Leasing on price and other conditions through bidding or price inquiry, and reach an agreement based on the result that is not higher than the quotations offered by independent third parties to the Company.

Implementation Agreements

To implement the Aircraft Related Acquisitions, separate Aircraft Related Acquisition Agreement(s) will be entered into between the Lessee(s) and the Lessor(s) in respect of each of the aircraft and disassembled fuselages, casings or aviation materials, the terms of which will in all material respects be consistent with the binding principles, guidelines, terms and conditions contained in the 2026–2028 Finance and Lease Service Framework Agreement.

The Aircraft Related Acquisitions is newly included as part of the 2026–2028 Finance and Lease Services Framework Agreement. The Group had not conducted connected transactions contemplated under the Aircraft Related Acquisitions before. As set out in the section headed "3.1 Reasons for and benefits of the Proposed Lease Transactions" above, through the Aircraft Related Acquisitions, the Company will

be able to convert certain leased aircraft into owned assets, thereby further reducing aircraft operating costs, which facilitates the timely replenishment of the Company's aircraft capacity. We have discussed with the Management and understand that, in respect of the acquisition of entire aircraft, if the Aircraft Related Acquisitions are carried out on a property exchange, the terms would be in accordance with the transaction results of the public tender on the property exchange. If the transactions are carried out directly with CSA Leasing, the consideration will be determined based on the valuation on the aircraft conducted by an independent third-party valuer. For other Aircraft Related Acquisitions, the Company will obtain and review quotations offered by independent third parties regarding similar assets and determine if the terms offered by CSA Leasing are fair and reasonable, and no less favourable than those offered by independent third parties. Such practice is in line with the industry norm and consistence with the procedures of acquisitions of similar assets from independent third parties.

Given that the Aircraft Related Acquisitions will be conducted on terms (i) in accordance with the transaction results of the public tender on the property exchange, which represents market rates, and/or (ii) that are no less favourable to the Group than quotations offered by independent third parties regarding similar assets, we are of the view that the terms of the Aircraft Related Acquisitions under 2026–2028 Finance and Lease Service Framework Agreement are on normal commercial terms and fair and reasonable as far as the Company and Shareholders are concerned.

3.3 The proposed Finance Lease Caps

Historical figures

Set out below are the historical transaction amounts and annual caps [(Note 1)] of the Finance Lease Transactions between the Group and CSA Leasing for the two years ended 31 December 2024 and the nine months ended 30 September 2025:

	For the year ended 31 December		For the year ending 31 December
	2023	**2024**	**2025**
	US$ million	*US$ million*	*US$ million*
Historical total rental fee	1,051	822	1,382 [(Note 2)]
Existing maximum total rental fee	4,133.27	4,132.98	3,628.68
Utilisation rate	25.4%	19.9%	50.8% [(Note 2)]

Note: 1. Under the 2023–2025 Finance and Lease Service Framework Agreement, the Lessee(s) shall pay handling fee for each of the leased aircraft, simulators and Aviation Related Equipment, which is not more than 1% of the principal amount for the respective leased aircraft, the simulators and Leased Aviation Related Equipment. The handling fee under the 2023–2025 Finance Lease Transactions is included in the annual cap for the 2023–2025 Finance Lease Transactions.

2. The transaction amounts for the year ending 31 December 2025 represents the transaction amount for the nine months ended 30 September 2025 and, for illustration purpose, the utilisation rate was calculated based on pro-rated annual cap for the year, being approximately US$2,721.51 million.

As stated in the letter from the Board of the Circular, the main reasons for the difference between the actual transaction amount and the annual cap were due to tightened supply chains in the aircraft industry, manufacturers delayed the delivery of new aircraft, leading to a significant decrease in the number of aircraft actually introduced by the Company in 2023 to 2025 than expected, the reduction in financing costs due to the reduction in loan prime rate, and lowered the lease payments. Also, the Company expects the transaction amount of the 2023–2025 Finance Lease Transaction for the year ending 31 December 2025 will not exceed the annual caps for the year ending 31 December 2025 under the 2023–2025 Finance and Lease Service Framework Agreement.

The proposed Finance Lease Caps

Pursuant to the 2026–2028 Finance and Lease Service Framework Agreement, the proposed Finance Lease Caps for the three years ending 31 December 2028 are as follow:

	For the year ending 31 December		
	2026	**2027**	**2028**
	US$ million	*US$ million*	*US$ million*
Total rental fee	3,800	4,700	5,000
The proposed Finance Lease Caps	3,300	4,200	4,400

As set out in the letter from the Board, the total fee payable by the Company is the sum of the rental fee and the buy-back fee. To assess the fairness and reasonableness of the projected total rental fees under the Finance Lease Transactions, we have obtained and reviewed the projection tables from the Company which include the aircraft, simulators, engines and Aviation Related Equipment planned to be introduced under finance or operating lease arrangements for the years 2026 to 2028 (the "**2026–2028 Projection Tables**") The respective computation of the estimated rental fee in relation to the Finance Lease Transactions payable by the Company for the years 2026 to 2028 have been projected based on the 2026–2028 Projection Tables without taking into account the buy-back fee as it is only a nominal value as advised by the management of the Group.

Combining the new aircraft, engines, simulators and Aviation Related Equipment orders signed by the Company, the number of new aircraft, engines, simulators and Aviation Related Equipment that may be introduced in the future and the number of old aircraft, engines, simulators and Aviation Related Equipment planned for finance leases, the Company has made planned arrangements for financing leases from 2026 to 2028. In particular, over the next three years, the Company plans to introduce aircraft including Airbus A320 Series, A350 Series, Boeing B787 Series, B737 Series, and COMAC C919 etc. Based on the planned introduction schedule of aircraft, engines, simulators and Aviation Related Equipment from 2026 to 2028, the Company has considered the following key factors when estimating the total rental fee payable in relation to the Finance Lease Transactions in the following three years:

(i) the aircraft, engines, simulators and Aviation Related Equipment planned to be introduced under finance lease arrangements for the years 2026 to 2028;

(ii) unit purchase price for each types of aircraft, engines, simulators and Aviation Related Equipment, which the Company assumes to be in line with the purchase price under the previous similar transactions after taking into account any price concessions granted to the Company by the relevant suppliers;

(iii) the lease period for each of the Leased Aircraft, the Leased Engines, the Leased Simulators and the Leased Aviation Related Equipment to be 10 years, 10 years, 5 years and 5-10 years, respectively; and

(iv) the PBOC Benchmark Rate on 21 July 2025.

As disclosed in the Letter from the Board of the Circular, the maximum aggregate transaction amount (including the principal and interest payable) of the aircraft finance lease transactions shall not exceed 60% of the aggregate amount (including the principal and interest payable) of all the aircraft planned to be introduced under the Company's introduction plan from 2026 to 2028. The 60% caps was determined based on (i) the Company attempts to minimize the financial risks (if any) that could be brought by solely relying on one single finance lease company to provide finance leasing to all aircraft to be introduced by the Company, given the substantial purchase cost of the aircraft; (ii) 60% cap will not impose any financial pressure to CSA Leasing taking into account of the aggregate amount of all aircraft planned to be introduced under the Company's introduction plan from 2026 to 2028; and (iii) the historical transaction amount of the Company's finance lease transactions with CSA Leasing were close to 60% of the aggregate amount of aircraft introduced under the Company's previous aircraft introduction plan. The Management considers that such arrangement would encourage the Company to obtain competitive aircraft finance lease services in the market and reduce the extent of reliance by the Company on CSA Leasing.

As disclose in the letter form the Board of the Circular, when the Company entering into the separate Finance Lease Agreement for each of the Leased Aircraft, Leased Engines, Leased Simulators and Leased Aviation Related Equipment, the actual interest rate will be determined based on the prevailing interest rate offered by winning bidders of finance lease transactions of the same type in the markets during the corresponding period. As a market practice, such prevailing interest rate of a finance lease transaction will be a premium or discount with a fix percentage to the PBOC Benchmark Rate. Based on the previous proposals received by the Company from the independent third parties, the interest rate usually would not be higher than the relevant PBOC Benchmark Rate. During the term of the Finance Lease Agreement(s), if the PBOC Benchmark Rate is adjusted by the People's Bank of China, the interest rate for the Finance Lease Transactions shall be adjusted accordingly in the same direction.

As advised by the Management, the applicable interest rate for finance lease arrangement conducted in the PRC is commonly determined with reference to the PBOC Benchmark Rate, especially when the repayment of rental fee (including interests payable) is denominated in RMB and having provided certain buffer to the Company as compared with the current market condition. The relevant benchmark interest rate as set by the PBOC for the finance lease arrangement has also been adopted by Air China and China Eastern Airlines.

Furthermore, as set out in the section headed "Historical figures" above, despite the relatively low utilisation rates for the two years ended 31 December 2023 and 2024 of approximately 25.4% and 19.9% respectively, the total rental fee for the nine months ended 30 September 2025 amounted to approximately US$1,382 million, representing (i) an increase of approximately 68.1% from that for the year ended 31 December 2024, and (ii) a pro-rata utilisation rate of approximately 50.8%. Given the increase in total rental fee and utilisation rate in 2025, we consider the estimated total rental fee for the coming years justifiable.

Pursuant to IFRS 16, the proposed Finance Lease Caps are set on the total value of right-of-use assets relating to the Finance Lease Transactions. We have reviewed the computation of right-of-use assets relating to the Finance Lease Transactions, which are calculated during the future years by discounting the estimated total rental fee (including principal and interest) for the newly added Leased Aircraft, the Leased Simulators and the Leased Aviation Related Equipment in each year with discount rates which is either the interest rate implicit in the lease or the Company's incremental borrowing rate. To illustrate how the caps are determined, the discount rates used in the above calculation was 3.5%, which are equivalent to the PBOC Benchmark Rate. We have reviewed the China Eastern Airline Circular and the Air China Circular, and noted that the 3.5% discount rates being adopted by the Company is within the range compared to other airline operators, which is 2.4% discount rate adopted by China Eastern Airline and 3.6% discount rate adopted by Air China.

Having considered the above, we are of the view that the proposed Finance Lease Caps and the bases of determination are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

3.4 The proposed Operating Lease Caps

Historical figures

Set out below are the historical transaction amounts and annual caps of the Operating Lease Transactions between the Group and CSA Leasing for the two years ended 31 December 2024 and the nine months ended 30 September 2025:

	For the year ended 31 December		For the year ending 31 December
	2023	**2024**	**2025**
	US$ million	*US$ million*	*US$ million*
Historical total rental fee	36	227	385 *(Note)*
Existing maximum total rental fee	1,524	1,436	1,119
Utilisation rate	2.4%	15.8%	45.9% *(Note)*

Note: The transaction amounts for the year ending 31 December 2025 represents the transaction amount for the nine months ended 30 September 2025 and, for illustration purpose, the utilisation rate was calculated based on pro-rated annual cap for the year, being approximately US$839.3 million.

As disclosed in the letter from the Board of the Circular, the Company expects the transaction amount of the 2023–2025 Operating Lease Transaction for the year ending 31 December 2025 will not exceed the annual caps for the year ending 31 December 2025 under the 2023–2025 Finance and Lease Service Framework Agreement.

As stated in the letter from the Board of the Circular, the main reasons for the difference between the actual transaction amount and the annual cap were due to tightened supply chains in the aircraft industry, manufacturers delayed the delivery of new aircraft leading to a significant decrease in the number of aircraft actually introduced by the Company in 2023 to 2025 than expected. We have also reviewed the disclosures in the 2022 Annual Report, the 2023 Annual Report and the 2024 Annual Report and noted that the actual number of aircrafts introduced for each of FY2023 and FY2024 fell short by approximately 54.9% and 30.5%.

The proposed Operating Lease Caps

Pursuant to the 2026–2028 Finance and Lease Service Framework Agreement, the proposed Operating Lease Caps for each of the three years ending 31 December 2028 are as follow:

	For the year ending 31 December		
	2026	**2027**	**2028**
	US$ million	*US$ million*	*US$ million*
Annual rental fee *(Note 1)*	500	1,000	1,300
Total rental fee *(Note 2)*	3,100	4,500	3,200
The proposed Operating Lease Caps	2,800	3,900	2,900

Notes:

1. The annual rental fee refers to the rental actually payable by the Company to CSA Leasing each year, including the 12-month rental for existing aircraft, engines, simulators and Aviation Related Equipment and newly added aircraft, engines, simulators and Aviation Related Equipment in that year.

2. The total rental fee refers to the total rental for newly added aircraft, engines, simulators and Aviation Related Equipment with a full lease term of 2 years to 12 years leased by the Company from CSA Leasing by way of operating lease each year.

To assess the fairness and reasonableness of the total annual rental fee, we have reviewed the 2026–2028 Projection Tables which include the number of aircraft, engines, simulators, and Aviation Related Equipment expected to be introduced under operating lease arrangement during the relevant period and the number of leasing years, together with the calculation of the monthly rental fee with respect of the underlying assets of Operating Lease Transactions. In particular, according to the letter from the Board of the Circular, the monthly rental fee of aircraft is derived by multiplying the relevant current market value and lease rate factor for aircraft of similar model and age. We understand from the Company that the current market values and the lease rate factors of the relevant aircraft adopted under in the 2026–2028 Projection Tables were determined with reference to the current market value and lease rate factor as referenced to the available market data on current market value and lease rate factor generally adopted in the aviation industry for aircraft of different models and age. Specifically, the Company considered the conditions and utilisation of individual aircraft and (i) the lease period for the new aircraft being 12 years and a lease rate factor of 0.588% to 0.947%; and (ii) the lease period for the middle-aged and old aircraft being 3 years and a lease rate factor of 2.53%.

We have obtained and reviewed an industry report published on 26 September 2024 (the "**Industry Report**") by IBA Insight, a world-leading aviation intelligence and advisory company established in 1988. According to the Industry Report, we noted that the lease rate factor for the new aircraft being 12 years ranged from 0.727% to 0.767%. We also reviewed the annual reports of two major industry players in the aircraft operating lease business listed on the Stock Exchange, namely China Aircraft Leasing Group Holdings Limited ("**CALC**", stock code:1848. HK) and BOC Aviation Limited ("**BOC Aviation**", stock code: 2588) for the year ended 31 December 2024. According to their annual reports, we noted that the leased rate factor ranged from 0.600% to 0.933%. Based on the above, we consider the lease rate factor adopted by the Company reasonable.

Regarding the lease rate factor for the middle-aged and old aircraft, we have obtained, on a random basis, 2 samples of historical transactions in recent years related to the aircraft of different model and/or ages and independently calculated the lease rate. We noted that the lease rate is in line with the Company's projection adopted in the 2026–2028 Projection Tables. The purpose of our review of samples is to be satisfied that the lease rate adopted by the Company is in line with the latest lease rates of the Group's historical transactions. Given that the 2 samples relates to similar transactions conducted by the Group in recent years, we consider the sample size is sufficient and representative for the purpose of this analysis.

Regarding the monthly rental fee of the relevant engines, as disclosed in the letter from the Board of the Circular, the Company made reference to the available market data on current lease rates generally adopted in the aviation industry for engines of different models and age, considering the condition and utilisation of individual engines, and the lease period being 3 years for new engines and 2 to 7 years for old engines. For simulators, the Company considered the lease period for the simulators being 8 years and a lease rate factor of 1%.

For Aviation Related Equipment, the Company has taken into account the market conditions and adopted a lease rate factor of 1.25%. As advised by the Management, it is the lease rate factor generally adopted in the aviation industry for Aviation Related Equipment.

As disclosed in the letter from the Board of the Circular, the maximum aggregate transaction amount (including the principal and interest payable) of operating lease transactions of the aircraft shall not exceed 50% of the aggregate amount of all aircraft planned to be introduced under the Company's introduction plan from 2026 to 2028. The 50% caps was determined based on (i) the Company attempts to minimize the financial risks (if any) that could be brought by solely relying on one single operating lease company to provide operating leasing to all aircraft to be introduced by the Company, given the substantial cost of the aircraft; (ii) the 50% cap will not impose any financial pressure to CSA Leasing taking into account of the aggregate amount of all aircraft planned to be introduced under the Company's introduction plan from 2026 to 2028; and (iii) the historical transaction amount of the Company's

operating lease transactions with CSA Leasing were close to 50% of the aggregate amount of aircraft introduced under the Company's previous aircraft introduction plan. As advised by the Management, such arrangement would encourage the Company to obtain competitive aircraft operating lease services in the market and reduce the extent of reliance by the Company on CSA Leasing.

Furthermore, as set out in the section headed "Historical figures" above, despite the relatively low utilisation rates for the two years ended 31 December 2023 and 2024 of approximately 2.4% and 15.8% respectively, the total rental fee for the nine months ended 30 September 2025 amounted to approximately US$385 million, representing (i) an increase of approximately 69.6% from that for the year ended 31 December 2024, and (ii) a pro-rata utilisation rate of approximately 45.9%. Given the increase in total rental fee and utilisation rate in 2025, we consider the estimated total rental fee for the coming years justifiable.

Pursuant to IFRS 16, the proposed caps are set on the total value of right-of-use assets relating to the Operating Lease Transactions, which are calculated during the future years by discounting the estimated total rental fee for the newly added aircraft, engines, simulators and Aviation Related Equipment in each year with discount rates which is either the interest rate implicit in the lease or the Company's incremental borrowing rate. To illustrate how the caps are determined, the discount rates used in the above calculation is 3.5% which is equivalent to the benchmark interest rate for RMB loan set by the PBOC with reference to the corresponding lease periods. We have reviewed the 2024 Annual Report and noted that the effective fixed interest rates of the Group for lease liabilities ranged from 2.62% to 4.90% for FY2024.

Having considered the above, we are of the view that the proposed Operating Lease Caps and the bases of determination are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

3.5 The proposed Aircraft Related Acquisitions Caps

Historical figures

The historical transaction amounts for the acquisition of aircraft and disassembled fuselages, casings or aviation materials by the Company from CSA Leasing for the two years ended 31 December 2024 and the nine months ended 30 September 2025 are nil.

The proposed Aircraft Related Acquisitions Caps

Pursuant to the 2026–2028 Finance and Lease Service Framework Agreement, the proposed Aircraft Related Acquisitions Caps for each of the three years ending 31 December 2028 are as follow:

	For the year ending 31 December		
	2026	**2027**	**2028**
	US$ million	*US$ million*	*US$ million*
The proposed Aircraft Related Acquisitions Caps	129	792	572

As set out in the letter from the Board of the Circular, the proposed Aircraft Related Acquisitions Caps are determined with reference to (i) the requirements of the Company for the purchase of the relevant aircraft, disassembled fuselages, casings or aviation materials for the three years ending 31 December 2028 based on the need for expanding fleet structure, the aircraft introduction plan and the market conditions at the time; and (ii) the estimated unit purchase price of the relevant aircraft, disassembled fuselages, casings or aviation materials to be purchased by the Company from CSA Leasing under the 2026–2028 Finance and Lease Service Framework Agreement determined with reference to the then book value of each aircraft, disassembled fuselages, casings or aviation materials.

To assess the fairness and reasonableness of the proposed Aircraft Related Acquisitions Caps, we have reviewed the 2026–2028 Projection Tables which include the expected purchase of relevant aircraft, disassembled fuselages, casings or aviation materials by the Group for the three years ending 31 December 2028, together with the expected purchase price. We noted that the expected purchase of relevant aircraft, disassembled fuselages, casings or aviation materials was estimated based on the Company's historical demand on these assets and the expected purchase price was estimated based on historical purchase price of similar assets.

Based on the above and our review of the underlying calculation in formulating the proposed Aircraft Related Acquisitions Caps, we are of the view that such proposed Aircraft Related Acquisitions Caps were determined based on reasonable estimation and after due and careful consideration. Taking into account the fact that the proposed annual caps provide the Group with flexibility to aircraft and disassembled fuselages, casings or aviation materials from CSA Leasing in the ordinary course of business, we are of the view that such proposed Aircraft Related Acquisitions Caps are fair and reasonable so far as the Independent Shareholders are concerned.

3.6 Internal control and risk management measures

As set out in the letter from the Board of the Circular, we noted that the Company has adopted a set of internal control measures to assign specific responsibilities to various designated departments of the Company in performing regular assessment and cross-checking on the terms of the Proposed Lease Transactions in order to make sure that the Proposed Lease Transactions will be conducted in accordance with the terms of the 2026–2028 Finance and Lease Service Framework Agreement.

As advised by the Management, the Company will comply with its internal guidance, including the Aircraft Financing Procurement Guidelines, when conducting Finance Lease Transactions. Furthermore, we noted that the Aircraft Financing Procurement Guidelines includes a comprehensive scoring system for the assessment of service providers which assigns different scores to each of the selection criteria including but not limited to registered capital, capital adequacy, risk and customer concentration and credit rating.

As further advised by the Management, the Company will comply with the internal procurement management rules, including the Aircraft Introduction Management Rules, when conducting Operating Lease Transactions. In particular, for each operating lease project, the Company would follow the relevant procedures which includes, among others, publishing a proposal request announcement on the procurement tender website to obtain proposals from suppliers and the measure to ensure the costs provided by CSA Leasing are no less favourable than those offered by independent third parties by the project review committee.

Furthermore, the law and standards division of the Company will responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions under the 2026–2028 Finance and Lease Service Framework Agreement, including but not limited to the implementation of the pricing policies, payment arrangements and actual transaction amounts under the specific transactions on a monthly basis to ensure that the relevant transactions are conducted in compliance with the 2026–2028 Finance and Lease Service Framework Agreement; and the internal audit department of the Company will review and assess the internal control procedures of the Group on an annual basis, including but not limited to the relevant information in relation to the 2026–2028 Finance and Lease Service Framework Agreement. An internal control assessment report will be prepared by the internal audit department and submitted to the Board for review and approval.

Based on the above and the fact that the Proposed Lease Transactions are subject to the reporting requirements of the Listing Rules as set out in the section headed "4. Reporting requirements by the Listing Rules" below, we concur with the view of the Directors that the Group has implemented effective internal control procedures to ensure that the Proposed Lease Transactions will be conducted on normal commercial terms and in accordance with the 2026–2028 Finance and Lease Service Framework Agreement.

4. Reporting requirements by the Listing Rules

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Provision of Deposits Services contemplated under the Financial Services Framework Agreement and the Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement are subject to the following annual review requirements:

(a) the independent non-executive Directors must review the Provision of Deposits Services and the Proposed Lease Transactions every year and confirm in the annual report that they have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(b) the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Provision of Deposits Services and the Proposed Lease Transactions:

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) were not entered into, in all material respects, in accordance with the relevant agreements governing them; and

(iv) have exceeded the relevant annual caps;

(c) the Company must allow, and ensure that the counterparties to the Provision of Deposits Services and the Proposed Lease Transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the transactions;

(d) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

In light of the reporting requirements attached to the Provision of Deposits Services and the Proposed Lease Transactions, in particular, (i) the restriction of the transaction value by way of annual caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the terms of the Provision of Deposits Services and the Proposed Lease Transactions and the respective proposed annual caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Provision of Deposits Services and the Proposed Lease Transactions and assist in safeguarding the interests of the Company and the Independent Shareholders as a whole.

OPINION AND RECOMMENDATIONS

Having taken into account the above principal factors and reasons, we consider that the entering into of the Provision of Deposit Services under the Financial Services Framework Agreement and the Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions in relation to the Provision of Deposit Services under the Financial Services Framework Agreement and the Proposed Lease Transactions under the 2026–2028 Finance and Lease Service Framework Agreement to be proposed at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 20 years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group together with the auditor's or review report for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.csair.com):

- annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (pages 140-260);

  https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600538.pdf

- annual report of the Company for the year ended 31 December 2023 published on 24 April 2024 (pages 131-244); and

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042401610.pdf

- annual report of the Company for the year ended 31 December 2024 published on 25 April 2025 (pages 128-252);

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042503231.pdf

- interim report of the Company for the six months ended 30 June 2025 published on 22 September 2025 (pages 58-92);

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0922/2025092200560.pdf

2. INDEBTEDNESS

At the close of business on 30 September 2025, being the latest practicable date for the purpose of this indebtedness statement, the total indebtedness of the Group was as follows:

	RMB (Million)
Bank loans and other loans	76,409
Medium-term notes	32,400
Ultra-short-term financing bills	9,747
Convertible bonds (excluding the derivative component)	6,018
Lease liabilities	101,638
Guarantees provided	
Personal bank loans for pilot trainees	40

At 30 September 2025, the Group had secured borrowings amounting to RMB1,680 million. In addition, all other bank loans and other loans, medium-term notes, ultra-short-term financing bills and convertible bonds (excluding the derivative component) of the Group disclosed above are unsecured and unguaranteed.

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities, the Group did not have any material outstanding debt securities, term loans, other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments and borrowings, and any material outstanding mortgages, charges, contingent liabilities and guarantees of the Group as at the close of business on 30 September 2025.

The Directors are not aware of any material changes in the indebtedness or contingent liabilities of the Group since 30 September 2025.

3. EFFECT

As the Provision of Deposit Services under the Financial Services Framework Agreement will enable the Group to receive interest on its money deposited with the Finance Company at rates which are no less favourable than the rate payable by major commercial banks in the PRC for comparable deposits, the Company expects increase in earnings due to interest income from the money deposit. Since the Finance Company will ensure the Group is able to use the deposits at any time, it is not expected to have any substantial impact on the Group's cash-flow position or its business operations. The Provision of Deposit Services is not expected to result in any material impact on the assets and liabilities of the Group.

Under the Finance Lease Transactions and the Operating Lease Transactions of the 2026–2028 Finance and Lease Service Framework Agreement, the principal amount of the Finance Lease Transactions and the Operating Lease Transactions will be recorded as right-of-use assets of the Company under IFRS 16. The interest for the Finance Lease Transactions and the Operating Lease Transactions will be recognised as interest expenses over the lease term. As (i) the rental fee under the Finance Lease Transactions is paid monthly, quarterly or semi-annually in arrears, commencing on the delivery date of each of the Leased Aircraft, the Leased Engines, the Leased Simulators and the Leased Aviation Related Equipment and concluding on the date of the last payment for such subject matters; and (ii) the rental fee under the Operating Lease Transactions will be prepaid by the Company on a monthly or quarterly basis or as agreed upon by the Lessor(s) and the Lessee(s), commencing on the delivery date or replacement date of each of the aircraft, engines, simulators and the Aviation Related Equipment, it is not expected to have a substantial impact on the Company's cash flow position or its business operations. Therefore, the Finance Lease Transactions and the Operating Lease Transactions will not add immediate cash flow burden to the Company, and the Finance Lease Transactions and the Operating Lease Transactions are not expected to result in a material impact on the earnings, assets and liabilities of the Group.

Under the Aircraft Related Acquisitions of the 2026–2028 Finance and Lease Service Framework Agreement, as the Aircraft Related Acquisitions will be partly financed through loans or other finance arrangement by banks or other institutions, and partly financed by internal fund, the Aircraft Related Acquisitions may therefore result in an increase in the Company's debt-to-equity ratio, but it is not expected to have any substantial impact on the Company's cash-flow position or its business operations and the Aircraft Related Acquisitions will not add immediate financial burden to the Company. The Aircraft Related Acquisitions are not expected to result in any material impact on the earnings, assets and liabilities of the Group.

4. MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up).

5. WORKING CAPITAL

Taking into account the present internal resources and the available banking facilities of the Group, and considering the effect of the Provision of Deposit Services and the Proposed Lease Transactions, the Directors, after due and careful enquiry, are of the opinion that the working capital of the Group is sufficient for the Group's requirement for at least 12 months from the date of this circular.

6. FINANCIAL AND TRADING PROSPECT OF THE GROUP

During the first half of 2025, the global economic situation was complex and volatile. According to World Economic Outlook report of International Monetary Fund, global economic growth is projected at 3.0% in 2025. In the first half of the year, China's national economy withstood pressure, maintaining overall stability and steady improvement in economic performance. The gross domestic product (GDP) reached RMB66.05 trillion, with a year-on-year increase of 5.3%, demonstrating strong vitality and resilience. China's civil aviation industry showed steady development trend, with the international aviation market growing at a relatively fast pace. The industry achieved a total transport turnover of 78.35 billion tonne-kilometres, passenger traffic volume of 370 million, and cargo and mail transportation volume of 4.784 million tonnes, representing year-on-year growth of 11.4%, 6.0%, and 14.6%, respectively.

During the first half of 2025, the Group coordinated safety production and operations, continuously improved service quality, accelerated the implementation of reform and development strategies, and was awarded the "Best Airline of the Year" by Civil Aviation Passenger Service Evaluation (CAPSE) for the eight consecutive years. It was also ranked as first brand in aviation services industry in the China Brand Power Index for 15 consecutive years.

As disclosed in the third quarterly report of 2025 of the Company published on 27 October 2025, the Group recorded operating revenue of RMB137,665 million and net profit of RMB3,996 million for the nine months ended 30 September 2025, representing an increase of approximately 2.23% and 8.44% respectively as compared with the corresponding period last year.

In the second half of 2025, influenced by trade policies, geopolitical situations and other factors, global economic uncertainty has increased, with the International Monetary Fund predicting downside risks to global economic growth. China will adhere to the general principle of pursuing progress while maintaining stability, maintain policy continuity and stability while enhancing flexibility and foresight, focus on stabilising employment, enterprises, markets and expectations, and effectively promote domestic and international dual circulation.

Facing complex and severe challenges, the Group will uphold the overarching strategy of high-quality development, using its own certainty to counter external uncertainties, firmly safeguarding safety as the bottom line, striving to enhance operational and management effectiveness, continuously improving the quality of operation and service, accelerating the implementation of major strategies, advancing reform and upgrading initiatives, and steadily progressing toward the goal of building a world-class air transportation enterprise.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors, chief executive or Supervisors and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers in Appendix C3 of the Listing Rules.

None of the Directors, chief executive or Supervisors of the Company and their respective associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under rule 8.10 of the Listing Rules if each of them were a controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Han Wen Sheng and Mr. Ma Xu Lun (Directors of the Company) were also senior management of CSAH, a company which has an interest or short position in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors, chief executive and Supervisors of the Company, the interests and short positions of the following persons (other than the Directors, chief executive or Supervisors of the Company) in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group, or had any option in respect of such capital are set out below:

Name of Shareholder	Capacity	Type of Share	Number of Shares held	% of the total issued A Shares	% of the total issued H Shares	% of the total issued share capital of the Company
CSAH[Note 1]	Beneficial owner	A Share	9,404,468,936 (L) [Note 1]	69.78%	–	51.90%
	Interest in controlled corporation	H Share	2,648,836,036 (L) [Note 2]	–	57.04%	14.62%
		Subtotal	12,053,304,972 (L)	–	–	66.52%
Nan Lung	Beneficial owner and interest of controlled corporations	H Share	2,648,836,036 (L) [Note 3]	–	57.04%	14.62%
American Airlines Group Inc.[Note 4]	Interest of controlled corporation	H Share	270,606,272 (L)	–	5.83%	1.49%

Notes:

1) As at the Latest Practicable Date, CSAH was directly interested in 9,404,468,936 A Shares of the Company.

2) As at the Latest Practicable Date, CSAH was indirectly interested in 2,648,836,036 H Shares of the Company through its controlled corporations Nan Lung and Perfect Lines (Hong Kong) Limited, a wholly-owned subsidiary of Nan Lung.

3) As at the Latest Practicable Date, Nan Lung was interested in 2,648,836,036 H Shares of the Company, which included the indirect interests in the 31,150,000 H Shares held through Perfect Lines (Hong Kong) Limited, its wholly-owned subsidiary, and the direct interests in the 2,617,686,036 H Shares.

4) American Airlines Group Inc. was deemed to be interested in 270,606,272 H Shares by virtue of its 100% control over American Airlines.

5) The percentage was calculated according to the relevant total issued A Shares of 13,476,923,269 A Shares, total issued H Shares of 4,643,997,308 H Shares and the total issued Shares of 18,120,920,577 Shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, chief executives and Supervisors of the Company, no other person (other than the Directors, chief executives or Supervisors of the Company) had an interest or short position in the Shares or underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group.

4. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

5. DIRECTORS' AND SUPERVISORS' INTERESTS

(a) None of the Directors or Supervisors has any direct or indirect interest in any assets which have been, since 31 December 2024, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) None of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. MISCELLANEOUS

(a) The joint company secretaries of the Company are Mr. Chen Weihua and Dr. Liu Wei.

Mr. Chen Wei Hua, male, born in October 1966 (aged 59), graduated from Peking University Law School with a bachelor's degree, majoring in Law and obtained an Executive Master of Business Administration (EMBA) degree from Tsinghua University School of Economics and Management. He is an economist, a qualified lawyer in the PRC, a qualified corporate legal counselor and a member of the Chinese Communist Party. Mr. Chen began his career in July 1988. He successively served as Deputy Director of Legal Department of China Southern Airlines (Group) Corporation, Deputy Director of the Office (Director of the Legal Division) of China Southern Airlines Company Limited and China Southern Airlines (Group) Corporation. Mr. Chen was the Chief Legal Adviser of China Southern Airlines Company Limited and Director of the Legal Division of China Southern Airlines Company Limited from June 2004. Mr. Chen has been the Chief Legal Adviser and General Manager of the Legal Division of China Southern Airlines Company Limited since October 2008. He has served as Chief Legal Adviser of China Southern Airlines Company Limited since April 2017. Mr. Chen has been the Chief Legal Adviser and Secretary to the Board of China Southern Airlines Company Limited since September 2022; He has served as Chief Compliance Officer of China Southern Air Holding Company Limited, Chief Legal Adviser and Secretary to the Board of China Southern Airlines Company Limited since December 2022. From March 2023, he served as Chief Compliance Officer and Secretary of the Board of Directors of China Southern Air Holding Company Limited, Chief Legal Adviser and Secretary of the Board of directors of China Southern Airlines Company Limited. From May 2023, he served as Chief Compliance Officer, Chief Legal Adviser and Secretary of the Board of Directors of China Southern Air Holding Company Limited, and Chief Legal Adviser and Secretary of the Board of Directors of China Southern Airlines Company Limited. Currently, he also acts as a Director of Xiamen Airlines Company Limited, a Member Representative of the Standing Board of the China Association for Public Companies, and Vice Chairman of the Sixth Session of the Council of the Listed Companies Association of Guangdong.

Dr. Liu Wei, male, aged 66, graduated from the Northwest University of China, the China University of Political Science and Law and the University of Cambridge with a bachelor's degree in Chinese literature, a master's degree in law and a Ph. D. in Law, respectively. Dr. Liu Wei also completed his Common Professional Examination (CPE) with the Manchester University in England, as well as the Postgraduate Certificate in Laws (PCLL) with the University of Hong Kong. Dr. Liu Wei has PRC lawyer qualification and is a solicitor qualified to practice law in Hong Kong and in England. Dr. Liu Wei is currently a partner of Jingtian & Gongcheng LLP and has extensive experience in providing effective and commercially-valuable legal services for large-scale market-leading enterprises relating to corporate finance, listing, regulatory and compliance matters. During the period from 26 November 2007 to 20 July 2015 and since 22 September 2022, Dr. Liu Wei acted as a Joint Company Secretary.

(b) The registered address of the Company is at Unit 301, 3/F, Office Tower, Guanhao Science Park Phase I, 12 Yuyan Street, Huangpu District, Guangzhou, Guangdong Province, PRC and the principal place of business of the Company in Hong Kong is at Unit B1, 9th Floor, United Centre, 95 Queensway, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong .

8. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this circular:

(a) On 29 December 2023, the Company entered into the capital increase agreement ("**Sichuan Airlines Capital Increase Agreement**") with Sichuan Airlines Group Company Limited ("**Sichuan Airlines Group**"), Shandong Airlines Company Limited, China Eastern Airlines Company Limited, Chengdu Ginkgo Jin Ge Investment Co., Ltd. and Sichuan Airlines Company Limited ("**Sichuan Airlines**"), pursuant to which, among others, the Company agreed to contribute RMB4.68 billion to Sichuan Airlines.

(b) On 29 April 2024, the Company entered into the supplemental agreement to the Sichuan Airlines Capital Increase Agreement with Sichuan Airlines Group, pursuant to which, among others, the Company and Sichuan Airlines Group agreed to jointly promote the listing of Sichuan Airlines.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Somerley Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Somerley Capital Limited had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Somerley Capital Limited was not interested, directly or indirectly, in any assets which had since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

Somerley Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter on the same date and references to its name in the form and context in which it appears.

10. DOCUMENTS ON DISPLAY

A copy of the 2026–2028 Finance and Lease Service Framework Agreement and a copy of the Financial Services Framework Agreement will be available on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.csair.com) from the date of this circular and for a reasonable period of time (not less than 14 days).

COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 1 GENERAL PROVISIONS	**CHAPTER 1 GENERAL PROVISIONS**
Article 6 The chairman of the Board of Directors of the Company shall be the legal representative of the Company.	Article 6 **The director who executes the Company's affairs on behalf of the Company** shall be the legal representative of the Company**, and the chairman of the Company is the director who executes the Company's affairs on behalf of the Company**. **The legal representative performs duties and assumes responsibilities in accordance with laws and regulations and the provisions of these Articles of Association.**
Article 10 The entire assets of the Company is divided into equal shares. The rights and obligations in respect of the Company enjoyed and assumed by shareholders of the Company shall be limited to the extent of the amount payable on subscription of shares held by them. The Company shall be liable to its creditors to the extent of all of its assets.	Article 10 The entire assets of the Company is divided into equal shares. The rights and obligations in respect of the Company enjoyed and assumed by shareholders of the Company shall be limited to the extent of the amount payable on subscription of shares held by them. The Company shall be liable to its creditors to the extent of all of its ~~assets~~**property**.
Article 13 These Articles of Association are binding on the Company and its shareholders, directors, supervisors, president and other senior administrative officers of the Company; all of whom are entitled to claim rights concerning the affairs of the Company in accordance with these Articles of Association. These Articles of Association are actionable by a shareholder against the Company and vice versa, by shareholders against each other, by a shareholder against the directors, supervisors, president and other senior administrative officers of the Company and by the company against the directors, supervisors, president and other senior administrative officers of the Company in respect of rights and obligations concerning the affairs of the Company arising out of these Articles of Association.	Article 13 These Articles of Association are binding on the Company and its shareholders, directors~~, supervisors~~, president and other senior administrative officers of the Company; all of whom are entitled to claim rights concerning the affairs of the Company in accordance with these Articles of Association. These Articles of Association are actionable by a shareholder against the Company and vice versa, by shareholders against each other, by a shareholder against the directors~~, supervisors~~, president and other senior administrative officers of the Company and by the company against the directors~~, supervisors~~, president and other senior administrative officers of the Company in respect of rights and obligations concerning the affairs of the Company arising out of these Articles of Association.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 3 SHARES AND REGISTERED CAPITAL	**CHAPTER 3 SHARES AND REGISTERED CAPITAL**
Article 22 The shares of the Company are evidenced by share certificates. There must at all times be ordinary shares in the Company. Subject to the approval from the companies approving department authorized by the State Council, the Company may create other classes of shares according to its requirements.	Article 22 The shares of the Company are evidenced by share certificates. There must at all times be ordinary shares in the Company. Subject to the approval from the companies approving department authorized by the State Council, the Company may create other **category** ~~class~~ of shares according to its requirements.
Article 23 The shares of the Company are issued on an open, fair and equitable basis. Shares of the same class shall rank pari passu in all respects among each other. For the same class of shares issued at the same time, the conditions and price of issue for each share shall be the same. For shares subscribed for by any entity or individual, each share shall have the same price.	Article 23 The shares of the Company are issued on an open, fair and equitable basis. Shares of the same **category** ~~class~~ shall rank pari passu in all respects among each other. For the same **category** ~~class~~ of shares issued at the same time, the conditions and price of issue for each share shall be the same. For shares subscribed for by ~~any entity or individual~~ **the subscriber**, each share shall have the same price.
Article 29 The promoter of the Company is China Southern Air Holding Company (中國南方航空集團公司), which completed its company conversion in November 2017 and changed its name to China Southern Air Holding Company Limited, and contributed RMB2,200,000,000 to the capital of the Company.	Article 29 The promoter of the Company is China Southern Air Holding Company (中國南方航空集團公司), which completed its company conversion in November 2017 and changed its name to China Southern Air Holding Company Limited, and contributed RMB2,200,000,000 **on 25 March 1995** to the capital of the Company.

The existing Articles of Association (July 2024)	The amended Articles of Association
CHAPTER 4 INCREASE AND DECREASE IN CAPITAL AND REPURCHASE OF SHARES	**CHAPTER 4 INCREASE AND DECREASE IN CAPITAL AND REPURCHASE OF SHARES**
Article 30 Subject to the relevant laws and regulations and these Articles of Association and the passing of resolutions at the shareholders' general meeting, the Company may increase its capital in the following ways to meet the needs of operations and business expansion: (1) Making public offer; (2) Making non-public offer; (3) Distributing new shares to existing shareholders; (4) Converting the statutory common reserve fund, discretionary common reserve fund or capital common reserve fund into capital; (5) Other ways permitted by laws and administrative regulations and the securities regulatory authority under the State Council. Increase in capital of the Company shall be proceeded in accordance with the PRC laws and administrative regulations, and subject to the approval as required by these Articles of Association.	Article 30 Subject to the relevant laws and regulations and these Articles of Association and the passing of resolutions at the shareholders' general meeting, the Company may increase its capital in the following ways to meet the needs of operations and business expansion: (1) ~~Making public offer~~ **Issuing shares to non-specified targets**; (2) ~~Making non-public offer~~ **Issuing shares to specified targets**; (3) Distributing new shares to existing shareholders; (4) Converting the statutory common reserve fund, discretionary common reserve fund or capital common reserve fund into capital; (5) Other ways permitted by laws and administrative regulations and the securities regulatory authority under the State Council. Increase in capital of the Company shall be proceeded in accordance with the PRC laws and administrative regulations, and subject to the approval as required by these Articles of Association.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 5 SHARE TRANSFER	**CHAPTER 5 SHARE TRANSFER**
Article 39 The Company's directors, supervisors, president and other senior administrative officers shall periodically declare to the Company the number of shares they hold and the changes thereof in the Company during their term of office. They may transfer their shares during the term of their office or after their departure from office in accordance with the requirements of the laws and the listing rules of the place of the stock exchange on which the company's shares are listed.	Article 39 The Company's directors~~, supervisors~~, president and other senior administrative officers shall periodically declare to the Company the number of shares they hold and the changes thereof in the Company during their term of office. They may transfer their shares during the term of their office or after their departure from office in accordance with the requirements of the laws and the listing rules of the place of the stock exchange on which the company's shares are listed.
Article 40 Shares of the Company held by the promoters shall not be transferred within one year commencing from the establishment of the Company. Shares issued prior to the public offer of shares of the Company shall not be transferred within one year from the date when the shares were listed on a stock exchange. Directors, supervisors and senior administrative officers of the Company shall periodically report to the Company shares of the Company or other securities of equity nature held by them and any changes thereof, and shall not transfer more than 25% of the shares held by them during their term of office, while shares of the Company held by them must not be transferred within one year commencing from the date on which the shares of the Company were listed. The aforesaid persons shall not transfer the shares of the Company held by them within six months commencing from the termination of their service. Where a shareholder pledges shares held within the lock-up period as prescribed by laws and regulations, the pledgee shall not exercise the pledge rights during such lock-up period.	Article 40 Shares of the Company held by the promoters shall not be transferred within one year commencing from the establishment of the Company. Shares issued prior to the public offer of shares of the Company shall not be transferred within one year from the date when the shares were listed on a stock exchange. Directors~~, supervisors~~ and senior administrative officers of the Company shall periodically report to the Company shares of the Company or other securities of equity nature held by them and any changes thereof, and shall not transfer more than 25% of the shares held by them during their term of office, while shares of the Company held by them must not be transferred within one year commencing from the date on which the shares of the Company were listed. The aforesaid persons shall not transfer the shares of the Company held by them within six months commencing from the termination of their service. Where a shareholder pledges shares held within the lock-up period as prescribed by laws and regulations, the pledgee shall not exercise the pledge rights during such lock-up period.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 41 Any gains from any sales of shares of the Company by shareholders holding 5%or more of the shares, any director, supervisor and senior administrative officer of the Company within six months after the share are bought, or any gains from any purchase of shares of the Company by any of the aforesaid parties within six months after the share are sold shall be disgorged and paid to the Company, except in cases where trading is permitted by laws, regulations or normative documents, and the Board of Directors shall recover such gains from the abovementioned parties. In case the Board of Directors failed to perform in compliance with this provision, the responsible directors shall be jointly liable for such default. The shares or other equity securities held by directors, supervisors, senior management and individual shareholders as mentioned in the preceding paragraph, include the shares or other equity securities held by his/her spouse, parents and children and held using other persons' accounts. If the Board of Directors fails to comply with the aforesaid provision, the shareholders may demand the Board of Directors to implement such provision within thirty days. Where the Board of Directors fails to implement such provision within the aforesaid period, the shareholders may initiate proceedings in the People's Court in their own names to protect the interest of the Company. If the Board of Directors of the Company fails to comply with the provisions of paragraph 1 of this Article, the responsible directors shall bear joint and several liability in accordance with law.	Article 41 Any gains from any sales of shares of the Company by shareholders holding 5%or more of the shares, any director~~, supervisor~~ and senior administrative officer of the Company within six months after the share are bought, or any gains from any purchase of shares of the Company by any of the aforesaid parties within six months after the share are sold shall be disgorged and paid to the Company, except in cases where trading is permitted by laws, regulations or normative documents, and the Board of Directors shall recover such gains from the abovementioned parties. In case the Board of Directors failed to perform in compliance with this provision, the responsible directors shall be jointly liable for such default. The shares or other equity securities held by directors~~;~~ ~~supervisors~~, senior management and individual shareholders as mentioned in the preceding paragraph, include the shares or other equity securities held by his/her spouse, parents and children and held using other persons' accounts. If the Board of Directors fails to comply with the aforesaid provision, the shareholders may demand the Board of Directors to implement such provision within thirty days. Where the Board of Directors fails to implement such provision within the aforesaid period, the shareholders may initiate proceedings in the People's Court in their own names to protect the interest of the Company. ~~If the Board of Directors of the Company fails to comply with the provisions of paragraph 1 of this Article, the responsible directors shall bear joint and several liability in accordance with law.~~

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS	**CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS**
Article 47 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders. A shareholder shall enjoy rights and bear obligations according to the class and proportion of the shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and bear the same obligations.	Article 47 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders. A shareholder shall enjoy rights and bear obligations according to the ~~class~~ **category** and proportion of the shares held by him; shareholders who hold shares of the same ~~class~~ **category** shall enjoy the same rights and bear the same obligations.
Article 50 If a resolution of a shareholders' general meeting or board meeting violates the provisions of laws and administrative regulations, a shareholder may request the local People's Court to declare it invalid. If the procedures for convening a shareholders' general meeting or board meeting or the voting methods thereof violate the laws and administrative regulations or these Articles of Association, or the content of a resolution violates these Articles of Association, shareholders may partition the local People's Court to rescind such resolution within sixty days from the date on which such a resolution is passed, except where there are only minor defects in the procedures to convene the shareholders' general meeting or the meeting of the Board of Directors or voting methods, without causing substantive impacts on the resolution.	Article 50 If a resolution of a shareholders' general meeting or board meeting violates the provisions of laws and administrative regulations, a shareholder may request the local People's Court to declare it invalid. If the procedures for convening a shareholders' general meeting or board meeting or the voting methods thereof violate the laws and administrative regulations or these Articles of Association, or the content of a resolution violates these Articles of Association, shareholders may partition the local People's Court to rescind such resolution within sixty days from the date on which such a resolution is passed, except where there are only minor defects in the procedures to convene the shareholders' general meeting or the meeting of the Board of Directors or voting methods, without causing substantive impacts on the resolution. **Where the Board of Directors, shareholders, or other relevant parties have any dispute regarding the validity of a resolution adopted by the shareholders' general meeting, such dispute shall be promptly submitted to the People's Court for adjudication. Before a judgment or ruling, such as revocation of the resolution, is rendered by the People's Court, the relevant parties shall perform the resolution adopted by the shareholders' general meeting. The Company, directors, and senior management shall diligently perform their duties to ensure the normal operation of the Company.**

The existing Articles of Association (July 2024)	The amended Articles of Association
Newly added	Article 51 **Where the People's Court issues a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the stock exchanges, fully explain the impact, and actively cooperate in the enforcement after the judgment or ruling takes effect. If the matter involves correction of a prior issue, the Company will handle the matter in a timely manner and fulfill the corresponding information disclosure obligations. Any resolution made by the shareholders' general meeting or the Board of Directors shall be deemed null and void under any of the following circumstances:** **(1) no shareholders' general meeting or Board meeting is convened to make a resolution;** **(2) no voting was conducted at the shareholders' general meeting or Board meeting on the matter subject to resolution;** **(3) the number of attendees or the voting rights represented at the meeting did not reach the quorum or voting rights requirements as prescribed by the Company Law or these Articles of Association;** **(4) the number of people voted in favor of the resolution or the voting rights represented did not reach the threshold as prescribed by the Company Law or these Articles of Association.**

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 51 If a director or any senior administrative staff violates any laws, administrative regulations or these Articles of Association in the course of performing his duties and causes losses to the Company, shareholders alone or in aggregate holding 1% or more of the Company's shares for a hundred and eighty consecutive days may request the supervisory committee in writing to initiate legal proceedings against such acts in the local People's Court; where the Company incurs losses as a result of the members of the supervisory committee having violated any laws, administrative regulations or these Articles of Association in the course of performing their duties, shareholders may request the Board of Directors in writing to initiate legal proceedings in the local People's Court. If the supervisory committee or the Board of Directors refuses to initiate legal proceedings after receiving the aforesaid written request of shareholder, or fails to initiate such legal proceedings within thirty days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest, the shareholder described in the preceding paragraph may initiate legal proceedings in the local People's Court directly in their own names in the interest of the Company.	Article 52 **Where a director or senior management personnel violates laws, administrative regulations, or the provisions of these Articles of Association, causing damage to the interests of shareholders, the shareholders may initiate legal proceedings.** If a director or any senior administrative staff **other than members of the Audit and Risk Management Committee** violates any laws, administrative regulations or these Articles of Association in the course of performing his duties and causes losses to the Company, shareholders alone or in aggregate holding 1% or more of the Company's shares for a hundred and eighty consecutive days may request the ~~supervisory committee~~ **Audit and Risk Management Committee** in writing to initiate legal proceedings against such acts in the local People's Court; where the Company incurs losses as a result of the members of the ~~supervisory committee~~ **Audit and Risk Management Committee** having violated any laws, administrative regulations or these Articles of Association in the course of performing their duties, **the aforementioned** shareholders may request the Board of Directors in writing to initiate legal proceedings in the local People's Court. If the ~~supervisory committee~~ **Audit and Risk Management Committee** or the Board of Directors refuses to initiate legal proceedings after receiving the aforesaid written request of shareholder, or fails to initiate such legal proceedings within thirty days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest, the shareholder described in the preceding paragraph may initiate legal proceedings in the local People's Court directly in their own names in the interest of the Company.

The existing Articles of Association (July 2024)	The amended Articles of Association
These shareholders may also initiate legal proceedings in the People's Court under the provisions set out in the preceding two paragraphs if any third parties infringe on the lawful interests of the Company and result in damage to the Company. If the aforesaid circumstances occur in directors, supervisors or senior management of the wholly-owned subsidiaries of the Company, or a third party infringes upon the lawful rights and interests of the wholly-owned subsidiaries of the Company and causes losses to the wholly-owned subsidiaries of the Company, shareholders who hold 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall have the right to request the supervisory committee or the board of directors of the wholly-owned subsidiaries of the Company in writing to institute proceedings in the People's Court or institute proceedings directly in the People's Court in their own names pursuant to the preceding three paragraphs of this Article.	These shareholders may also initiate legal proceedings in the People's Court under the provisions set out in the preceding two paragraphs if any third parties infringe on the lawful interests of the Company and result in damage to the Company. If the aforesaid circumstances occur in directors, supervisors or senior management of the wholly-owned subsidiaries of the Company, or a third party infringes upon the lawful rights and interests of the wholly-owned subsidiaries of the Company and causes losses to the wholly-owned subsidiaries of the Company, shareholders who hold 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall have the right to request the supervisory committee**, the Audit Committee (where no supervisory committee or supervisors are established)** or the board of directors of the wholly-owned subsidiaries of the Company in writing to institute proceedings in the People's Court or institute proceedings directly in the People's Court in their own names pursuant to the preceding three paragraphs **of Article 189** of ~~this Article~~ **the Company Law**.
Article 52 Shareholders may initiate legal proceedings if a director or any senior administrative staff violates any laws, administrative regulations or these Articles of Association and harms the interests of shareholders.	~~Article 52 Shareholders may initiate legal proceedings if a director or any senior administrative staff violates any laws, administrative regulations or these Articles of Association and harms the interests of shareholders.~~

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 53 The shareholders of the Company shall assume the following obligations:	Article 53 The shareholders of the Company shall assume the following obligations:
(1) To abide by the laws, regulations, administrative rules, normative documents, the requirements of the place where the Company's shares are listed and the provisions of these Articles of Association;	(1) To abide by the laws, regulations, administrative rules, normative documents, the requirements of the place where the Company's shares are listed and the provisions of these Articles of Association;
(2) To pay subscription monies according to the number of shares subscribed and the method of subscription;	(2) To pay subscription monies according to the number of shares subscribed and the method of subscription;
(3) Not to withdraw their ~~shares~~ unless required by laws and regulations;	(3) Not to withdraw their share **capital** unless required by laws and regulations;
(4) Not to abuse their rights as shareholders to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company.	(4) Not to abuse their rights as shareholders to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company.
(5) Other obligations imposed by laws, administrative regulations and these Articles of Association.	(5) Other obligations imposed by laws, administrative regulations and these Articles of Association.
Shareholders of the Company who abuse their rights as shareholders to harm the interests of the Company or other shareholders shall be liable for compensation. Shareholders of the Company who abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company shall be jointly liable for the debt of the Company.	Shareholders of the Company who abuse their rights as shareholders to harm the interests of the Company or other shareholders shall be liable for compensation. Shareholders of the Company who abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company shall be jointly liable for the debt of the Company.
Shareholders are not liable to make any further contribution to the share capital other than as agreed as the subscriber of the relevant shares on subscription.	Shareholders are not liable to make any further contribution to the share capital other than as agreed as the subscriber of the relevant shares on subscription.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 55 The controlling shareholders and Actual Controllers of the Company shall assume the following obligations for the Company: (1) The controlling shareholders, Actual Controllers and the Company shall implement separation of personnel, assets and finance and independence between organs and business of the Company; (2) The controlling shareholders, Actual Controllers shall respect decisions made by shareholders' general meeting and the Board of Directors of the Company, and shall not interfere with the normal decision-making procedures of the Company or harm the legal interests and rights of the Company and other shareholders in violation of laws, regulations or the Articles of Association; (3) The controlling shareholders, Actual Controllers shall nominate candidates of the Company's directors and supervisors in accordance with laws and regulations and these Articles of Association. Nominated candidates of directors and supervisors shall have the relevant knowledge and capacity of decision-making and supervision. The controlling shareholders shall not establish any approval procedure relating to the appointment of members of the Board of Directors or appointment of personnel at the shareholders' general meeting, or bypass shareholders' general meeting and Board of Directors in employing or dismissing any senior administrative officers of the Company;	Article 55 The controlling shareholders and Actual Controllers of the Company shall **exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchanges, safeguard the interests of the Company, and shall comply with the following provisions**: (1) The controlling shareholders, Actual Controllers and the Company shall implement separation of personnel, assets and finance and independence between organs and business of the Company; (2) The controlling shareholders, Actual Controllers shall respect decisions made by shareholders' general meeting and the Board of Directors of the Company, and shall not interfere with the normal decision-making procedures of the Company or harm the legal interests and rights of the Company and other shareholders in violation of laws, regulations or the Articles of Association; (3) The controlling shareholders, Actual Controllers shall nominate candidates of the Company's directors ~~and supervisors~~ in accordance with laws and regulations and these Articles of Association. Nominated candidates of directors ~~and supervisors~~ shall have the relevant knowledge and capacity of decision-making and supervision. The controlling shareholders shall not establish any approval procedure relating to the appointment of members of the Board of Directors or appointment of personnel at the shareholders' general meeting, or bypass shareholders' general meeting and Board of Directors in employing or dismissing any senior administrative officers of the Company;

The existing Articles of Association (July 2024)	The amended Articles of Association
(4) The controlling shareholders shall invest in the Company with independent and complete assets with clear ownership. The controlling shareholders, Actual Controllers and their related parties shall not occupy or direct the use of the assets of the listed company;	(4) The controlling shareholders shall invest in the Company with independent and complete assets with clear ownership. The controlling shareholders, Actual Controllers and their related parties shall not occupy or direct the use of the assets of the listed company;
(5) The controlling shareholders, Actual Controllers and their related parties shall respect the financial independence of the Company and shall not interfere with the financial and accounting activities of the Company;	(5) The controlling shareholders, Actual Controllers and their related parties shall respect the financial independence of the Company and shall not interfere with the financial and accounting activities of the Company;
(6) The controlling shareholders, Actual Controllers and their related companies shall not engage in the same or similar business with the Company, and the controlling shareholders shall take effective measures to avoid peer competition;	(6) The controlling shareholders, Actual Controllers and their related companies shall not engage in the same or similar business with the Company, and the controlling shareholders shall take effective measures to avoid peer competition;
(7) The controlling shareholders shall ensure that relevant information provided to the Company is true, accurate and complete, and ensure that the Company can legally perform disclosure obligation to public investors.	(7) The controlling shareholders shall ensure that relevant information provided to the Company is true, accurate and complete, and ensure that the Company can legally perform disclosure obligation to public investors~~.~~**;**
	(8) To strictly fulfill public declarations and commitments made, without unauthorized changes or waivers;
	(9) Not to misappropriate the Company's funds in any way;
	(10) Not to coerce, instruct, or require the Company and related personnel to provide guarantees in violation of laws and regulations;

The existing Articles of Association (July 2024)	The amended Articles of Association
	(11) Not to seek benefits using the Company's undisclosed significant information, not to disclose any undisclosed significant information about the Company in any way, not to engage in insider trading, short term trading, market manipulation, or other illegal activities; **(12) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset reorganisation, external investments, or any other means;** **(13) Laws, administrative regulations, provisions of the CSRC, business rules of the stock exchanges, and other provisions of these Articles of Association.** **If the controlling shareholders and actual controllers of the Company instruct directors or senior management to engage in actions that harm the interests of the Company or shareholders, they shall be jointly liable with the director or senior management concerned.** **If the controlling shareholders and actual controllers pledge the shares of the Company they hold or actually control, they should maintain the controlling rights and ensure stable production and operation of the Company.** **If the controlling shareholders and actual controllers transfer their shares of the Company, they shall comply with the restrictive provisions on share transfer provided by the laws, administrative regulations, provisions of the CSRC and the stock exchanges, as well as the commitments they have made regarding restrictions on share transfers.**

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Article 56 The controlling shareholders and beneficial controller of the Company have a fiduciary duty towards the Company and its other shareholders. The controlling shareholders shall exercise their shareholders' rights and fulfill their shareholders' duties towards the Company according to law and shall not exploit their controlling power to harm the legal rights and interests of the Company and other shareholders and shall not abuse their control over the listed company for illegal interests. If they have violated such provision and caused damage to the company, they are liable for compensation.	Article 56 The controlling shareholders and beneficial controller of the Company have a fiduciary duty towards the Company and its other shareholders. The controlling shareholders shall exercise their shareholders' rights and fulfill their shareholders' duties towards the Company according to law and shall not exploit their controlling power to harm the legal rights and interests of the Company and other shareholders and shall not abuse their control over the listed company for illegal interests. If they have violated such provision and caused damage to the company, they are liable for compensation.
The directors, supervisors and other senior management personnel of the Company shall comply with the laws, administrative regulations and these Articles of Association. They shall exercise care and diligence and fulfill their fiduciary duties to the Company, and protect the assets of the Company at their own initiative. They shall not exploit their positions to facilitate, assist or indulge the controlling shareholder in embezzling the funds of the Company, nor shall they impair the Company's interests through unauthorized guarantees, unfair connected transactions or otherwise.	The directors~~, supervisors~~ and ~~other~~ senior management personnel of the Company shall comply with the laws, administrative regulations and these Articles of Association. They shall exercise care and diligence and fulfill their fiduciary duties to the Company, and protect the assets of the Company at their own initiative. They shall not exploit their positions to facilitate, assist or indulge the controlling shareholder in embezzling the funds of the Company, nor shall they impair the Company's interests through unauthorized guarantees, unfair connected transactions or otherwise.
If a director of the Company is found assisting or indulging the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, upon the proposal of the Supervisory Committee or Shareholders who individually or jointly hold 1% or more of the shares in the Company, a general meeting of the Company shall be convened to consider removing such director from office.	If a director **other than the member of the Audit and Risk Management Committee** of the Company is found assisting or indulging the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, upon the proposal of the ~~Supervisory Committee~~ **Audit and Risk Management Committee** or Shareholders who individually or jointly hold 1% or more of the shares in the Company, a general meeting of the Company shall be convened to consider removing such director from office.

The existing Articles of Association (July 2024)	The amended Articles of Association
If a supervisor of the Company is found assisting or indulging the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, upon the proposal of the Board or Shareholders who individually or jointly hold 1% or more of the shares in the Company, a general meeting of the Company shall be convened to consider removing such supervisor from office. If any other senior management personnel of the Company is found assisting or indulging the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, upon the proposal of one-third or more of the directors or the supervisory committee, a board meeting shall be convened to consider removing such senior management personnel from office. If a director, supervisor or other senior management personnel of the Company fails to fulfil his/her duties of fiduciary to the Company by exploiting his/her position to assist or indulge the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, and be suspected of committing an offence, upon a resolution passed by the Board or the Supervisory Committee of the Company, such personnel shall be transferred to the relevant judicial authority for investigation of criminal responsibility.	If a ~~supervisor~~ **a member of the Audit and Risk Management Committee** of the Company is found assisting or indulging the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, upon the proposal of the Board or Shareholders who individually or jointly hold 1% or more of the shares in the Company, a general meeting of the Company shall be convened to consider removing such ~~supervisor~~ **member of the Audit and Risk Management Committee and director** from office. If any ~~other~~ senior management personnel of the Company is found assisting or indulging the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, upon the proposal of one-third or more of the directors or the ~~supervisory committee~~ **Audit and Risk Management Committee**, a board meeting shall be convened to consider removing such senior management personnel from office. If a director~~, supervisor~~ or ~~other~~ senior management personnel of the Company fails to fulfil his/her duties of fiduciary to the Company by exploiting his/her position to assist or indulge the controlling shareholder and its associated enterprises in misappropriating the assets of the Company, and be suspected of committing an offence, upon a resolution passed by the Board ~~or the Supervisory Committee~~ of the Company, such personnel shall be transferred to the relevant judicial authority for investigation of criminal responsibility.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 8 SHAREHOLDERS' MEETINGS	**CHAPTER 8 SHAREHOLDERS' MEETINGS**
Newly added	**Section 1 General Provisions on Shareholders' General Meetings**
Article 60 The shareholders' general meeting shall exercise the following functions and powers:	Article 60 The shareholders' general meeting shall exercise the following functions and powers:
(1) To elect and replace directors who are not the employees' representatives and decide on matters relating to the remuneration of directors;	(1) To elect and replace directors who are not the employees' representatives and decide on matters relating to the remuneration of directors;
(2) To elect and replace supervisors who are not the employees' representatives, and to decide on matters relating to the remuneration of supervisors;	(2) ~~To elect and replace supervisors who are not the employees' representatives, and to decide on matters relating to the remuneration of supervisors;~~
(3) To examine and approve reports of the Board of Directors;	(~~3~~) To examine and approve reports of the Board of Directors;
(4) To examine and approve reports of the supervisory committee;	(~~4) To examine and approve reports of the supervisory committee;~~
(5) To examine and approve the Company's profit distribution plans and plans for making up losses;	(**5**~~3~~) To examine and approve the Company's profit distribution plans and plans for making up losses;
(6) To decide on increase or decrease in the Company's registered capital;	(**6**~~4~~) To decide on increase or decrease in the Company's registered capital;
(7) To decide on matters such as merger, division, spin-off, dissolution, liquidation and change in company forms of the Company;	(**7**~~5~~) To decide on matters such as merger, division, spin-off, dissolution, liquidation and change in company forms of the Company;
	(**8**~~6~~) To decide on the issue of debentures by the Company;
	(**9**~~7~~) To decide on the appointment and dismissal of the accountants **engaged for the audit work** of the Company;

The existing Articles of Association (July 2024)	The amended Articles of Association
(8) To decide on the issue of debentures by the Company;	(~~10~~**8**) To amend these Articles of Association;
(9) To decide on the appointment and dismissal of the accountants of the Company;	(~~11~~**9**) To examine and approve the change in use of proceeds from raising capitals;
(10) To amend these Articles of Association;	(1~~2~~**0**) To examine the adoption of share incentive scheme and employee share ownership plan;
(11) To examine and approve the change in use of proceeds from raising capitals;	(1~~3~~**1**) To consider motions raised by shareholders individually or jointly holding 1% or more of the total shares of the Company carrying the right to vote;
(12) To examine the adoption of share incentive scheme and employee share ownership plan;	(1~~4~~**2**) To consider and approve significant acquisition, disposal and replacement of assets of the Company**, as well as other significant asset restructuring matters** (the standards shall be fixed in accordance with the rules of the stock exchange of the listing place);
(13) To consider motions raised by shareholders individually or jointly holding 1% or more of the total shares of the Company carrying the right to vote;	(1~~5~~**3**) To consider and approve external guarantee by the Company at a shareholders' general meeting as required by the laws, administrative regulations, the listing rules of the stock exchange where the Company is listed and provisions of these Articles of Association;
(14) To consider and approve significant acquisition, disposal and replacement of assets of the Company (the standards shall be fixed in accordance with the rules of the stock exchange of the listing place);	(1~~6~~**4**) To decide on other matters which require resolutions of the shareholders at shareholders' general meetings according to the relevant laws, administrative regulations, the listing rules of the stock exchange where the Company is listed and these Articles of Association;
(15) To consider and approve external guarantee by the Company at a shareholders' general meeting as required by the laws, administrative regulations, the listing rules of the stock exchange where the Company is listed and provisions of these Articles of Association;	To decide on which matters the Board of Directors may be authorised or delegated to deal with by the shareholders at shareholders' general meetings.
(16) To decide on other matters which require resolutions of the shareholders at shareholders' general meetings according to the relevant laws, administrative regulations, the listing rules of the stock exchange where the Company is listed and these Articles of Association;	
To decide on which matters the Board of Directors may be authorised or delegated to deal with by the shareholders at shareholders' general meetings.	

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When the shareholders' general meeting decides on which matters the Board of Directors may be authorised or delegated to deal with, the shareholders' general meeting shall protect the legitimate rights and interests of the Company according to law and abide by laws and regulations strictly in order to ensure the Company's principle of efficient operation and scientific decision making. Matters which the Board of Directors may be authorised or delegated to deal with including but not limited to the following: 1. To modify the language of the Articles of Association after the shareholders' general meeting has passed the resolution on the amendments to the Articles of Association; 2. To distribute the interim dividends and quarterly dividends; 3. To decide on specific matters in connection with the issue of new shares, convertible bonds, corporate bonds and debt financing instruments; 4. The shareholders' general meeting shall also decide on other matters which the Board of Directors may be authorised or delegated to deal with from time to time in accordance with laws, regulations and these Articles of Association.	When the shareholders' general meeting decides on which matters the Board of Directors may be authorised or delegated to deal with, the shareholders' general meeting shall protect the legitimate rights and interests of the Company according to law and abide by laws and regulations strictly in order to ensure the Company's principle of efficient operation and scientific decision making. Matters which the Board of Directors may be authorised or delegated to deal with including but not limited to the following: 1. To modify the language of the Articles of Association after the shareholders' general meeting has passed the resolution on the amendments to the Articles of Association; 2. To distribute the interim dividends and quarterly dividends; 3. To decide on specific matters in connection with the issue of new shares, convertible bonds, corporate bonds and debt financing instruments; 4. The shareholders' general meeting shall also decide on other matters which the Board of Directors may be authorised or delegated to deal with from time to time in accordance with laws, regulations and these Articles of Association.
Article 61 Save for special circumstances such as crisis, the Company shall not, without the prior approval of shareholders at shareholders' general meeting, enter into any contract with any person other than a director, supervisor, president or other senior administrative officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person.	Article 61 Save for special circumstances such as crisis, the Company shall not, without the ~~prior~~ approval of shareholders at shareholders' general meeting **by way of a special resolution**, enter into any contract with any person other than a director~~, supervisor, president~~ or ~~other~~ senior administrative officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 63 Under any of the following circumstances, the Board of Directors shall convene an extraordinary general meeting within two months: (1) The number of directors is less than that is required by the Company Law or two thirds of the number of directors specified in these Articles of Association; (2) The accrued losses of the Company amount to one third of the total amount of its share capital; (3) Shareholder(s) individually or jointly holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting; (4) It is deemed necessary by the Board of Directors to convene an extraordinary general meeting; (5) More than one half of the independent directors propose to convene the meeting; (6) The supervisory committee proposes to convene the meeting; (7) Other circumstances permitted by laws, administrative regulations, departmental rules or the Articles of Association. The number of shares held by shareholders in clause (3) above shall be calculated on the date when the written request is submitted.	Article 63 Under any of the following circumstances, the ~~Board of Directors~~ **Company** shall convene an extraordinary general meeting within two months **from the date of occurrence of the relevant event**: (1) The number of directors is less than that is required by the Company Law or two thirds of the number of directors specified in these Articles of Association; (2) The accrued losses of the Company amount to one third of the total amount of its share capital; (3) Shareholder(s) individually or jointly holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting; (4) It is deemed necessary by the Board of Directors to convene an extraordinary general meeting; (5) More than one half of the independent directors propose to convene the meeting; (6) The ~~supervisory committee~~ **Audit and Risk Management Committee** proposes to convene the meeting; (7) Other circumstances permitted by laws, administrative regulations, departmental rules or the Articles of Association. The number of shares held by shareholders in clause (3) above shall be calculated on the date when the written request is submitted.

The existing Articles of Association (July 2024)	The amended Articles of Association
Newly added	**Section 2 Convening of Shareholders' General Meetings**
Article 66 A shareholders' general meeting shall be convened by the Board of Directors and presided over and chaired by the chairman of the Board of Directors. If the chairman is unable to attend the meeting for any reason, the vice-chairman of the Board of Directors shall convene and take the chair of the meeting. If both the chairman and vice-chairman of the Board of Directors are unable to attend the meeting, a director jointly elected by more than half of the directors shall preside over the meeting. If no chairman of the meeting has been designated, shareholders present shall choose one person to be the chairman of the meeting. If for any reason the shareholders fail to elect a chairman, then the shareholder (including his proxy) presents in person or by proxy and holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.	Article 66 A shareholders' general meeting shall be convened by the Board of Directors and presided over and chaired by the chairman of the Board of Directors. If the chairman is unable to attend the meeting for any reason, the vice-chairman of the Board of Directors shall convene and take the chair of the meeting. If both the chairman and vice-chairman of the Board of Directors are unable to attend the meeting, a director jointly elected by more than half of the directors shall preside over the meeting. If no chairman of the meeting has been designated, shareholders present shall choose one person to be the chairman of the meeting. If for any reason the shareholders fail to elect a chairman, then the shareholder (including his proxy) presents in person or by proxy and holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.
Shareholders' general meetings convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his duties, a supervisor elected by more than half of supervisors shall preside over the meeting.	Shareholders' general meetings convened by the ~~supervisory committee~~ **Audit and Risk Management Committee** shall be presided over by the ~~chairman~~ **convener** of the ~~supervisory committee~~ **Audit and Risk Management Committee**. If the ~~chairman~~ **convener** of the ~~supervisory committee~~ **Audit and Risk Management Committee** is unable or fails to perform his duties, a ~~supervisor~~ **member of the Audit and Risk Management Committee** elected by more than half of ~~supervisors~~ **its members** shall preside over the meeting.
A shareholders' general meeting convened by the shareholders themselves shall be presided over by a representative nominated by the convening shareholders.	A shareholders' general meeting convened by the shareholders themselves shall be presided over by **the convener or** a representative nominated by the convening shareholders.
When a shareholders' general meeting is held and the chairman of the meeting violates the rules of procedures such that the shareholders' general meeting cannot proceed, a person may be elected to preside over the meeting, subject to the approval of shareholders present at the meeting and entitled to more than half of the voting rights.	When a shareholders' general meeting is held and the chairman of the meeting violates the rules of procedures such that the shareholders' general meeting cannot proceed, a person may be elected to preside over the meeting, subject to the approval of shareholders present at the meeting and entitled to more than half of the voting rights.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Article 67 Shareholders individually or collectively holding 10% or more of the shares carrying the right to vote of the Company have the right to request the convening of an extraordinary general meeting and shall abide by the following procedures:	Article 67 Shareholders individually or collectively holding 10% or more of the shares carrying the right to vote of the Company have the right to request the convening of an extraordinary general meeting and shall abide by the following procedures:
(1) They may sign one or more counterpart requisitions stating the objectives of the meeting and requiring the Board of Directors to convene a shareholders' extraordinary general meeting.	(1) They may sign one or more counterpart requisitions stating the objectives of the meeting and requiring the Board of Directors to convene a shareholders' extraordinary general meeting.
(2) The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days upon receipt of such requisition.	(2) The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days upon receipt of such requisition.
(3) If the Board of Directors agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days after adoption of the relevant resolution by the Board of Directors. Any changes to the original requisition made in the notice shall require the approval of the relevant shareholders.	(3) If the Board of Directors agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days after adoption of the relevant resolution by the Board of Directors. Any changes to the original requisition made in the notice shall require the approval of the relevant shareholders.

The existing Articles of Association (July 2024)	The amended Articles of Association
If the Board of Directors does not agree to convene the extraordinary general meeting or does not furnish any reply within ten days upon receipt of such requisition, Shareholders individually or jointly holding 10% or more of the shares of the Company carrying the right to vote shall be entitled to propose to the supervisory committee that an extraordinary general meeting or a class meeting be convened, and such proposal shall be made in writing to the supervisory committee. The supervisory committee shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, provide written reply on whether it agrees or disagrees with the holding of the extraordinary general meeting within ten days after receiving the request.	If the Board of Directors does not agree to convene the extraordinary general meeting or does not furnish any reply within ten days upon receipt of such requisition, Shareholders individually or jointly holding 10% or more of the shares of the Company carrying the right to vote shall be entitled to propose to the ~~supervisory committee~~ **Audit and Risk Management Committee** that an extraordinary general meeting or a class meeting be convened, and such proposal shall be made in writing ~~to the supervisory committee~~. The ~~supervisory committee~~ **Audit and Risk Management Committee** shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, provide written reply on whether it agrees or disagrees with the holding of the extraordinary general meeting within ten days after receiving the request.
(4) If the supervisory committee agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days upon receipt of such requisition. Any changes to the original requisition made in the notice shall require the approval of the relevant shareholders. If the supervisory committee does not issue a notice of meeting within the prescribed period, it shall be deemed as failing to convene and preside over the meeting.	(4) If the ~~supervisory committee~~ **Audit and Risk Management Committee** agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days upon receipt of such requisition. Any changes to the original requisition made in the notice shall require the approval of the relevant shareholders. If the ~~supervisory committee~~ **Audit and Risk Management Committee** does not issue a notice of meeting within the prescribed period, it shall be deemed as failing to convene and preside over the meeting.

The existing Articles of Association (July 2024)	The amended Articles of Association
(5) If neither the Board of Directors nor the supervisory committee convene and preside over the shareholders' general meeting, shareholders who individually or collectively hold 10% or more of the Company's shares for ninety or more consecutive days may convene and preside over the meeting on their own initiative in a manner as similar as possible as that in which shareholders' meeting are to be convened by the Board of Directors. Any reasonable expenses incurred by the requisitions by reason of the failure of the Board of Directors to duly convene a meeting shall be repaid to the requisitionists by the Company.	(5) If neither the Board of Directors nor the ~~supervisory committee~~ **Audit and Risk Management Committee** convene and preside over the shareholders' general meeting, shareholders who individually or collectively hold 10% or more of the Company's shares for ninety or more consecutive days may convene and preside over the meeting on their own initiative in a manner as similar as possible as that in which shareholders' meeting are to be convened by the Board of Directors. Any reasonable expenses incurred by the requisitions by reason of the failure of the Board of Directors to duly convene a meeting shall be repaid to the requisitionists by the Company.
Article 68 Independent directors shall be entitled to propose to the Board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days upon receipt of such proposal. If the Board of Directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after passing of the relevant resolution by the Board of Directors. If the Board of Directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.	Article 68 **With the approval of more than half of all independent directors, i**~~I~~ndependent directors shall be entitled to propose to the Board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days upon receipt of such proposal. If the Board of Directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after passing of the relevant resolution by the Board of Directors. If the Board of Directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 69 The supervisory committee shall be entitled to propose to the Board of Directors the convening of an extraordinary general meeting, provided that such proposal shall be made in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days upon receipt of such proposal. If the Board of Directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after the passing of the relevant resolution by the Board of Directors. Any change to the original proposal made in the notice shall require the approval of the supervisory committee. If the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such proposal, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the supervisory committee may convene and preside over such meeting on an unilateral basis. All necessary expenses incurred for such shareholders' general meeting convened by the supervisory committee shall be borne by the Company.	Article 69 The ~~supervisory committee~~ **Audit and Risk Management Committee** shall be entitled to propose to the Board of Directors the convening of an extraordinary general meeting, provided that such proposal shall be made in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days upon receipt of such proposal. If the Board of Directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after the passing of the relevant resolution by the Board of Directors. Any change to the original proposal made in the notice shall require the approval of the ~~supervisory committee~~ **Audit and Risk Management Committee**. If the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such proposal, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the ~~supervisory committee~~ **Audit and Risk Management Committee** may convene and preside over such meeting on an unilateral basis. All necessary expenses incurred for such shareholders' general meeting convened by the ~~supervisory committee~~ **Audit and Risk Management Committee** shall be borne by the Company.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Article 70 Where the supervisory committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with the local office of CSRC and the stock exchange at the place where the Company is located for record. The shares of the Company carrying the right to vote of the convening shareholders shall not be lower than 10% of the total shares of the Company carrying the right to vote prior to the announcement of the resolutions of the shareholders' general meeting. The convening shareholder shall submit relevant evidence to the local office of CSRC and the stock exchange at the place where the Company is located upon the issuance of the notice of general meeting and the announcement of the resolutions of the shareholders' general meeting.	Article 70 Where the ~~supervisory committee~~ **Audit and Risk Management Committee** or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with the local office of CSRC and the stock exchange at the place where the Company is located for record. The shares of the Company carrying the right to vote of the convening shareholders shall not be lower than 10% of the total shares of the Company carrying the right to vote prior to the announcement of the resolutions of the shareholders' general meeting. The **Audit and Risk Management Committee or** convening shareholder shall submit relevant evidence to the local office of CSRC and the stock exchange at the place where the Company is located upon the issuance of the notice of general meeting and the announcement of the resolutions of the shareholders' general meeting.
Article 71 The Board of Directors and the secretary to the Board of Directors shall cooperate with respect to matters relating to a shareholders' general meeting convened by the supervisory committee or shareholders at its/their own discretion. The Board of Directors shall provide the register of shareholders as of the record date.	Article 71 The Board of Directors and the secretary to the Board of Directors shall cooperate with respect to matters relating to a shareholders' general meeting convened by the ~~supervisory committee~~ **Audit and Risk Management Committee** or shareholders at its/their own discretion. The Board of Directors shall provide the register of shareholders as of the record date.
Newly added	**Section 3 Proposals and Notices for Shareholders' General Meetings**
Article 73 Where the Company convenes a shareholders' general meeting, the Board of Directors, the supervisory committee and shareholder(s) individually or jointly holding 1% or more of the Company's issued and outstanding shares carrying voting rights shall have the right to propose motions to the Company.	Article 73 Where the Company convenes a shareholders' general meeting, the Board of Directors, the ~~supervisory committee~~ **Audit and Risk Management Committee** and shareholder(s) individually or jointly holding 1% or more of the Company's issued and outstanding shares carrying voting rights shall have the right to propose motions to the Company.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 77 A notice of meeting shall be made in writing and:	Article 77 A notice of meeting shall be made in writing and:
(1) specify the place, the date and time of the meeting;	(1) specify the place, the date and time of the meeting;
(2) state the matters and proposals to be considered at the meeting;	(2) state the matters and proposals to be considered at the meeting;
(3) contain a conspicuous statement that all shareholders are entitled to attend the shareholders' meeting and may appoint one or more proxies to attend and vote on their behalf and a proxy need not be a shareholder of the Company;	(3) contain a conspicuous statement that all shareholders are entitled to attend the shareholders' meeting and may appoint one or more proxies to attend and vote on their behalf and a proxy need not be a shareholder of the Company;
(4) specify the record date for the entitlement of shareholders to attend the shareholders' meeting;	(4) specify the record date for the entitlement of shareholders to attend the shareholders' meeting;
(5) specify the name and telephone number of the contact person of the meeting;	(5) specify the name and telephone number of the contact person of the meeting;
(6) the time and procedure for voting online or through other means.	(6) the time and procedure for voting online or through other means.
The notice convening shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. For those items requiring the opinions of independent directors, the notice of shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of independent directors.	The notice convening shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. ~~For those items requiring the opinions of independent directors, the notice of shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of independent directors.~~
The period between the record date and the date for the meeting shall not be less than three business days and not be more than seven business days. No changes shall be made once the record date is confirmed.	The period between the record date and the date for the meeting shall not be less than three business days and not be more than seven business days. No changes shall be made once the record date is confirmed.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Newly added	**Section 4 Convening of Shareholders' General Meetings**
Article 84 Any instrument issued to a shareholder by the directors for use in appointing a proxy to attend and vote at meetings of the Company shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit. Meanwhile, there shall be spaces for entering the date of issue and validity period and executing the signature (or affixing a seal). If the appointer is a legal person, the seal of the legal person entity shall also be affixed.	Article 84 Any instrument issued to a shareholder by the directors for use in appointing a proxy to attend and vote at meetings of the Company shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain ~~a statement that~~ **the following information:** **(1) the name of the principal, the class and number of shares held in the company;** **(2) the name of the proxy;** **(3) specific** ~~in the absence of~~ instructions by the shareholder ~~the proxy may vote as he thinks fit. Meanwhile, there shall be spaces for entering~~**, including instructions to vote for, against, or abstain from each item on the agenda of the shareholders' general meeting;** **(4)** the date of issue and validity period **of instrument of proxy;** **(5)** ~~and executing~~ the signature (or ~~affixing~~ a seal). If the appointer is a legal person, the seal of the legal person entity shall also be affixed.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 86 An individual shareholder who attends the shareholders' general meeting in person shall produce his identification card or other valid documents or certificates which can prove his identity, and his stock account card. Where a proxy is appointed to attend the meeting, the proxy shall produce his own identification documents and the instrument for appointing a proxy. A legal person shareholder shall attend the meeting by its authorised representative or the attorney as appointed by such authorised representative. An authorised representative who attends the shareholders' general meeting shall produce his identification card and valid documents which can prove his identity. Where an attorney is appointed to attend the meeting, the attorney shall produce his own identification card and the relevant power of attorney executed by such authorised representative pursuant to the laws.	Article 86 An individual shareholder who attends the shareholders' general meeting in person shall produce his identification card or other valid documents or certificates which can prove his identity~~, and his stock account card~~. Where a proxy is appointed to attend the meeting, the proxy shall produce his own identification documents and the instrument for appointing a proxy. A legal person shareholder shall attend the meeting by its authorised representative or the attorney as appointed by such authorised representative. An authorised representative who attends the shareholders' general meeting shall produce his identification card and valid documents which can prove his identity. Where an attorney is appointed to attend the meeting, the attorney shall produce his own identification card and the relevant power of attorney executed by such authorised representative pursuant to the laws.
Article 90 The register of attendees of the meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the meeting, identity card number, residential address, number of shares or voting shares hold, name of the persons (or units) the proxy represents.	Article 90 The register of attendees of the meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the meeting, identity card number~~, residential address~~, number of shares or voting shares hold, name of the persons (or units) the proxy represents.
Article 93 All directors and supervisors and the board secretary shall attend the shareholders' general meeting, whereas the president and other senior administrative officers shall be present at the meeting.	Article 93 ~~All directors and supervisors and the board secretary shall attend the shareholders' general meeting, whereas the president and other senior administrative officers shall be present at the meeting.~~ **Where the shareholders' general meeting requires directors and senior management to attend the meeting, such directors and senior management shall attend and be subject to questioning by shareholders.**
Article 95 At the annual general meeting, the Board of Directors and the supervisory committee shall report their respective work of the previous year to the general meeting of shareholders, and each independent director shall also make his duty report correspondingly.	Article 95 At the annual general meeting, the Board of Directors~~ and the supervisory committee~~ shall report their respective work of the previous year to the general meeting of shareholders, and each independent director shall also make his duty report correspondingly.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Article 96 Except for trade secret of the Company and issues which are not discloseable at shareholders' general meetings as provided by laws, regulations, or securities rules, directors, supervisors and senior administrative officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting.	Article 96 Except for trade secret of the Company and issues which are not discloseable at shareholders' general meetings as provided by laws, regulations, or securities rules, directors~~, supervisors~~ and senior administrative officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting.
Article 97 The board secretary shall be responsible for preparing minutes of shareholders' meetings, which shall contain: (1) the time, venue, agendas of the meeting, and the name of the convener; (2) the name of the chairman of the meeting, the directors, supervisors and senior administrative officers attending the meeting; (3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company; (4) the process of deliberation of each proposal, the main points of speeches and the voting results; (5) the inquiries or suggestions of the shareholders and the corresponding replies or explanations; (6) the names of legal counsel, vote counters, and supervisors; (7) other contents which, shall be contained in the minutes of the meeting as prescribed by these Articles of Association.	Article 97 The board secretary shall be responsible for preparing minutes of shareholders' meetings, which shall contain: (1) the time, venue, agendas of the meeting, and the name of the convener; (2) the name of the chairman of the meeting, the directors~~, supervisors~~ and senior administrative officers attending the meeting; (3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company; (4) the process of deliberation of each proposal, the main points of speeches and the voting results; (5) the inquiries or suggestions of the shareholders and the corresponding replies or explanations; (6) the names of legal counsel, vote counters, and supervisors; (7) other contents which, shall be contained in the minutes of the meeting as prescribed by these Articles of Association.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 98 The chairman shall guarantee the veracity, accuracy and completeness of the minutes of the meeting. The directors, supervisors, board secretary, convener or their representative, chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the valid information such as the attendance register of the attending shareholders and the power of attorney of their proxies, the votes cast by way of internet and by other means shall be kept at the premises of the Company for a period ten years.	Article 98 The chairman shall guarantee the veracity, accuracy and completeness of the minutes of the meeting. The directors~~, supervisors~~, board secretary, convener or their representative, chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the valid information such as the attendance register of the attending shareholders and the power of attorney of their proxies, the votes cast by way of internet and by other means shall be kept at the premises of the Company for a period ten years.
Article 99 The convener shall ensure that the continuity of the shareholders' general meeting of until the final resolution is formed. Where the shareholders' general meeting is suspended or no resolution can be made due to force majeure or any other special causes, necessary measures shall be taken to resume or directly terminate the shareholders' general meeting, and an announcement shall be made in a timely manner. Meanwhile, the convener shall report this to the local office of the CSRC the stock exchange at the city where the Company is located.	~~Article 99~~ The convener shall ensure that the continuity of the shareholders' general meeting of until the final resolution is formed. Where the shareholders' general meeting is suspended or no resolution can be made due to force majeure or any other special causes, necessary measures shall be taken to resume or directly terminate the shareholders' general meeting, and an announcement shall be made in a timely manner. Meanwhile, the convener shall report this to the local office of the CSRC the stock exchange at the city where the Company is located.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Newly added	**Section 5 Voting and Resolutions at Shareholders' General Meetings**
Article 105 The following matters shall be resolved by an ordinary resolution at the shareholders' meeting: (1) Work reports of the Board of Directors and the supervisory committee; (2) Plans formulated by the Board of Directors for distribution of profits and for making up losses; (3) Appointment and removal of the members of the Board of Directors and members of the supervisory committee, their remuneration and method of payment; (4) Annual report of the Company; (5) Appointment and dismissal of accounting firms and determination of their remuneration; (6) Matters other than those specified by laws, administrative regulations or these Articles of Association to be resolved by special resolutions.	Article 104 The following matters shall be resolved by an ordinary resolution at the shareholders' meeting: (1) Work reports of the Board of Directors ~~and the supervisory committee~~; (2) Plans formulated by the Board of Directors for distribution of profits and for making up losses; (3) Appointment and removal of the members of the Board of Directors ~~and members of the supervisory committee~~, their remuneration and method of payment; (4) Annual report of the Company; (5) Appointment and dismissal of accounting firms and determination of their remuneration; (6) Matters other than those specified by laws, administrative regulations or these Articles of Association to be resolved by special resolutions.
Article 108 The nominee list of Directors and Supervisors of the Company shall be submitted to the shareholders' general meeting for resolution. The Board of Directors shall simultaneously provide shareholders with bibliographical details, basic information about and written undertakings of nominees of Directors and Supervisors.	Article 107 The nominee list of Directors ~~and Supervisors~~ of the Company shall be submitted to the shareholders' general meeting for resolution. The Board of Directors shall simultaneously provide shareholders with bibliographical details, basic information about and written undertakings of nominees of Directors ~~and Supervisors~~.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 110 The accumulative voting system shall be adopted in the election of directors (excluding directors assumed by staff representatives) and supervisors (excluding supervisors assumed by staff representatives) at the shareholders' meetings. The accumulative voting system referred to herein means that, in the election of directors or supervisors at the general meeting, each share carrying voting right shall carry the same number of voting right as the number of directors or supervisors proposed to be elected, and the voting rights of the shareholders may be freely cast among the proposed directors and supervisors, either be separately cast in favour of a number of nominees or be collectively cast in favour of one nominee. As such, based on the number of votes that the nominated directors and supervisors have got and the number of directors or supervisors proposed to be elected, those who have got more votes shall be elected.	Article 109 The accumulative voting system shall be adopted in the election of **two or more** directors **simultaneously** (excluding directors assumed by staff representatives~~)~~ ~~and supervisors (excluding supervisors assumed by staff representatives~~**, but including independent directors**) at the shareholders' meetings. The accumulative voting system referred to herein means that, in the election of directors ~~or supervisors~~ at the general meeting, each share carrying voting right shall carry the same number of voting right as the number of directors ~~or supervisors~~ proposed to be elected, and the voting rights of the shareholders may be freely cast among the proposed directors ~~and supervisors~~, either be separately cast in favour of a number of nominees or be collectively cast in favour of one nominee. As such, based on the number of votes that the nominated directors ~~and supervisors~~ have got and the number of directors ~~or supervisors~~ proposed to be elected, those who have got more votes shall be elected.
Article 111 Differential voting shall be applied upon election of the Directors and Supervisors in accordance with the accumulative voting system. The number of nominees shall be more than the proposed number of Directors and Supervisors.	Article **110**~~111~~ Differential voting shall be applied upon election of the Directors ~~and Supervisors~~ in accordance with the accumulative voting system. The number of nominees shall be more than the proposed number of Directors ~~and Supervisors~~.
Article 112 After issue of notice of shareholders' meeting by the Company about election of Directors and Supervisors, shareholders holding individually or in aggregate more than 1% of the voting shares of the Company may propose nominees of Directors and Supervisors before the shareholders' meeting for review by the Board of Directors before submission to shareholders' meeting for examination. Shareholders holding individually or in aggregate more than 1% of the voting shares of the Company may propose nominees of independent directors for approval by the Board of Directors before submission to a shareholders' meeting for consideration and approval.	Article 111 After issue of notice of shareholders' meeting by the Company about election of Directors ~~and Supervisors~~, shareholders holding individually or in aggregate more than 1% of the voting shares of the Company may propose nominees of Directors ~~and Supervisors~~ before the shareholders' meeting for review by the Board of Directors before submission to shareholders' meeting for examination. Shareholders holding individually or in aggregate more than 1% of the voting shares of the Company may propose nominees of independent directors for approval by the Board of Directors before submission to a shareholders' meeting for consideration and approval.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 113 Where the shareholders' meeting intends to deliberate the election of directors or supervisors, the notice of meeting shall fully disclose the detailed information on the candidates for directors or supervisors at least in the following aspects: (1) Personal information such as educational background, work experience and other engagements; (2) Whether such candidate has any affiliation with the Company or its controlling shareholders or Actual Controllers; (3) The number of shares of the Company such candidate holds; (4) Whether such candidate has been penalised by the CSRC or any other relevant authorities. Save for election of directors or supervisors by way of cumulative voting, a separate proposal shall be put forward for each candidate for directors or supervisors.	Article 112 Where the shareholders' meeting intends to deliberate the election of directors ~~or supervisors~~, the notice of meeting shall fully disclose the detailed information on the candidates for directors ~~or supervisors~~ at least in the following aspects: (1) Personal information such as educational background, work experience and other engagements; (2) Whether such candidate has any affiliation with the Company or its controlling shareholders or Actual Controllers; (3) The number of shares of the Company such candidate holds; (4) Whether such candidate has been penalised by the CSRC or any other relevant authorities. Save for election of directors ~~or supervisors~~ by way of cumulative voting, a separate proposal shall be put forward for each candidate for directors ~~or supervisors~~.
Article 117 Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinising. When the shareholders are voting on the motions, lawyers, shareholder representatives and supervisory representatives shall count and scrutinise the votes jointly, and the voting result will be announced forthwith. Voting on the resolutions will be recorded in the minutes of meeting. Shareholders or their proxies that vote on line shall have the right to check and inspect their voting results through the relevant voting system.	Article 116 Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinising. When the shareholders are voting on the motions, lawyers~~,~~ **and** shareholder representatives ~~and supervisory representatives~~ shall count and scrutinise the votes jointly, and the voting result will be announced forthwith. Voting on the resolutions will be recorded in the minutes of meeting. Shareholders or their proxies that vote on line shall have the right to check and inspect their voting results through the relevant voting system.

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CHAPTER 9 PARTY COMMITTEE	**CHAPTER 9 PARTY COMMITTEE**
Article 128 The Party Committee of the Company shall perform its duties in accordance with the regulations of the Party including the Constitution of Communist Party of China (《中國共產黨章程》). The Party Committee shall play a leading role in providing direction, managing the overall situation, ensuring implementation, and discussing and deciding major matters of the Company according to the regulations. Major business and management matters shall be studied and discussed by the Party Committee before the Board of Directors makes a decision. The main responsibilities of the Party Committee are:	Article 127 The Party Committee of the Company shall perform its duties in accordance with the regulations of the Party including the Constitution of Communist Party of China (《中國共產黨章程》). The Party Committee shall play a leading role in providing direction, managing the overall situation, ensuring implementation, and discussing and deciding major matters of the Company according to the regulations. Major business and management matters shall be studied and discussed by the Party Committee before the Board of Directors makes a decision. The main responsibilities of the Party Committee are:
(1) To strengthen the Party political construction of the Company, adhere to and implement the fundamental, basic and important systems of socialism with Chinese characteristics, educate and guide all Party members to always maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping at its core in terms of political stance, political direction, political principles and political path;	(1) To strengthen the Party political construction of the Company, adhere to and implement the fundamental, basic and important systems of socialism with Chinese characteristics, educate and guide all Party members to always maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping at its core in terms of political stance, political direction, political principles and political path;
(2) To thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the Party's principles and policies, as well as supervise and guarantee the implementation of major strategies of the Party Central Committee and the resolutions of the higher Party organizations in the Company;	(2) To thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the Party's principles and policies, as well as supervise and guarantee the implementation of major strategies of the Party Central Committee and the resolutions of the higher Party organizations in the Company;

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(3) To consider and discuss the significant operation and management matters of the Company and support the shareholders' meeting, the Board of Directors, the supervisory committee and the management in exercising their rights and performing their duties in accordance with the law;	(3) To consider and discuss the significant operation and management matters of the Company and support the shareholders' meeting, the Board of Directors~~,~~ ~~the supervisory committee~~ and the management in exercising their rights and performing their duties in accordance with the law;
(4) To strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, the cadres team and talents team of the Company;	(4) To strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, the cadres team and talents team of the Company;
(5) To lead the Company's efforts in ensuring Party conduct and integrity, lead and support the disciplinary oversight organization in fulfilling its supervisory, disciplinary, and accountability duties, strictly enforce political discipline and political rules, and promote comprehensive and strict governance practices throughout the organization;	(5) To lead the Company's efforts in ensuring Party conduct and integrity, lead and support the disciplinary oversight organization in fulfilling its supervisory, disciplinary, and accountability duties, strictly enforce political discipline and political rules, and promote comprehensive and strict governance practices throughout the organization;
(6) To strengthen the building of primary-level Party organizations and the Party member team, unite and lead the employees to actively contribute to the reform and development of the Company;	(6) To strengthen the building of primary-level Party organizations and the Party member team, unite and lead the employees to actively contribute to the reform and development of the Company;
(7) To lead the Company's ideological and political work, improvement of cultural-ethical standards and united front work, and to lead the Company's trade unions, Communist Youth League, women's organizations, and other mass organizations.	(7) To lead the Company's ideological and political work, improvement of cultural-ethical standards and united front work, and to lead the Company's trade unions, Communist Youth League, women's organizations, and other mass organizations.

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Article 129 For the purpose of upholding and improving the "cross-appointment" system for leadership. Party committee members who meet the relevant conditions may enter the Board of Directors, supervisory committee and management through legal procedures. Party members in the Board of Directors, supervisory committee and management who meet the relevant conditions may enter the Party committee according to relevant rules and procedures.	Article 128 For the purpose of upholding and improving the "cross-appointment" system for leadership. Party committee members who meet the relevant conditions may enter the Board of Directors~~, supervisory committee~~ and management through legal procedures. Party members in the Board of Directors~~,~~ ~~supervisory committee~~ and management who meet the relevant conditions may enter the Party committee according to relevant rules and procedures.
CHAPTER 10 BOARD OF DIRECTORS	**CHAPTER 10 BOARD OF DIRECTORS**
Article 130 The Company shall have a Board of Directors which is responsible to the shareholders' general meetings. The Board of Directors shall comprise at least five members, among which independent directors shall not be less than one-third of the members of the Board of Directors and not be less than three.	Article 129 The Company shall have a Board of Directors which is responsible to the shareholders' general meetings. The Board of Directors shall comprise ~~at least five~~ **eight** members, among which independent directors shall not be less than one-third of the members of the Board of Directors and not be less than three.
Article 139 The vice chairman of the Company shall assist the chairman. Where the chairman is unable or fail to perform his duties, the vice chairman shall perform the duty on behalf of the chairman. Where the vice chairman is unable or fail to perform his duties, a majority of the directors may jointly elect one director to perform the duties.	Article 138 The vice chairman of the Company shall assist the chairman. Where the chairman is unable or fail to perform his duties, the vice chairman shall perform the duty on behalf of the chairman. Where the vice chairman is unable or fail to perform his duties, ~~a majority~~ **more than half** of the directors may jointly elect one director to perform the duties.

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Article 141 A special board meeting shall be convened by the Board when it is	Article 140 A special board meeting shall be convened by the Board when it is
(1) proposed by shareholders representing more than one tenth of voting rights;	(1) proposed by shareholders representing more than one tenth of voting rights;
(2) proposed by one third or more of the directors;	(2) proposed by one third or more of the directors;
(3) proposed by the supervisory committee;	(3) proposed by the ~~supervisory committee~~ **Audit and Risk Management Committee**;
(4) considered necessary by the Chairman of the Board of Directors;	(4) considered necessary by the Chairman of the Board of Directors;
(5) proposed by more than half of the independent directors;	(5) proposed by more than half of the independent directors;
(6) proposed by the General Manager;	(6) proposed by the General Manager;
(7) requested to be convened by the securities regulatory organ;	(7) requested to be convened by the securities regulatory organ;
(8) other circumstances stipulated by these Articles of Association.	(8) other circumstances stipulated by these Articles of Association.
The Chairman of the Board of Directors shall convene and preside over a board meeting within ten days after receiving such proposal.	The Chairman of the Board of Directors shall convene and preside over a board meeting within ten days after receiving such proposal.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 153 Directors of the Company are natural persons. A person shall be disqualified from being a director of the Company in any one of the following circumstances:	Article 152 Directors of the Company are natural persons. A person shall be disqualified from being a director of the Company in any one of the following circumstances:
(1) The individual has no capacity to undertake civil liabilities or restricted capacity to undertake civil liabilities;	(1) The individual has no capacity to undertake civil liabilities or restricted capacity to undertake civil liabilities;
(2) A period of five years has not yet elapsed since the penalisation on conviction of corruption, bribery, unauthorised taking of properties, misappropriation of properties or disrupting social and economic order or being deprived of political rights for commission of offences, and less than two years have elapsed since the date of the completion of the probation period if probation is announced;	(2) A period of five years has not yet elapsed since the penalisation on conviction of corruption, bribery, unauthorised taking of properties, misappropriation of properties or disrupting social and economic order or being deprived of political rights for commission of offences, and less than two years have elapsed since the date of the completion of the probation period if probation is announced;
(3) A period of three years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director, factory manager or manager of such company or enterprise and was personally liable for such insolvency;	(3) A period of three years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director, factory manager or manager of such company or enterprise and was personally liable for such insolvency;
(4) A period of three years has not yet elapsed since revocation of the business license or being ordered to close of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;	(4) A period of three years has not yet elapsed since revocation of the business license or being ordered to close of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;
(5) The person is listed as a defaulter by the People's Court since he/she is personally liable for a substantial loan which was due for payment but remains unpaid;	(5) The person is listed as a defaulter by the People's Court since he/she is personally liable for a substantial loan which was due for payment but remains unpaid;
(6) The person has been involved in criminal offences subject to investigation by judicial authorities and the case has yet been settled;	(6) The person has been involved in criminal offences subject to investigation by judicial authorities and the case has yet been settled;

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(7) The person is not eligible for acting as a director, supervisor or senior management of the Company according to laws or administrative regulations; (8) A period of five years has not yet elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty; (9) Currently being barred by the China Securities Regulatory Commission from participating in the securities market; (10) Other stipulations of laws, administrative regulations rules or departmental rules. Any election and appointment of directors in breach of this Article will be void. Any directors who fall within one of the above categories during their term of service will be removed by the Company.	(7) The person is not eligible for acting as a director, supervisor or senior management of the Company according to laws or administrative regulations, **or is publicly determined by a stock exchange to be unsuitable for serving as a director or senior management of a listed company, and the prescribed period has not yet expired**; (8) A period of five years has not yet elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty; (9) Currently being barred by the China Securities Regulatory Commission from participating in the securities market; (10) Other stipulations of laws, administrative regulations rules or departmental rules. Any election and appointment of directors in breach of this Article will be void. Any directors who fall within one of the above categories during their term of service will be removed by the Company.

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Article 154 Directors shall be elected and replaced at the shareholders' general meeting, with a term of office of three years. Directors (including alternate directors) shall have a term commencing on the date of the resolutions of the shareholders' general meeting and expiring upon conclusion of the tenure of the existing Board of Directors. Upon expiry of his term, a director shall be eligible for re-election. Where no new appointment is made upon expiry of the term of a director, the original director shall, prior to the new director entering on the office, continue to perform his duties as a director in accordance with the provisions of laws, administrative regulations and these Articles of Association. President or other senior administrative officers shall serve the office of director concurrently. However, the total number of directors serving the office of president or other senior administrative officers concurrently and labour union representative holding the office of director shall not exceed half of the total number of directors of the Company. The employee representatives on the Board of Directors shall be directly elected by the Company through the employee representatives' meeting, the employees' meeting or other democratic elections. Subject to the provisions of the relevant laws and administrative regulations, the shareholders' meeting may by ordinary resolution remove a director before the expiration of his/her term of office (but without prejudice to such director's right to claim damages based on any contract).	Article 153 Directors shall be elected and replaced at the shareholders' general meeting, with a term of office of three years. Directors (including alternate directors) shall have a term commencing on the date of the resolutions of the shareholders' general meeting and expiring upon conclusion of the tenure of the existing Board of Directors. Upon expiry of his term, a director shall be eligible for re-election. Where no new appointment is made upon expiry of the term of a director, the original director shall, prior to the new director entering on the office, continue to perform his duties as a director in accordance with the provisions of laws, administrative regulations and these Articles of Association. President or other senior administrative officers shall serve the office of director concurrently. However, the total number of directors serving the office of president or other senior administrative officers concurrently and labour union representative holding the office of director shall not exceed half of the total number of directors of the Company. **The Board of Directors shall include one employee representative.** The employee representative~~s~~ **director** on the Board of Directors shall be directly elected by the Company through the employee representatives' meeting, the employees' meeting or other democratic elections. ~~Subject to the provisions of the relevant laws and administrative regulations, the shareholders' meeting may by ordinary resolution remove a director before the expiration of his/her term of office (but without prejudice to such director's right to claim damages based on any contract).~~

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Article 155 Directors shall be abided by laws, administrative rules and these Articles of Association, and owe to the Company the following faithful obligations: (1) Not to abuse their authority of office to obtain bribes or other illegal income and not to misappropriate the property of the Company; (2) Not to misappropriate the capital of the Company; (3) Not to deposit assets or capital of the Company in any accounts which are opened in their own name or in the names of other persons; (4) Not to act in violation of these Articles of Association and lend the Company's capital to others or provide guarantee to others by charging the Company's assets before obtaining consent at the shareholders' general meetings or at board meetings; (5) Not to enter into contracts or transactions with the Company in violation of these Articles of Association or before obtaining consent in the shareholders' general meeting;	Article 154 Directors shall be abided by **the provisions of** laws, administrative rules and these Articles of Association, ~~and~~ owe to the Company the ~~following~~ faithful obligations**, shall take measures to avoid conflicts between their personal interests and the interests of the Company, and shall not exploit their positions to seek improper benefits.** **Directors owe the following faithful obligations to the Company**: (1) Not to abuse their authority of office to ~~obtain~~ **offer** bribes or **solicit** other illegal income and not to misappropriate the property of the Company; (2) Not to misappropriate the capital of the Company; (3) Not to deposit ~~assets or~~ capital of the Company in any accounts which are opened in their own name or in the names of other persons; (4) Not to act in violation of these Articles of Association and lend the Company's capital to others or provide guarantee to others by charging the Company's assets before obtaining consent at the shareholders' general meetings or at board meetings; (5) Not to enter into contracts or transactions with the Company **directly or indirectly without reporting to the Board of Directors or the shareholders' general meeting, and obtaining approval through a resolution of the Board of Directors or the shareholders' general meeting** ~~in violation of~~ **in accordance with the provisions of** these Articles of Association ~~or before obtaining consent in the shareholders' general meeting~~;

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(6) Not to use their position to obtain for themselves or others business opportunities which originally belonged to the Company, or to run themselves or others business which is in the Company's business line, before obtaining consent at the shareholders' general meeting;	(6) Not to use their position to obtain for themselves or others business opportunities which originally belonged to the Company, or to run themselves or others business which is in the Company's business line, before obtaining consent at the shareholders' general meeting;
(7) Not to gain for themselves commissions in transactions of the Company;	(7) Not to gain for themselves commissions in transactions ~~of~~ **between others and** the Company;
(8) Not to disclose the secrets of the Company without consent;	(8) Not to disclose the secrets of the Company without consent;
(9) Not to use their connections to hurt the interests of the Company;	(9) Not to use their connections to hurt the interests of the Company;
(10) To be bound by other obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.	(10) To be bound by other obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.
Income which is obtained by any directors in violation of this Article shall be retained for the benefit of the Company. Any directors who act in violation of this Rule shall be liable for compensation for any losses caused to the Company.	Income which is obtained by any directors in violation of this Article shall be retained for the benefit of the Company. Any directors who act in violation of this Rule shall be liable for compensation for any losses caused to the Company. **The close family members of the directors and senior administrative officers, enterprises directly or indirectly controlled by the directors and senior administrative officers or their close family members, as well as connected persons with other connections to the directors and senior administrative officers, shall be subject to the provisions of item (5) of paragraph 2 of this Article when entering into contracts or conducting transactions with the Company.**

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Article 156 The directors shall be abided by laws, administrative rules and these Articles of Association, and owe to the Company the following diligence obligations:	Article 155 The directors shall be abided by laws, administrative rules and these Articles of Association, and owe to the Company the following diligence obligations:
(1) They shall exercise the rights granted by the Company with care and diligence to ensure that the Company's commercial activities are in compliance with laws, administrative rules and the requirements of all economic policies of the country and that its commercial activities have not gone beyond the scope stipulated in the business license;	(1) They shall exercise the rights granted by the Company with care and diligence to ensure that the Company's commercial activities are in compliance with laws, administrative rules and the requirements of all economic policies of the country and that its commercial activities have not gone beyond the scope stipulated in the business license;
(2) They shall treat all shareholders equally;	(2) They shall treat all shareholders equally;
(3) They shall have a good knowledge of the Company's business operation;	(3) They shall have a good knowledge of the Company's business operation;
(4) They are required to sign the written confirmation of the Company's regular report. They shall ensure the information disclosed by the Company is true, accurate and complete;	(4) They are required to sign the written confirmation of the Company's regular report. They shall ensure the information disclosed by the Company is true, accurate and complete;
(5) They shall inform the supervisory committee of the truth and are not allowed to obstruct the supervisory committee or supervisors from exercising their powers;	(5) They shall inform the ~~supervisory committee~~ **Audit and Risk Management Committee** of the truth and are not allowed to obstruct the ~~supervisory committee or supervisors~~ **Audit and Risk Management Committee** from exercising their powers;
(6) They are bound by other diligence obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.	(6) They are bound by other diligence obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

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Article 157 Directors shall be elected by the shareholders' general meeting from the Board of Directors or candidates nominated by shareholders individually or jointly holding 1% or more of the shares carrying the right to vote. At least seven days' notice of nomination of a candidate for election as a director and particulars of such candidate shall be given to the Company, and such seven days period shall start no sooner than the first day after the date of giving the notice and end no later than seven days prior to the date of such shareholders' general meeting.	Article 156 Directors shall be elected by the shareholders' general meeting from the Board of Directors or candidates nominated by shareholders individually or jointly holding 1% or more of the shares carrying the right to vote. At least seven days' notice of nomination of a candidate for election as a director and particulars of such candidate shall be given to the Company, and such seven days period shall start no sooner than the first day after the date of giving the notice and end no later than seven days prior to the date of such shareholders' general meeting.
The candidates for election as directors shall give at least seven days' prior written confirmation to the Company, and such seven days period shall start no sooner than the day after the date of giving the notice and end no later than seven days prior to the date of such shareholders' general meeting. The written confirmation shall indicate the willingness of the candidate to be nominated, and confirm that information of the candidate publicly disclosed are true and complete, that the candidate will faithfully discharge his duties as a director if he is elected.	The candidates for election as directors shall give at least seven days' prior written confirmation to the Company, and such seven days period shall start no sooner than the day after the date of giving the notice and end no later than seven days prior to the date of such shareholders' general meeting. The written confirmation shall indicate the willingness of the candidate to be nominated, and confirm that information of the candidate publicly disclosed are true and complete, that the candidate will faithfully discharge his duties as a director if he is elected.
Where shareholders individually or jointly holding 1% or more of the shares carrying the right to vote of the Company propose or the Supervisory Committee proposes any special resolutions for election of non-independent directors at the Company's annual general meeting, written notice of the intention to propose a candidate for election as a director, notice by such candidate of his willingness to be elected and details and confirmation of the candidate shall be given to the Company no less than seven days prior to the date of the meeting appointed for such election. The seven days period shall start no sooner than the first day after the date of giving the notice and end no later than seven days prior to the date of such shareholders' general meeting.	Where shareholders individually or jointly holding 1% or more of the shares carrying the right to vote of the Company propose ~~or the Supervisory Committee proposes~~ any special resolutions for election of non-independent directors at the Company's annual general meeting, written notice of the intention to propose a candidate for election as a director, notice by such candidate of his willingness to be elected and details and confirmation of the candidate shall be given to the Company no less than seven days prior to the date of the meeting appointed for such election. The seven days period shall start no sooner than the first day after the date of giving the notice and end no later than seven days prior to the date of such shareholders' general meeting.

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The shareholders' general meeting may by ordinary resolution remove any director before the expiration of his term of office (but without prejudice to such director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with. However, such director shall not be removed without just cause by the shareholders' meeting.	The shareholders' general meeting may by ordinary resolution remove any director before the expiration of his term of office (but without prejudice to such director's right to claim damages based on any contract)**, with the removal taking effect on the date the resolution is passed** on the condition that all the relevant laws and administrative regulations are fully complied with. ~~However, such director shall not be removed without just cause by the shareholders' meeting.~~ **Where a director is removed before the expiration of the term of office without just cause, the director may require the Company to provide compensation.**
Article 159 A director who fails to attend in person and does not entrust other directors to attend two consecutive board meetings shall be deemed as unable to perform his duties. The Board of Directors shall propose to the shareholders' general meeting to remove such director. Subject to the provisions of the relevant laws and administrative regulations, the shareholders' meeting may by ordinary resolution remove a director before the expiration of his/her term of office (but without prejudice to such director's right to claim damages based on any contract), provided that the shareholders' meeting may not remove the director without just cause.	Article 158 A director who fails to attend in person and does not entrust other directors to attend two consecutive board meetings shall be deemed as unable to perform his duties. The Board of Directors shall propose to the shareholders' general meeting to remove such director. ~~Subject to the provisions of the relevant laws and administrative regulations, the shareholders' meeting may by ordinary resolution remove a director before the expiration of his/her term of office (but without prejudice to such director's right to claim damages based on any contract), provided that the shareholders' meeting may not remove the director without just cause.~~

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 160 A director may resign before the expiration of his term. The resigning director shall submit to the Board of Directors a notice of resignation. An independent director is required to explain any matter relating to his/her resignation or which he/she considers necessary to be brought to the attention of the shareholders and creditors of the Company. The Board of Directors shall disclose the relevant information within two days. If a director's resignation results in the number of directors constituting the Board of Directors to fall below the quorum, the notice of resignation of such directors shall become effective only when the vacancy arising from his resignation has been filled by a new director. The Company shall convene an extraordinary general meeting or employee representatives' meeting as soon as possible to elect a new director to fill the vacancy arising from the resignation of such director. The original director shall perform his duties as a director according to laws, administrative regulations, departmental rules and the relevant provisions of these Articles of Association before the new director assumes office. The power of the resigning director and the Board of Directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of a director to fill the vacancy.	Article 159 A director may resign before the expiration of his term. The resigning director shall submit to the Board of Directors a notice of resignation**, and the resignation shall take effect on the date the Company receives the resignation report**. An independent director is required to explain any matter relating to his/her resignation or which he/she considers necessary to be brought to the attention of the shareholders and creditors of the Company. The ~~Board of Directors~~ **Company** shall disclose the relevant information within two **trading** days. If a director's resignation results in the number of directors constituting the Board of Directors to fall below the quorum, the notice of resignation of such directors shall become effective only when the vacancy arising from his resignation has been filled by a new director. The Company shall convene an extraordinary general meeting or employee representatives' meeting as soon as possible to elect a new director to fill the vacancy arising from the resignation of such director. The original director shall perform his duties as a director according to laws, administrative regulations, departmental rules and the relevant provisions of these Articles of Association before the new director assumes office. The power of the resigning director and the Board of Directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of a director to fill the vacancy.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
In the event that the resignation of an independent director results in the proportion of independent directors on the Board of Directors or its special committees falling below the minimum number required by applicable laws and regulations or the Articles of Association or a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his/her duties until a new independent director is elected. The Company shall complete the election of a new independent director within sixty days from the date on which the independent director submits his/her resignation. The resignation letter of the independent director shall take effect after the vacancy is filled by the new independent director. Where directors leave the Company before expiry of their terms of office, they shall compensate the Company for any losses arising from their unauthorised resignation. Except the circumstances specified above, the resignation of a director shall become effective upon the notice of resignation is served to the Board of Directors. If a director who is the legal representative resigns, he/she shall also be deemed to have resigned from the position of legal representative.	In the event that the resignation of an independent director results in the proportion of independent directors on the Board of Directors or its special committees falling below the minimum number required by applicable laws and regulations or the Articles of Association or a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his/her duties until a new independent director is elected. The Company shall complete the election of a new independent director within sixty days from the date on which the independent director submits his/her resignation. The resignation letter of the independent director shall take effect after the vacancy is filled by the new independent director. Where directors leave the Company before expiry of their terms of office, they shall compensate the Company for any losses arising from their unauthorised resignation. Except the circumstances specified above, the resignation of a director shall become effective upon the notice of resignation is served to the Board of Directors. If a director who is the legal representative resigns, he/she shall also be deemed to have resigned from the position of legal representative.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Article 161 Upon the resignation taking effect or the expiry of the term of office of a director, such director shall duly complete all handover. The fiduciary duties owed by such director to the Company and the shareholders will not be released for certain before or within a reasonable period of time after the resignation takes effect and upon the expiry of his term of office. The obligation of confidentiality of such director in relation to the commercial secrets of the Company remains effective after the term of such director ends until such commercial secrets become public information. The continuity of other obligations shall be determined on the principle of fairness, and dependent on the length of time between the incident occurs and the resignation, as well as the conditions and circumstances under which the director terminates his relationship with the Company. It shall be implemented in accordance with the Company Law, the listing rules of the stock exchange where the Company is listed and the provisions of these Articles of Association.	Article 160 Upon the resignation taking effect or the expiry of the term of office of a director, such director shall duly complete all handover. The fiduciary duties owed by such director to the Company and the shareholders will not be released for certain before or within a reasonable period of time after the resignation takes effect and upon the expiry of his term of office. The obligation of confidentiality of such director in relation to the commercial secrets of the Company remains effective after the term of such director ends until such commercial secrets become public information. **The liability of a director arising from the performance of duties during the term of office shall not be exempted or terminated due to the departure from the position.** The continuity of other obligations shall be determined on the principle of fairness, and dependent on the length of time between the incident occurs and the resignation, as well as the conditions and circumstances under which the director terminates his relationship with the Company. It shall be implemented in accordance with the Company Law, the listing rules of the stock exchange where the Company is listed and the provisions of these Articles of Association.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 164 The Board of Directors shall establish the Strategy and Investment Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Assessment Committee and the Aviation Safety Committee and other special committees. Among them, the majority of the members in each of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Assessment Committee shall be independent directors and the chairman shall be an independent director. The Audit and Risk Management Committee shall be comprised of independent directors and the chairman shall be an accounting professional. The special committees are accountable to the Board of Directors, and the proposals made by each of the special committees shall be submitted to the Board of Directors for review and decision. The major powers and functions of each special committee shall be determined in accordance with the relevant regulations of the place where the Company is listed. The special committees may engage intermediaries for professional advice, and the expenses incurred shall be borne by the Company.	Article 163 The Board of Directors shall establish the Strategy and Investment Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Assessment Committee and the Aviation Safety Committee and other special committees. Among them, the majority of the members in each of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Assessment Committee shall be independent directors and the chairman shall be an independent director. The Audit and Risk Management Committee shall ~~be comprised of~~ **be more than half** independent directors and the chairman shall be an **independent director specializing in** accounting ~~professional~~. **Employee representatives on the Board of Directors of the Company may serve as members of the Audit and Risk Management Committee.** The special committees are accountable to the Board of Directors, and the proposals made by each of the special committees shall be submitted to the Board of Directors for review and decision. The major powers and functions of each special committee shall be determined in accordance with the relevant regulations of the place where the Company is listed. **The Company does not establish a supervisory committee. The powers and functions that should be exercised by the supervisory committee under the Company Law and other laws and administrative regulations shall be exercised by the Audit and Risk Management Committee.** The special committees may engage intermediaries for professional advice, and the expenses incurred shall be borne by the Company.

The existing Articles of Association (July 2024)	The amended Articles of Association
CHAPTER 11 INDEPENDENT DIRECTORS	**CHAPTER 11 INDEPENDENT DIRECTORS**
Article 170 Nomination, election, replacement, removal, and resignation of independent directors	Article 169 Nomination, election, replacement, removal, and resignation of independent directors**:**
(1) The Board of Directors, the supervisory committee, and shareholder(s) who alone or jointly with other persons hold(s) more than 1% of the issued shares of the Company shall have the right to nominate candidates as independent directors, and the nominated candidates shall become independent directors by election. The investor protection institutions established in accordance with law may publicly request the shareholders to entrust them to exercise the right to nominate independent directors on their behalf. The nominator shall not nominate persons with interests or other close associates who may affect the independent performance of their duties as candidates for independent directors.	(1) The Board of Directors~~, the supervisory committee,~~ and shareholder(s) who alone or jointly with other persons hold(s) more than 1% of the issued shares of the Company shall have the right to nominate candidates as independent directors, and the nominated candidates shall become independent directors by election. The investor protection institutions established in accordance with law may publicly request the shareholders to entrust them to exercise the right to nominate independent directors on their behalf. The nominator shall not nominate persons with interests or other close associates who may affect the independent performance of their duties as candidates for independent directors.
(2) The nominator shall have the approval of the proposed candidate for the nomination before making a nomination. The nominator shall have adequate knowledge of the profession, education, professional title and detailed work experience of the nominee as well as status of all his part-time jobs, and whether there are any bad records such as serious dishonesty, etc. The nominator shall also comment on the nominee's qualification for independence and other conditions for the nominee serving as an independent director. The nominee shall make a public statement asserting his qualification for independence and other conditions for him serving as an independent director.	(2) The nominator shall have the approval of the proposed candidate for the nomination before making a nomination. The nominator shall have adequate knowledge of the profession, education, professional title and detailed work experience of the nominee as well as status of all his part-time jobs, and whether there are any bad records such as serious dishonesty, etc. The nominator shall also comment on the nominee's qualification for independence and other conditions for the nominee serving as an independent director. The nominee shall make a public statement asserting his qualification for independence and other conditions for him serving as an independent director.

The existing Articles of Association (July 2024)	The amended Articles of Association
The nomination committee shall review the qualifications of the nominee and form a clear review opinion. Before convening the shareholders' meeting for the election of independent directors, the Company shall submit the relevant materials such as the contents disclosed above to the stock exchange where the Company's shares are listed, and the relevant materials shall be authentic, accurate and complete. The stock exchange shall review the relevant materials of the candidates for independent directors pursuant to the regulations, make a prudent judgement on whether the candidates for independent directors meet the qualifications and have the right to raise an objection. The Company shall not propose any candidate to the shareholder's meeting for election if the stock exchange objects to such candidate.	The nomination committee shall review the qualifications of the nominee and form a clear review opinion. Before convening the shareholders' meeting for the election of independent directors, the Company shall submit the relevant materials such as the contents disclosed above to the stock exchange where the Company's shares are listed, and the relevant materials shall be authentic, accurate and complete. The stock exchange shall review the relevant materials of the candidates for independent directors pursuant to the regulations, make a prudent judgement on whether the candidates for independent directors meet the qualifications and have the right to raise an objection. The Company shall not propose any candidate to the shareholder's meeting for election if the stock exchange objects to such candidate.
(3) Cumulative voting system shall be adopted for the election of two or more independent shareholders at a shareholders' meeting. The votes of minority shareholders shall be counted separately and disclosed.	(3) Cumulative voting system shall be adopted for the election of two or more independent shareholders at a shareholders' meeting. The votes of minority shareholders shall be counted separately and disclosed.
(4) The terms of office of the independent directors are the same as those of other directors. Re-election is allowed upon the expiration of the term, but the successive term may not be extended to more than six years.	(4) The terms of office of the independent directors are the same as those of other directors. Re-election is allowed upon the expiration of the term, but the successive term may not be extended to more than six years.
(5) An independent director may be removed by the Company in accordance with legal procedures prior to the expiry of his/her term of office. In case of any early removal of an independent director, the Company shall make a timely disclosure of the specific reasons and evidence. In case that the independent director has an objection, the Company shall disclose in a timely manner.	(5) An independent director may be removed by the Company in accordance with legal procedures prior to the expiry of his/her term of office. In case of any early removal of an independent director, the Company shall make a timely disclosure of the specific reasons and evidence. In case that the independent director has an objection, the Company shall disclose in a timely manner.

The existing Articles of Association (July 2024)	The amended Articles of Association
An independent director who fails to attend in person two consecutive board meetings and does not appoint another independent director to attend on his/her behalf, the Board of Directors shall propose to convene a shareholders' meeting to remove him from his position as an independent director within thirty days from the date of the occurrence of such fact.	An independent director who fails to attend in person two consecutive board meetings and does not appoint another independent director to attend on his/her behalf, the Board of Directors shall propose to convene a shareholders' meeting to remove him from his position as an independent director within thirty days from the date of the occurrence of such fact.
(6) Independent directors may resign before the expiration of their terms. A resigning independent director shall submit written resignation to the Board of Directors. The written resignation shall contain explanations on matters related to his resignation or any other matters which in his opinion, should be brought to the notice of the shareholders and creditors of the Company.	(6) Independent directors may resign before the expiration of their terms. A resigning independent director shall submit written resignation to the Board of Directors. The written resignation shall contain explanations on matters related to his resignation or any other matters which in his opinion, should be brought to the notice of the shareholders and creditors of the Company.
(7) If the resignation of an independent director or the removal of the same due to involving in the relevant circumstances result in the proportion of independent directors in the Board of Directors or the special committees thereunder to fall below such proportion as required under laws or these Articles of Association or a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his duties until the date on which a new independent director is appointed. The Company shall complete the election of a new independent director within sixty days from the date on which the independent director tenders his/her resignation.	(7) If the resignation of an independent director or the removal of the same due to involving in the relevant circumstances result in the proportion of independent directors in the Board of Directors or the special committees thereunder to fall below such proportion as required under laws or these Articles of Association or a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his duties until the date on which a new independent director is appointed. The Company shall complete the election of a new independent director within sixty days from the date on which the independent director tenders his/her resignation.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 172 Independent directors shall provide their independent opinions on the matters which may harm the interests of the Company or the minority shareholders.	Article 171 ~~Independent directors shall provide their independent opinions on the matters which may harm the interests of the Company or the minority shareholders.~~
(1) In addition to the above obligations, independent directors shall provide their independent opinions to the Board of Directors or the shareholders' general meeting on the following matters:	~~(1) In addition to the above obligations, independent directors shall provide their independent opinions to the Board of Directors or the shareholders' general meeting on the following matters:~~
1. Nomination, appointment and removal of directors;	~~1. Nomination, appointment and removal of directors;~~
2. Appointment and dismissal of senior administrative officers;	~~2. Appointment and dismissal of senior administrative officers;~~
3. Remuneration of directors and senior administrative officers;	~~3. Remuneration of directors and senior administrative officers;~~
4. Newly occurred transactions, loans and other forms of fund transfer between the Company and its shareholders, Actual Controllers or their affiliates, the aggregate amount of which is in compliance with the relevant provisions of the existing listing rules and other supervisory regulations in places where the Company is listed, and whether the Company has taken effective measures to collect the amounts due;	~~4. Newly occurred transactions, loans and other forms of fund transfer between the Company and its shareholders, Actual~~ Controllers ~~or their affiliates, the aggregate amount of which is in compliance with the relevant provisions of the existing listing rules and other supervisory regulations in places where the Company is listed, and whether the Company has taken effective measures to collect the amounts due;~~
5. Matters which may harm the interests of the minority shareholders;	~~5. Matters which may harm the interests of the minority shareholders;~~
6. When the Board of Directors does not put forward a cash dividend plan;	~~6. When the Board of Directors does not put forward a cash dividend plan;~~
7. Matters relating to security provided to external parties by the Company;	~~7. Matters relating to security provided to external parties by the Company;~~

The existing Articles of Association (July 2024)	The amended Articles of Association
8. Other matters provided by laws, regulations, normative documents, the stock exchange where the Company's shares are listed and these Articles of Association.	~~8. Other matters provided by laws, regulations, normative documents, the stock exchange where the Company's shares are listed and these Articles of Association.~~
(2) The independent directors shall choose to provide any of the following opinions in respect of the above matters:	~~(2) The independent directors shall choose to provide any of the following opinions in respect of the above matters:~~
1. Agree;	~~1. Agree;~~
2. Reserve opinion and the reasons therefor;	~~2. Reserve opinion and the reasons therefor;~~
3. Dissent and the reasons therefor;	~~3. Dissent and the reasons therefor;~~
4. Unable to comment and the reasons therefor.	~~4. Unable to comment and the reasons therefor.~~
(3) Independent directors shall present their annual work reports to the shareholders' meeting and explain their performance of duties. The annual work report of independent directors shall be disclosed no later than the time when the Company issues the notice of the annual general meeting.	~~(3)~~ Independent directors shall present their annual work reports to the shareholders' meeting and explain their performance of duties. The annual work report of independent directors shall be disclosed no later than the time when the Company issues the notice of the annual general meeting.

The existing Articles of Association (July 2024)	The amended Articles of Association
CHAPTER 12 SECRETARY TO THE BOARD OF DIRECTORS OF THE COMPANY	**CHAPTER 12 SECRETARY TO THE BOARD OF DIRECTORS OF THE COMPANY**
Article 178 The board secretary of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board of Directors. The primary responsibilities of the board secretary are:	Article 177 The board secretary of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board of Directors. The primary responsibilities of the board secretary are:
(1) to prepare for shareholders' general meetings and board meetings;	(1) to prepare for shareholders' general meetings and board meetings;
(2) to ensure that Company has maintain complete constitution documents and records;	(2) to ensure that Company has maintain complete constitution documents and records;
(3) to ensure that the Company prepares and delivers in accordance with law those reports and documents required by competent authorities entitled thereto;	(3) to ensure that the Company prepares and delivers in accordance with law those reports and documents required by competent authorities entitled thereto;
(4) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay;	(4) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay;
(5) to organize relevant trainings for the Company's directors, supervisors and senior management personnel, and urge them to abide by regulations and fulfill their commitments;	(5) to organize relevant trainings for the Company's directors~~, supervisors~~ and senior management personnel, and urge them to abide by regulations and fulfill their commitments;
(6) to arrange for information disclosure affairs and investor relations management;	(6) to arrange for information disclosure affairs and investor relations management;
(7) to fulfill other duties as required by laws, administrative regulations, the requirements of the CSRC, the rules of the stock exchange and these Articles of Association.	(7) to fulfill other duties as required by laws, administrative regulations, the requirements of the CSRC, the rules of the stock exchange and these Articles of Association.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 13 PRESIDENT OF THE COMPANY AND OTHER SENIOR ADMINISTRATIVE OFFICERS	**CHAPTER 13 ~~PRESIDENT OF THE COMPANY AND OTHER~~ SENIOR ADMINISTRATIVE OFFICERS**
Article 184 The president shall prepare the rules of working procedures for approval by the Board before implementation. The working procedures of president contain the following: (1) Requirements for the convening of, procedures for, and persons attending to the president meeting; (2) Respective duties and responsibilities and division of work of president and other senior administrative officers; (3) Scope of power of using the funds and assets of the Company and entering into material contracts, and the system of reporting to the Board and the supervisory committee; (4) Other matters deemed necessary by the Board.	Article 183 The president shall prepare the rules of working procedures for approval by the Board before implementation. The working procedures of president contain the following: (1) Requirements for the convening of, procedures for, and persons attending to the president meeting; (2) Respective duties and responsibilities and division of work of president and other senior administrative officers; (3) Scope of power of using the funds and assets of the Company and entering into material contracts, and the system of reporting to the Board ~~and the supervisory committee~~; (4) Other matters deemed necessary by the Board.
Article 186 Article 153 of these Article of Association in relation to the eligibility of the directors also applies to other senior administrative officers; article 155 in relation to the fiduciary obligations of directors and clauses (4) to (6) of Article 156 concerning the diligence obligations also apply to the senior administrative officers of the Company.	Article 185 Article ~~153~~**152** of these Article of Association in relation to the eligibility of the directors **and Article 160 concerning the resignation management system** also appli~~cs~~**y** to other senior administrative officers; article ~~155~~**154** in relation to the fiduciary obligations of directors and clauses (4) to (6) of Article ~~156~~**155** concerning the diligence obligations also apply to the senior administrative officers of the Company.

The existing Articles of Association (July 2024)	The amended Articles of Association
CHAPTER 14 SUPERVISORY COMMITTEE	Deleted
Article 188 The Company shall have a supervisory committee. The supervisory committee shall be composed of three or more of supervisors. One of such supervisors shall be the chairman. The chairman of the supervisory committee is subject to election of more than half of all supervisors. The chairman of the supervisory committee shall convene and preside over meetings of the supervisory committee. When the chairman of supervisory committee is unable or fails to perform this duties, a supervisor shall be elected by more than half of the supervisors to convene and preside over meetings of the supervisory committee.	Deleted
Article 189 The supervisory committee shall comprise of representatives of shareholders and the Company's staff and workers. Not less than one third of them shall be representatives of the staff and workers. Supervisors representing shareholders shall be elected from the supervisory committee or from the candidates nominated by shareholders individually or jointly holding 1% or more of the shares carrying the right to vote. Notice of nomination of candidates and the candidates' written agreement to accept the nomination shall be sent to the Company seven days before the meeting. Subject to the provision of the relevant laws and administrative regulations, any supervisor represented by a representative of shareholders may be removed by ordinary resolution before the expiration of his term of office (but without prejudice to such supervisor's right to claim damages based on any contract), provided that the supervisor may not be removed without just cause. Supervisors represented by representatives of staff and workers shall be elected and removed by the staff and workers of the Company democratically.	Deleted

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 190 Meetings of the supervisory committee shall be held at least once every six months, and shall be convened by the chairman of the supervisory committee. Notice of meeting shall be sent to each supervisor in writing ten days before the meeting. The notice shall include the date, venue, duration, reasons and topics of the meeting and the date on which the notice is sent. If for any reason the meeting of the supervisory committee cannot be convened as scheduled, an announcement shall be made to explain the reasons. A special meeting shall be convened by the supervisory committee within ten days and a notice of meeting shall be sent within five days before the meeting when: (1) it is proposed by supervisors; (2) a resolution in violation of the laws, the regulations, the statutes, the provisions and requirements of the supervisory department, the Memorandum and Article of Association, the resolution of shareholders' meeting and other relevant requirements is passed in the general meeting or in board meeting; (3) possible material damages to the Company or adverse impact to the market are caused by the inappropriate behavior of the director and the senior management; (4) the Company, the director, the supervisor or the senior management is sued by shareholders; (5) the Company, the director, the supervisor or the senior management is punished by the securities regulatory organ or is condemned by Shanghai Stock Exchange; (6) a request is made by the securities regulatory organ. (7) other circumstances in which a special meeting should be held.	Deleted

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 191 The supervisory committee shall be accountable to entire shareholders and exercise the following functions and powers in accordance with law: (1) To review the regular reports of the Company prepared by the Board of Directors, and to provide written comments in respect thereof; (2) To examine the Company's financial situation; (3) To oversee the Company's directors, general managers and other senior officers for any violation of laws, administrative regulations, the Articles of Association or any resolution of shareholders' meetings when performing their duties for the Company, and to propose to dismiss such directors, general managers and other senior officers; (4) To demand rectification from the directors, president or other senior administrative officers when the acts of such persons are harmful to the Company's interest; (5) Where there is any abnormality in the Company's operations, to conduct investigations accordingly; and when necessary, to engage professionals such as accountant firms or law firms to assist in the work, at the cost of the Company; (6) To propose the convening of extraordinary shareholders' meetings and, in the event the Board of Directors fails to perform their duties to convene and preside over the shareholders' meeting in accordance with the Company Law, to convene and preside over the shareholders' meeting; (7) To submit proposals to the shareholders' meeting;	Deleted

The existing Articles of Association (July 2024)	**The amended Articles of Association**
(8) To initiate legal proceedings against the directors and senior officers pursuant to the provisions contained in Article 189 of the Company Law; (9) Other functions and powers specified in these Articles of Association. Other functions and powers of the supervisory committee shall be determined in accordance with the laws and regulations of the place where the Company is listed.	
Article 192 Method of discussion and voting procedures of the supervisory committee shall follow the rules of procedures of the supervisory committee. The rules of procedures of the supervisory committee, as an appendix of these Articles of Association, shall be drafted by the supervisory committee and approved by the shareholders' general meeting.	Deleted
Article 193 Resolutions of the supervisory committee shall be passed by more than half of all supervisors. For voting on the resolutions of the supervisory committee, a supervisor shall have one vote.	Deleted

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 194 Notice of supervisory committee meetings shall contain: (1) the date and venue and duration of the meeting; (2) the purposes and the matters to be discussed (the agendas); (3) the materials necessary for the supervisors to vote in the meeting; (4) the contact person and the method of contact; (5) the time to send the notice. Oral notice shall at least include the details of item (1) and (2) and the reason for convening an urgent special supervisory committee meeting with short notice.	Deleted
Article 195 The supervisory committee meetings shall keep minutes of meeting. Supervisors present at the meeting and the person taking the minutes shall sign on the meeting minutes. Supervisors can request to have the speech they make in the meeting recorded in the minutes. The meeting minutes of supervisory committee shall be safely and properly kept as an important file of the Company. The meeting minutes of supervisory committee shall be kept as a file of the Company for ten years.	Deleted
Article 196 The Shareholder Supervisors shall be elected and removed by the shareholders' general meeting with a term of office of three years. Supervisors (including by-elected supervisors) shall have a term commencing on the date of the resolution of the shareholders' general meeting or the staff and workers representative meeting and expiring upon conclusion of the tenure of the supervisory committee. Upon expiry of his term, a supervisor shall be eligible for re-election.	Deleted

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 197 Supervisors shall carry out their duties honestly and faithfully in accordance with laws, administrative regulations and these Articles of Association. Supervisors shall not abuse their authority of office to obtain bribes or other illegal income and not to misappropriate the property of the Company, and shall not exploit their affiliation with the Company to harm the interests of the Company. If they violate such provisions and cause damage to the Company, they shall be liable for compensation.	Deleted
Article 198 Where no re-election is made in time upon expiry of the term of a supervisor, or any supervisors resigns resulting in the number of members of the supervisory committee below the statutory number, the original supervisor shall, prior to a new supervisor entering on the office, continue to perform his duties as a supervisor in accordance with laws, administrative regulations and these Articles of Association.	Deleted
Article 199 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.	Deleted
Article 200 Supervisors shall attend as non-voting members meetings of the Board of Directors and have the right to inquire or put forward suggestions on resolutions of the Board of Directors.	Deleted
Article 201 Article 153 of these Article of Association in relation to the eligibility of the directors also applies to supervisors.	Deleted
Article 202 Directors, president and other senior administrative officers of the Company shall not act concurrently as supervisors.	Deleted
Article 203 Where a supervisor violates any laws, administrative regulations, departmental rules or the provisions of these Articles of Association in the course of performing his duties and causes loss to the Company, such supervisor shall be liable for compensation.	Deleted

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 15 QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, PRESIDENT AND OTHER SENIOR ADMINISTRATIVE OFFICERS OF THE COMPANY	**CHAPTER 14 QUALIFICATIONS AND DUTIES OF THE DIRECTORS~~, SUPERVISORS, PRESIDENT~~ AND ~~OTHER~~ SENIOR ADMINISTRATIVE OFFICERS OF THE COMPANY**
Article 204 A person may not serve as a director, supervisor, president and other senior administrative officers of the Company if any of the circumstances of Article 153 in these Articles of Association applies. Persons who hold administrative positions other than directors and supervisors in any entity of the controlling shareholders or beneficial controller shall not be appointed as senior management personnel of the Company, unless there is an exemption approved by the CSRC. The senior management personnel of the Company shall be independent from its controlling shareholders or beneficial controller. Any senior management personnel of the Company's controlling shareholder who serves concurrently as a director of the Company shall ensure that he/she has sufficient time and effort to work for the Company. In the event that any of the aforesaid circumstances occurs to the incumbent directors, the Board of Directors shall immediately cease the duties of such director from the date on which it becomes aware of the circumstances, and propose that the general meeting or the employee representatives' meeting replace him/her. In the event that any of the aforesaid circumstances occurs to the incumbent senior management, the Board of Directors shall immediately cease the duties of such senior management from the date on which it becomes aware of the circumstances, and convene a Board meeting to replace him/her. In the event that any of the aforesaid circumstances occurs to the incumbent supervisors, the supervisory committee shall immediately cease the duties of such supervisor from the date on which it becomes aware of the circumstances, and propose that the general meeting or the employee representatives' meeting replace him/her.	Article 187 A person may not serve as a director~~, supervisor, president~~ and ~~other~~ senior administrative officer~~s~~ of the Company if any of the circumstances of Article 153**2** in these Articles of Association applies. Persons who hold administrative positions other than directors and supervisors in any entity of the controlling shareholders or beneficial controller shall not be appointed as senior management personnel of the Company, unless there is an exemption approved by the CSRC. The senior management personnel of the Company shall be independent from its controlling shareholders or beneficial controller. Any senior management personnel of the Company's controlling shareholder who serves concurrently as a director of the Company shall ensure that he/she has sufficient time and effort to work for the Company. In the event that any of the aforesaid circumstances occurs to the incumbent directors, the Board of Directors shall immediately cease the duties of such director from the date on which it becomes aware of the circumstances, and propose that the general meeting or the employee representatives' meeting replace him/her. In the event that any of the aforesaid circumstances occurs to the incumbent senior management, the Board of Directors shall immediately cease the duties of such senior management from the date on which it becomes aware of the circumstances, and convene a Board meeting to replace him/her. ~~In the event that any of the aforesaid circumstances occurs to the incumbent supervisors, the supervisory committee shall immediately cease the duties of such supervisor from the date on which it becomes aware of the circumstances, and propose that the general meeting or the employee representatives' meeting replace him/her.~~

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 205 The fiduciary duties of the directors, supervisors, president and other senior administrative officers of the Company do not necessarily cease with the termination of their tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.	Article 188 The fiduciary duties of the directors~~, supervisors, president~~ and ~~other~~ senior administrative officers of the Company do not necessarily cease with the termination of their tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.
Article 206 here a director, supervisor, president and any other senior administrative officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board of Directors. Unless the interested director, supervisor, president and other senior administrative officer discloses his interests in accordance with this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the interested director, supervisor, president or other senior administrative officer is not counted in the quorum and has abstained from voting, a contract, transaction or arrangement in which that director, supervisor, president and other senior administrative officer is materially interested is avoidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, supervisor, president or other senior administrative officer. For the purposes of this Article, a director, supervisor, president and other senior administrative officer of the Company is deemed to be interested in a contract, transaction or agreement in which an associate of him is interested.	Article 189 **W**here a director~~, supervisor, president~~ and any ~~other~~ senior administrative officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board of Directors. Unless the interested director~~, supervisor, president~~ and ~~other~~ senior administrative officer discloses~~s~~ his interests in accordance with this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the interested director~~, supervisor, president~~ or ~~other~~ senior administrative officer is not counted in the quorum and has abstained from voting, a contract, transaction or arrangement in which that director~~, supervisor, president~~ and ~~other~~ senior administrative officer is materially interested is avoidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested director~~, supervisor, president~~ or ~~other~~ senior administrative officer. For the purposes of this Article, a director~~, supervisor, president~~ and ~~other~~ senior administrative officer of the Company is deemed to be interested in a contract, transaction or agreement in which an associate of him is interested.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Article 207 Where a director, supervisor, president and other senior administrative officer of the Company gives to the Board of Directors a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.	Article 190 Where a director~~, supervisor, president~~ and ~~other~~ senior administrative officer of the Company gives to the Board of Directors a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.
Article 208 The Company shall not in any manner pay taxes for or on behalf of a director, supervisor, president and any other senior administrative officer.	Article 191 The Company shall not in any manner pay taxes for or on behalf of a director~~, supervisor, president~~ and any ~~other~~ senior administrative officer.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 209 The Company shall not directly or indirectly make a loan to or provide any guarantee in connect with the making of a loan to a director, supervisor, president and other senior administrative officer of the Company or of the Company's holding company or any of their respective associates. However, the following transactions are not subject to such prohibition:	Article 192 The Company shall not directly or indirectly make a loan to or provide any guarantee in connect with the making of a loan to a director~~, supervisor, president~~ and ~~other~~ senior administrative officer of the Company or of the Company's holding company or any of their respective associates. However, the following transactions are not subject to such prohibition:
(1) The provision by the Company of a loan or a guarantee of a loan to a company which is a subsidiary of the Company;	(1) The provision by the Company of a loan or a guarantee of a loan to a company which is a subsidiary of the Company;
(2) The provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, president and other senior administrative officers to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in shareholders' general meeting;	(2) The provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors~~, supervisors, president~~ and ~~other~~ senior administrative officers to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in shareholders' general meeting;
(3) The Company may make a loan to or provide a guarantee in connection with the making of a loan to any of the relevant directors, supervisors, president and other senior administrative officers or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.	(3) The Company may make a loan to or provide a guarantee in connection with the making of a loan to any of the relevant directors~~, supervisors, president~~ and ~~other~~ senior administrative officers or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 211 A guarantee for repayment of loan provided by the Company in breach of Article 209 shall not be enforceable against the Company, unless:	Article 194 A guarantee for repayment of loan provided by the Company in breach of Article ~~209~~**192** shall not be enforceable against the Company, unless:
(1) the guarantee was provided in connection with a loan to an associate of any of the directors, supervisors, president and other senior administrative officers of the Company or of the Company's holding company and at the time the loan was advanced the lender did not know the relevant circumstances; or	(1) the guarantee was provided in connection with a loan to an associate of any of the directors~~, supervisors, president~~ and ~~other~~ senior administrative officers of the Company or of the Company's holding company and at the time the loan was advanced the lender did not know the relevant circumstances; or
(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.	(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 213 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president or other senior administrative officer of the Company is in breach of his duties to the Company, the Company has a right to:	Article 196 In addition to any rights and remedies provided by the laws and administrative regulations, where a director~~, supervisor, president~~ or ~~other~~ senior administrative officer of the Company is in breach of his duties to the Company, the Company has a right to:
(1) claim damages from the director, supervisor, president and other senior administrative officer in compensation for losses sustained by the Company as a result of such breach;	(1) claim damages from the director~~, supervisor, president~~ and ~~other~~ senior administrative officer in compensation for losses sustained by the Company as a result of such breach;
(2) rescind any contract or transaction entered into by the Company with the director, supervisor, president and other senior administrative officer or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor, president and other senior administrative officer);	(2) rescind any contract or transaction entered into by the Company with the director~~, supervisor, president~~ and ~~other~~ senior administrative officer or with a third party (where such third party knows or should know that there is such a breach of duties by such director~~, supervisor, president~~ and ~~other~~ senior administrative officer);
(3) demand an account of the profits made by the director, supervisor, president and other senior administrative officer in breach of his duties;	(3) demand an account of the profits made by the director~~, supervisor, president~~ and ~~other~~ senior administrative officer in breach of his duties;
(4) recover any monies received by the director, supervisor, president and other senior administrative officer which should otherwise have been received by the Company, including but not limited to commissions; and	(4) recover any monies received by the director~~, supervisor, president~~ and ~~other~~ senior administrative officer which should otherwise have been received by the Company, including but not limited to commissions; and
(5) request such director, supervisor, president and other senior administrative officer to return the interests accrued or may be accrued on the monies which should have been paid to the Company.	(5) request such director~~, supervisor, president~~ and ~~other~~ senior administrative officer to return the interests accrued or may be accrued on the monies which should have been paid to the Company.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 214 The Company shall, with the prior approval of shareholders in shareholders' general meeting, enter into a contract in writing with a director or supervisor wherein his emoluments are stipulated. The aforesaid emoluments shall include: (1) the emoluments in respect of his service as director, supervisor or senior administrative officer of the Company; (2) the emoluments in respect of his service as director, supervisor or senior administrative officer of any subsidiary of the Company; (3) the emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries; (4) the payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office. Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for the benefits due to him in respect of the matters mentioned in this Article.	Article 197 The Company shall, with the prior approval of shareholders in shareholders' general meeting, enter into a contract in writing with a director ~~or supervisor~~ wherein his emoluments are stipulated. The aforesaid emoluments shall include: (1) the emoluments in respect of his service as director~~, supervisor or senior administrative officer~~ of the Company; (2) the emoluments in respect of his service as director~~, supervisor or senior administrative officer~~ of any subsidiary of the Company; (3) the emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries; (4) the payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office. Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director ~~or supervisor~~ against the Company for the benefits due to him in respect of the matters mentioned in this Article.
Article 215 With approval , the Company may buy liability insurance for directors, supervisors, president and other senior administrative officers of the Company. The annual renewal of abovementioned liability insurance shall be considered and approved by the Board of Directors upon a resolution is made at the shareholders' meeting.	Article 198 With approval, the Company may buy liability insurance for directors~~, supervisors, president~~ and ~~other~~ senior administrative officers of the Company. The annual renewal of abovementioned liability insurance shall be considered and approved by the Board of Directors upon a resolution is made at the shareholders' meeting.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING	**CHAPTER ~~16~~15 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING**
Article 228 (1) Procedures for decision-making on profit distribution by the Company: After the end of each accounting year, the board of directors shall propose a profit distribution plan and the independent directors shall express their independent opinions thereon. After which the profit distribution plan shall be proposed to the general meeting for voting. Implementation of the profit distribution plan shall be subject to completion of administrative and approval procedures (if required).	Article 211 (1) Procedures for decision-making on profit distribution by the Company: After the end of each accounting year, the board of directors shall propose a profit distribution plan and the independent directors ~~shall~~ **may** express their independent opinions thereon. After which the profit distribution plan shall be proposed to the general meeting for voting. Implementation of the profit distribution plan shall be subject to completion of administrative and approval procedures (if required).
(2) If the Company records a profit for the reporting period and the balance of unallocated profit is positive but no cash dividends plan has been proposed, the Company shall provide an internet voting platform for shareholders.	(2) If the Company records a profit for the reporting period and the balance of unallocated profit is positive but no cash dividends plan has been proposed, the Company shall provide an internet voting platform for shareholders.
(3) The supervisory committee of the Company shall monitor the execution of profit distribution policy and the planning and decision-making procedures for shareholder return carried out by the board of directors and the management. In formulating the profit distribution policy of the Company, the opinions and requests of the shareholders, especially those of the minority shareholders, shall be extensively consulted, and the concerns of minority shareholders shall be addressed in a timely manner.	(3) The ~~supervisory committee~~ **Audit and Risk Management Committee** of the Company shall monitor the execution of profit distribution policy and the planning and decision-making procedures for shareholder return carried out by the board of directors and the management. In formulating the profit distribution policy of the Company, the opinions and requests of the shareholders, especially those of the minority shareholders, shall be extensively consulted, and the concerns of minority shareholders shall be addressed in a timely manner.

The existing Articles of Association (July 2024)	The amended Articles of Association
(4) The Company shall disclose in details its formulation and implementation of cash dividends policy in its regular published reports; should there be any adjustment or change to the cash dividends policy, detailed descriptions shall be provided on the regulatory compliance regarding the conditions and procedures for such adjustment or change. If the Company records a profit for the year and the balance of unallocated profit is positive but no cash dividends plan has been proposed, the Company shall, in its annual report, describe in details the reason for not proposing a cash dividends, as well as the purpose and usage plan for cash retained in the Company that is not distributed as cash dividends.	(4) The Company shall disclose in details its formulation and implementation of cash dividends policy in its regular published reports; should there be any adjustment or change to the cash dividends policy, detailed descriptions shall be provided on the regulatory compliance regarding the conditions and procedures for such adjustment or change. If the Company records a profit for the year and the balance of unallocated profit is positive but no cash dividends plan has been proposed, the Company shall, in its annual report, describe in details the reason for not proposing a cash dividends, as well as the purpose and usage plan for cash retained in the Company that is not distributed as cash dividends.
(5) In the event that the profit distribution policy needs to be adjusted by reason of promulgation of new requirements on the profit distribution policy of listed companies by PRC laws and regulations and securities regulatory authorities, or due to significant changes of external operating environment or operating condition of the Company, for the purpose of protecting the interests of the shareholders, the directors of the Company shall carefully examine and describe the reasons for such adjustment and strictly follow the decision-making procedures. In the event of amendments to the profit distribution policy of the Company, the board of directors shall consider the revised plan and the independent directors shall express their independent opinions thereon. Such amendments shall be disclosed to the public upon consideration and approval at the general meeting by more than two-thirds of the shareholders present at the meeting.	(5) In the event that the profit distribution policy needs to be adjusted by reason of promulgation of new requirements on the profit distribution policy of listed companies by PRC laws and regulations and securities regulatory authorities, or due to significant changes of external operating environment or operating condition of the Company, for the purpose of protecting the interests of the shareholders, the directors of the Company shall carefully examine and describe the reasons for such adjustment and strictly follow the decision-making procedures. In the event of amendments to the profit distribution policy of the Company, the board of directors shall consider the revised plan and the independent directors ~~shall~~ **may** express their independent opinions thereon. Such amendments shall be disclosed to the public upon consideration and approval at the general meeting by more than two-thirds of the shareholders present at the meeting.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
Article 234 The Company shall implement an internal audit system, and shall establish an internal audit department or retain auditors to conduct internal audit of its income and expenditure and financial activities under the supervision of the supervisory committee.	Article 217 The Company shall implement an internal audit system, and shall establish an internal audit department or retain auditors to conduct internal audit of its income and expenditure and financial activities under the supervision of the ~~supervisory committee~~ **Audit and Risk Management Committee**.
Newly added	**Article 219 The internal audit institution of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company. The internal audit institution shall maintain its independence, be staffed with full-time auditors, and shall not be placed under the leadership of the finance department or co-located with the finance department.**
Newly added	**Article 220 The internal audit institution reports to the Board of Directors. During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the audit and risk management committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the audit and risk management committee.**
Newly added	**Article 221 The specific organization and implementation of the Company's internal control evaluation shall be the responsibilities of the internal audit institution. The Company issues an annual internal control evaluation report based on evaluation reports and relevant information issued by the internal audit institution and reviewed by the Audit and Risk Management Committee.**
Newly added	**Article 222 When the Audit and Risk Management Committee communicates with external audit firms such as accounting firm and national audit institution, the internal audit institution shall actively cooperate with them, providing necessary support and collaboration.**

The existing Articles of Association (July 2024)	The amended Articles of Association
CHAPTER 18 CAPITAL FLOW BETWEEN THE COMPANY AND ITS RELATED PARTIES AND EXTERNAL GUARANTEE PROVIDED BY THE COMPANY	**CHAPTER 17 CAPITAL FLOW BETWEEN THE COMPANY AND ITS RELATED PARTIES AND EXTERNAL GUARANTEE PROVIDED BY THE COMPANY**
Article 234 The Company shall provide external guarantee (including assets pledge) based on the principles of fairness, willingness, sincerity and mutual benefits. The procedure for approval of external guarantee provided by the Company is as follows:	Article 234 The Company shall provide external guarantee (including assets pledge) based on the principles of fairness, willingness, sincerity and mutual benefits. The procedure for approval of external guarantee provided by the Company is as follows:
(1) As required by the PRC laws and regulations and the listing rules of stock exchange in the place where the Company's shares are listed, the Company's external guarantee shall be subject to written consent by two thirds of all members of the Board of Directors or approval from shareholders' general meetings;	(1) As required by the PRC laws and regulations and the listing rules of stock exchange in the place where the Company's shares are listed, the Company's external guarantee shall be subject to written consent by two thirds of all members of the Board of Directors or approval from shareholders' general meetings;
(2) Prior to decision on provision of guarantee to external parties (or before it is submitted to the shareholders' general meeting for voting), the Board of Directors of the Company shall be well informed of particulars of the debtors, and completely analyse and fully disclose in the relevant announcements the benefits and risk s from such guarantee;	(2) Prior to decision on provision of guarantee to external parties (or before it is submitted to the shareholders' general meeting for voting), the Board of Directors of the Company shall be well informed of particulars of the debtors, and completely analyse and fully disclose in the relevant announcements the benefits and risk s from such guarantee;
(3) When a resolution in relation to external guarantee is to be passed at the shareholders' general meeting or by the Board of Directors, any shareholders or directors that have a conflict of interests with such guarantee shall abstain from voting;	(3) When a resolution in relation to external guarantee is to be passed at the shareholders' general meeting or by the Board of Directors, any shareholders or directors that have a conflict of interests with such guarantee shall abstain from voting;
(4) Where the Company provides guarantee to any external parties, counter guarantee or other preventive measures shall be sought from the secured party who in turn shall be able to undertake the counter guarantee;	(4) Where the Company provides guarantee to any external parties, counter guarantee or other preventive measures shall be sought from the secured party who in turn shall be able to undertake the counter guarantee;

The existing Articles of Association (July 2024)	The amended Articles of Association
(5) The Company shall duly perform its duty to strictly disclose information on external guarantee according to the relevant provisions of listing rules and these Articles of Association, and shall truthfully provide all information relating to external guarantee of the Company to the certified public accountants;	(5) The Company shall duly perform its duty to strictly disclose information on external guarantee according to the relevant provisions of listing rules and these Articles of Association, and shall truthfully provide all information relating to external guarantee of the Company to the certified public accountants;
(6) The Company's independent directors shall in the annual report present specific explanation and independent opinions on the Company's accumulated and current external guarantee and implementation of regulations as referred above.	(6) The Company's independent directors ~~shall~~ **may** in the annual report present specific explanation and independent opinions on the Company's accumulated and current external guarantee and implementation of regulations as referred above.
CHAPTER 22 MERGER AND DIVISION OF THE COMPANY	**CHAPTER 21~~2~~ MERGER AND DIVISION OF THE COMPANY**
Article 252 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved. In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company's merger resolution and shall publish a public notice in a newspaper or the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's merger resolution to merge. A creditor has the right within thirty days of receiving such notice from the Company or, for creditors who do not receive the notice, within forty-five days of the date of the public notice, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt.	Article 239 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved. In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company's merger resolution and shall publish a public notice in a newspaper or the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's merger resolution to merge. A creditor has the right within thirty days of receiving such notice from the Company or, for creditors who do not receive the notice, within forty-five days of the date of the public notice, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt.

The existing Articles of Association (July 2024)	The amended Articles of Association
After the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.	After the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company. **Where the price paid by the Company for a merger does not exceed ten percent of the Company's net assets, the merger may be effected without a resolution of the shareholders' general meeting, unless otherwise provided for in these Articles of Association. Where the Company mergers pursuant to the aforesaid provision without a resolution of the shareholders' general meeting, it shall be resolved by the Board of Directors.**
CHAPTER 23 DISSOLUTION AND LIQUIDATION OF THE COMPANY	**CHAPTER ~~23~~22 DISSOLUTION AND LIQUIDATION OF THE COMPANY**
Article 255 The Company shall be dissolved and Liquidated upon the occurrence of any of the following events: (1) Upon expiry of term of business stipulated in the Articles of Association or occurrence of any other events causing dissolution stipulated in the Articles of Association. (2) A resolution for dissolution is passed; (3) Dissolution is necessary due to a merger or division of the Company; (4) The Company is legally declared insolvent or dissolution by the court; (5) The business license of the Company is revoked or the Company is ordered to close down or withdraw because of its violation of laws and administrative regulations; (6) Other reasons of dissolution specified by the laws and regulations of the PRC and these Articles of Association.	Article 242 The Company shall be dissolved and Liquidated upon the occurrence of any of the following events: (1) Upon expiry of term of business stipulated in the Articles of Association or occurrence of any other events causing dissolution stipulated in the Articles of Association. (2) A resolution for dissolution is passed; (3) Dissolution is necessary due to a merger or division of the Company; (4) The Company is legally declared insolvent or dissolution by the court; (5) The business license of the Company is revoked or the Company is ordered to close down or withdraw because of its violation of laws and administrative regulations; (6) Other reasons of dissolution specified by the laws and regulations of the PRC and these Articles of Association.

The existing Articles of Association (July 2024)	**The amended Articles of Association**
In the event of the above circumstances (1) and (2), before the Company distributes assets to the shareholders, it may continue to exist by amendment to the Articles of Association or by resolution of the shareholders' general meeting, provided that it is approved by more than two-thirds of the voting rights held by the shareholders attending the shareholders' general meeting.	In the event of the above circumstances (1) and (2), before the Company distributes assets to the shareholders, it may continue to exist by amendment to the Articles of Association or by resolution of the shareholders' general meeting, provided that it is approved by more than two-thirds of the voting rights held by the shareholders attending the shareholders' general meeting. **If the Company encounters the grounds for dissolution as stipulated in the preceding paragraph, it shall publicly announce the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.**
Article 260 After sorting out the Company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and represent it to the People's Court for confirmation. The company's assets shall be applied in the following order: payment of the liquidation expenses, wages owed to the employees, social insurance expenses and statutory compensation, tax overdue and debts of the company. The Company's residual assets after repayment of its debts in accordance with the provisions of the preceding paragraph shall be distributed to its shareholders according to the class and proportion of their shareholdings. During the liquidation period, the Company shall not commence any new operational activities.	Article 247 After sorting out the Company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and represent it to the People's Court for confirmation. The company's assets shall be applied in the following order: payment of the liquidation expenses, wages owed to the employees, social insurance expenses and statutory compensation, tax overdue and debts of the company. The Company's residual assets after repayment of its debts in accordance with the provisions of the preceding paragraph shall be distributed to its shareholders according to the ~~class~~ **category** and proportion of their shareholdings. During the liquidation period, the Company shall not commence any new operational activities.

The existing Articles of Association (July 2024)	The amended Articles of Association
Article 261 If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company resulting from dissolution, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration of insolvency. After a Company is declared insolvent by a ruling of the People's Court, the liquidation committee shall turn over liquidation matters to the liquidator designated by the People's Court.	Article 248 If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company resulting from dissolution, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration of insolvency. After a ~~C~~company**'s** ~~is declared insolvent~~ **bankruptcy application is accepted** by ~~a ruling of~~ the People's Court, the liquidation committee shall turn over liquidation matters to the liquidator designated by the People's Court.
CHAPTER 26 INTERPRETATION AND DEFINITION OF ARTICLES OF ASSOCIATION	**CHAPTER 2~~5~~6 INTERPRETATION AND DEFINITION OF ARTICLES OF ASSOCIATION**
Article 273 The Company shall formulate the "Rules of Procedures for Shareholders' General Meetings", "Rules of Procedures for Board Meetings" and "Rules of Procedures for Supervisory Committee Meetings" in accordance with the requirements of these Articles of Association. The rules of procedures shall be as attachments of these Articles of Association and shall take effect and be amended upon approval of the shareholders' general meeting of the Company.	Article 260 The Company shall formulate the "Rules of Procedures for Shareholders' General Meetings"~~,~~ **and** "Rules of Procedures for Board Meetings" ~~and "Rules of Procedures for Supervisory Committee Meetings"~~ in accordance with the requirements of these Articles of Association. The rules of procedures shall be as attachments of these Articles of Association and shall take effect and be amended upon approval of the shareholders' general meeting of the Company.

The existing Articles of Association (July 2024)		The amended Articles of Association	
Article 274 In these Articles of Association, the following terms have the following meanings:		Article 261 In these Articles of Association, the following terms have the following meanings:	
"Articles of Association"	refers to the existing Articles of Association of the Company;	"Articles of Association"	refers to the existing Articles of Association of the Company;
"Board of Directors"	refers to the Board of Directors of the Company;	"Board of Directors"	refers to the Board of Directors of the Company;
"PRC"	refers to the People's Republic of China;	"PRC"	refers to the People's Republic of China;
"RMB"	refers to the legal tender of China;	"RMB"	refers to the legal tender of China;
"Seal"	refers to the ordinary seal used from time to time by the Company and the official seal maintained by the Company (if any), or one of the two depending upon the circumstances;	"Seal"	refers to the ordinary seal used from time to time by the Company and the official seal maintained by the Company (if any), or one of the two depending upon the circumstances;
A "controlling shareholder"	refers to a shareholder who holds ordinary shares (including preferred shares with voting rights restored) representing 50% or more of the total share capital of the Company, or a shareholder having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the shareholders' meeting despite holding less than 50% of the total share capital of the Company;	A "controlling shareholder"	refers to a shareholder who holds ordinary shares (including preferred shares with voting rights restored) representing 50% or more of the total share capital of the Company, or a shareholder having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the shareholders' meeting despite holding less than 50% of the total share capital of the Company;
		"Share Category"	**refers to the basic types of shares stipulated by the Company Law, such as ordinary shares, preference shares, and subordinated shares, as well as various special types of shares classified based on dimensions such as equity, voting rights, and investment entities.**

The existing Articles of Association (July 2024)		The amended Articles of Association	
"Actual Controllers"	refers to those who, though not shareholders of the Company, can actually control the activities of the Company through investment relationship, agreement or other arrangement;	"Actual Controllers"	refers to those who, though not shareholders of the Company, can actually control the activities of the Company through investment relationship, agreement or other arrangement;
"Connected Relationship"	refers to the relationships between controlling shareholders, Actual Controllers, directors, supervisors, senior administrative officers of the Company and their directly or indirectly controlled enterprises, and other relationships that may lead to the transfer of interests of the Company. However, there is no connected relationship among State controlled enterprises;	"Connected Relationship"	refers to the relationships between controlling shareholders, Actual Controllers, directors~~, supervisors~~, senior administrative officers of the Company and their directly or indirectly controlled enterprises, and other relationships that may lead to the transfer of interests of the Company. However, there is no connected relationship among State controlled enterprises;
"Corporate Communication"	refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors' report, its annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the listing rules of the stock exchange where the Company's shares are listed.	"Corporate Communication"	refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors' report, its annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the listing rules of the stock exchange where the Company's shares are listed.

COMPARISON TABLE OF THE AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETING

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Chapter 1 General Provision	**Chapter 1 General Provision**
Article 1 These Procedural Rules are formulated in accordance with the relevant requirements under "The Company Law of the People's Republic of China" (hereinafter referred to as the "Company Law"), "The Securities Law of the People's Republic of China" (hereinafter referred to as the "Securities Law"), the "Code of Corporate Governance for Listed Companies" (the "Governance Code"), the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" (the "Stock Exchange Listing Rules"), the "Rules Governing the Listing of Stocks on the Shanghai Stock Exchange" (the "SSE Listing Rules"), "The Rules for General Meeting of Listed Companies" and "The Articles of Association of China Southern Airlines Company Limited (the "Company")" (hereinafter referred to as the "Company's Articles of Association") with an aim to ensure the smoothness of shareholders' general meeting of the Company, to standardize the organization and activities of the Company, improve the efficiency of the shareholders' general meeting, to protect the legitimate interests of the Company and to ensure that the shareholders' general meeting lawfully exercises its functions and the effectiveness and legitimacy of the resolutions.	Article 1 These Procedural Rules are formulated in accordance with the relevant requirements under "The Company Law of the People's Republic of China" (hereinafter referred to as the "Company Law"), "The Securities Law of the People's Republic of China" (hereinafter referred to as the "Securities Law"), the "Code of Corporate Governance for Listed Companies" (the "Governance Code"), the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" (the "Stock Exchange Listing Rules"), the "Rules Governing the Listing of Stocks on the Shanghai Stock Exchange" (the "SSE Listing Rules"), "The Rules for **Shareholders'** General Meeting of Listed Companies" and "The Articles of Association of China Southern Airlines Company Limited (the "Company")" (hereinafter referred to as the "Company's Articles of Association") with an aim to ensure the smoothness of shareholders' general meeting of the Company, to standardize the organization and activities of the Company, improve the efficiency of the shareholders' general meeting, to protect the legitimate interests of the Company and to ensure that the shareholders' general meeting lawfully exercises its functions and the effectiveness and legitimacy of the resolutions.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 4 The shareholders' general meeting is formed by all shareholders, shall be the source of authority of the Company and shall exercise the following functions and powers in accordance with law:	Article 4 The shareholders' general meeting is formed by all shareholders, shall be the source of authority of the Company and shall exercise the following functions and powers in accordance with law:
(1) To elect or remove Directors who are not the representatives of employees and decide on matters relating to the remuneration of Directors;	(1) To elect or remove Directors who are not the representatives of employees and decide on matters relating to the remuneration of Directors;
(2) To elect or remove Supervisors who are not representatives of employees and decide on matters relating to the remuneration of Supervisors;	(2) ~~To elect or remove Supervisors who are not representatives of employees and decide on matters relating to the remuneration of Supervisors;~~
(3) To consider and approve reports of the Board of Directors;	~~(3)~~ To consider and approve reports of the Board of Directors;
(4) To consider and approve reports of the supervisory committee;	~~(4) To consider and approve reports of the supervisory committee;~~
(5) To consider and approve the Company's motions for profit distribution plans and recovery of losses;	(**~~5~~3**) To consider and approve the Company's motions for profit distribution plans and recovery of losses;
(6) To decide on any increase or reduction of the Company's registered capital;	(**~~6~~4**) To decide on any increase or reduction of the Company's registered capital;
(7) To decide on issues such as merger, division, spin-off, dissolution, liquidation or changing the form of the Company and other matters;	(**~~7~~5**) To decide on issues such as merger, division, spin-off, dissolution, liquidation or changing the form of the Company and other matters;
(8) To decide on the issue of bonds of the Company;	(**~~8~~6**) To decide on the issue of bonds of the Company;
(9) To decide on the appointment or dismissal of accountants;	(**~~9~~7**) To decide on the appointment or dismissal of accountants **engaged for the audit work of the Company**;

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)		The amended Procedural Rules of the Shareholders' General Meeting	
(10)	To amend the Company's Articles of Association;	(~~10~~**8**)	To amend the Company's Articles of Association;
(11)	To consider and approve matters relating to the changes in the use of proceeds from share offerings;	(~~11~~**9**)	To consider and approve matters relating to the changes in the use of proceeds from share offerings;
(12)	To consider and approve the equity incentive scheme and employee share ownership plan;	(1~~2~~**0**)	To consider and approve the equity incentive scheme and employee share ownership plan;
(13)	To consider motions raised by the shareholders who individually or jointly hold more than 1% (including 1%) of the Company's shareholding with voting rights;	(1~~3~~**1**)	To consider motions raised by the shareholders who individually or jointly hold more than 1% (including 1%) of the Company's shareholding with voting rights;
(14)	To consider and approve the Company's purchase, sale and exchange of major assets (as defined in the listing rules of the stock exchange(s) on which the shares are listed);	(1~~4~~**2**)	To consider and approve the Company's purchase, sale and exchange of major assets**, as well as other major asset restructuring matters** (as defined in the listing rules of the stock exchange(s) on which the shares are listed);
(15)	To consider external guarantees made by the Company at a general meeting as required by the laws, rules and regulations, the listing rules of the stock exchange where the Company is listed and provisions of Company's Articles of Association;	(1~~5~~**3**)	To consider external guarantees made by the Company at a general meeting as required by the laws, rules and regulations, the listing rules of the stock exchange where the Company is listed and provisions of Company's Articles of Association;
(16)	To consider other matters required to be decided by the shareholders' general meeting pursuant to the laws, administrative regulations, the listing rules of the stock exchange where the Company is listed and the Company's Articles of Association;	(1~~6~~**4**)	To consider other matters required to be decided by the shareholders' general meeting pursuant to the laws, administrative regulations, the listing rules of the stock exchange where the Company is listed and the Company's Articles of Association;
(17)	To decide on which matters the Board of Directors may be authorised or delegated to deal with by the shareholders at shareholders' general meetings.	(1~~7~~**5**)	To decide on which matters the Board of Directors may be authorised or delegated to deal with by the shareholders at shareholders' general meetings.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
CHAPTER 2 GENERAL RULES FOR THE SHAREHOLDERS' GENERAL MEETING	**CHAPTER 2 GENERAL RULES FOR THE SHAREHOLDERS' GENERAL MEETING**
Article 8 Annual general meeting shall be held once every year, and within six (6) months of the end of the preceding fiscal year. The Board of Directors shall convene an extraordinary general meeting within two (2) months on the happening of any of the following events:	Article 8 Annual general meeting shall be held once every year, and within six (6) months of the end of the preceding fiscal year. The ~~Board of Directors~~ **Company** shall convene an extraordinary general meeting within two (2) months on the happening of any of the following events:
(1) when the number of directors is less than that required by the Company Law or less than two-thirds (2/3) of the number of directors required in the Company's Articles of Association;	(1) when the number of directors is less than that required by the Company Law or less than two-thirds (2/3) of the number of directors required in the Company's Articles of Association;
(2) when the undistributed deficit of the Company reaches one-third (1/3) of the total amount of its share capital;	(2) when the undistributed deficit of the Company reaches one-third (1/3) of the total amount of its share capital;
(3) when shareholder severally or jointly holding 10% or more (inclusive) of the Company outstanding shares carrying voting rights requests in writing the convening of an extraordinary general meeting;	(3) when shareholder severally or jointly holding 10% or more (inclusive) of the Company outstanding shares carrying voting rights requests in writing the convening of an extraordinary general meeting;
(4) at the request of the Board of Directors who deems it necessary to convene an extraordinary general meeting;	(4) at the request of the Board of Directors who deems it necessary to convene an extraordinary general meeting;
(5) under the suggestion of more than a half of independent directors;	(5) under the suggestion of more than a half of independent directors;
(6) under the suggestion of the supervisory committee;	(6) under the suggestion of the ~~supervisory committee~~ **Audit and Risk Management Committee**;
(7) other circumstances as prescribed in the laws, administrative regulations, the requirements of the CSRC, the listing rules of the stock exchange where the Company's shares are listed and the Company's Articles of Association.	(7) other circumstances as prescribed in the laws, administrative regulations, the requirements of the CSRC, the listing rules of the stock exchange where the Company's shares are listed and the Company's Articles of Association.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
The shareholding mentioned in subparagraph (3) above shall be calculated from the date on which a shareholder submits his/her request in writing.	The shareholding mentioned in subparagraph (3) above shall be calculated from the date on which a shareholder submits his/her request in writing.
Article 9 When the Company convenes a shareholders' general meeting, the Board of Directors shall engage lawyers to attend the shareholders' general meeting and advise on the following issues with announcements made thereon in accordance with the relevant provisions of the securities regulatory authorities and stock exchanges: (1) whether the procedures of convening and holding the shareholders' general meetings are in compliance with laws, administrative regulations, the Company's Articles of Association and these procedural rules; (2) whether the persons attending the general meeting and the convenor are legally entitled to do so; (3) whether the procedures of approving resolutions and the poll result are valid; (4) legal opinions for other matters as requested by the Company. The Board of Directors of the Company can also at the same time appoint a notary public to attend shareholders' general meetings.	Article 9 When the Company convenes a shareholders' general meeting, ~~the Board of Directors~~ **it** shall engage lawyers to attend the shareholders' general meeting and advise on the following issues with announcements made thereon in accordance with the relevant provisions of the securities regulatory authorities and stock exchanges: (1) whether the procedures of convening and holding the shareholders' general meetings are in compliance with laws, administrative regulations, the Company's Articles of Association and these procedural rules; (2) whether the persons attending the general meeting and the convenor are legally entitled to do so; (3) whether the procedures of approving resolutions and the poll result are valid; (4) legal opinions for other matters as requested by the Company. The Board of Directors of the Company can also at the same time appoint a notary public to attend shareholders' general meetings.
Article 11 Directors and supervisors shall attend the meeting, and general manager and other senior management, accountants from the accounting firm engaged by the Company, legal consultant and other persons approved by the Board of Directors before the meeting are entitled to attend the meeting. The chairman of the meeting can assign the staff to verify, if necessary, the qualification of the shareholders, their proxies or other attendees or observers and such person shall cooperate.	Article 11 Directors and ~~supervisors~~ **senior management** shall attend the meeting **if the shareholders' general meeting requires**, ~~and general manager and other senior management,~~ accountants from the accounting firm engaged by the Company, legal consultant and other persons approved by the Board of Directors before the meeting are entitled to attend the meeting. The chairman of the meeting can assign the staff to verify, if necessary, the qualification of the shareholders, their proxies or other attendees or observers and such person shall cooperate.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
CHAPTER 3 CONVENING OF SHAREHOLDERS' GENERAL MEETING	**CHAPTER 3 CONVENING OF SHAREHOLDERS' GENERAL MEETING**
Article 12 Shareholders' general meeting shall be convened by the Board of Directors and chaired by the chairman of the Board of Directors. If the chairman is unable to attend the meeting for any reason, the vice-chairman of the Board of Directors shall chair the meeting. If both the chairman and vice-chairman of the Board of Directors are unable to attend the meeting, then a director jointly elected by more than half of the directors shall chair the meeting. If no chairman of the meeting has been so designated, shareholders present may elect a personnel to be the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote shall be the chairman of the meeting. For a general meeting convened by the supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to perform or fails to perform his duties and responsibilities, a supervisor jointly elected by not less than one half of all supervisors shall preside over the meeting. For a general meeting convened by shareholders, a representative of shareholders elected by the convener shall preside over the meeting.	Article 12 Shareholders' general meeting shall be convened by the Board of Directors and chaired by the chairman of the Board of Directors. If the chairman is unable to attend the meeting for any reason, the vice-chairman of the Board of Directors shall **convene and** chair the meeting. If both the chairman and vice-chairman of the Board of Directors are unable to attend the meeting, then a director jointly elected by more than half of the directors shall chair the meeting. If no chairman of the meeting has been so designated, shareholders present may elect a personnel to be the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote shall be the chairman of the meeting. For a general meeting convened by the ~~supervisory committee~~ **Audit and Risk Management Committee**, the ~~chairman~~ **convener** of the ~~supervisory committee~~ **Audit and Risk Management Committee** shall preside over the meeting. If the ~~chairman~~ **convener** of the ~~supervisory committee~~ **Audit and Risk Management Committee** is unable to perform or fails to perform his duties and responsibilities, a supervisor jointly elected by not less than one half of all ~~supervisors~~ **members of the Audit and Risk Management Committee** shall preside over the meeting. For a general meeting convened by shareholders, ~~a representative of shareholders elected by the convener shall preside over the meeting~~ **the meeting shall be chaired by the convener or a representative nominated by the convener**.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
Article 14 Independent directors shall be entitled to propose to the Board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and provisions of the Company's Articles of Association and these rules, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days upon receipt of such motion. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days after adoption of the relevant resolution by the Board of Directors. If the Board of Directors does not agree to convene the extraordinary general meeting, an announcement shall be made.	Article 14 **With the approval of more than half of all independent directors,** ~~I~~independent directors shall be entitled to propose to the Board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and provisions of the Company's Articles of Association and these rules, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days upon receipt of such motion. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days after adoption of the relevant resolution by the Board of Directors. If the Board of Directors does not agree to convene the extraordinary general meeting, an announcement shall be made.
Article 15 When supervisory committee or shareholder(s) severally or jointly holding 10% or more (inclusive) of the Company's shares carrying voting rights (hereinafter the "Proposing Shareholders") request(s) the Board of Directors to convene the extraordinary general meeting, the agenda of the meeting and full details of the resolutions to be proposed in the meeting shall be submitted to the Board of Directors in writing and shall also be filed at the local offices of China Securities Regulatory Commission and the stock exchanges accordingly. The supervisory committee or proposing shareholder shall ensure that the contents of the resolutions to be proposed in the meeting are in compliance with the provisions of the law, regulations and the Company's Articles of Association.	Article 15 When ~~supervisory committee~~ **Audit and Risk Management Committee** or shareholder(s) severally or jointly holding 10% or more (inclusive) of the Company's shares carrying voting rights (hereinafter the "Proposing Shareholders") request(s) the Board of Directors to convene the extraordinary general meeting, the agenda of the meeting and full details of the resolutions to be proposed in the meeting shall be submitted to the Board of Directors in writing and shall also be filed at the local offices of China Securities Regulatory Commission and the stock exchanges accordingly. The ~~supervisory committee~~ **Audit and Risk Management Committee** or proposing shareholder shall ensure that the contents of the resolutions to be proposed in the meeting are in compliance with the provisions of the law, regulations and the Company's Articles of Association.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 16 When the supervisory committee or the shareholder(s) request(s) to convene the extraordinary general meeting, the following procedures shall be followed: (I) to propose the Board of Directors to convene the extraordinary general meeting by way of signing one or several requests in writing which are the same in terms of the form and the content, and state the details of the agenda. (II) The Board of Directors shall, in accordance with laws, administrative regulations and the Company's Articles of Association and these rules, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days upon receipt of any written motion from the supervisory committee or the Proposing Shareholders. If the Board of Directors does not agree with the motion of the supervisory committee or the Proposing Shareholders to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving the motion from the supervisory committee or the Proposing Shareholders, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of convening a shareholders' general meeting, in which case the supervisory committee or the Proposing Shareholders may convene and preside over such meeting on an unilateral basis;	Article 16 When the ~~supervisory committee~~ **Audit and Risk Management Committee** or the shareholder(s) request(s) to convene the extraordinary general meeting, the following procedures shall be followed: (I) to propose the Board of Directors to convene the extraordinary general meeting by way of signing one or several requests in writing which are the same in terms of the form and the content, and state the details of the agenda. (II) The Board of Directors shall, in accordance with laws, administrative regulations and the Company's Articles of Association and these rules, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days upon receipt of any written motion from the ~~supervisory committee~~ **Audit and Risk Management Committee** or the Proposing Shareholders. If the Board of Directors does not agree with the motion of the ~~supervisory committee~~ **Audit and Risk Management Committee** or the Proposing Shareholders to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving the motion from the ~~supervisory committee~~ **Audit and Risk Management Committee** or the Proposing Shareholders, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of convening a shareholders' general meeting, in which case the ~~supervisory committee~~ **Audit and Risk Management Committee** or the Proposing Shareholders may convene and preside over such meeting on an unilateral basis;

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
(III) When the Board of Directors decides to convene the extraordinary general meeting, it shall publish the notice for convening the extraordinary general meeting within five days after adoption of the relevant resolution by the Board of Directors. Changes to the original resolutions to be proposed that are made in the notice are subject to the consent of the supervisory committee or proposing shareholder. After the notice is published, the Board of Directors shall not propose new resolutions. Without the consent of the supervisory committee or proposing shareholder, the time for convening the shareholders' general meeting shall not be changed or postponed.	(III) When the Board of Directors decides to convene the extraordinary general meeting, it shall publish the notice for convening the extraordinary general meeting within five days after adoption of the relevant resolution by the Board of Directors. Changes to the original resolutions to be proposed that are made in the notice are subject to the consent of the ~~supervisory committee~~ **Audit and Risk Management Committee** or proposing shareholder. After the notice is published, the Board of Directors shall not propose new resolutions. Without the consent of the ~~supervisory committee~~ **Audit and Risk Management Committee** or proposing shareholder, the time for convening the shareholders' general meeting shall not be changed or postponed.
(IV) In the event that the Board of Directors considers that the resolutions to be proposed by the supervisory committee or proposing shareholder violates the provisions of the law, regulations and the Article of Associations and these rules, it shall decide not to convene the extraordinary general meeting, and to respond to the supervisory committee or the Proposing Shareholder. From the receipt of the aforesaid notice or the expiration of the reply period, the supervisory committee or proposing shareholder may publish the notice for convening the extraordinary general meeting on its own.	(IV) In the event that the Board of Directors considers that the resolutions to be proposed by the ~~supervisory committee~~ **Audit and Risk Management Committee** or proposing shareholder violates the provisions of the law, regulations and the Article of Associations and these rules, it shall decide not to convene the extraordinary general meeting, and to respond to the ~~supervisory committee~~ **Audit and Risk Management Committee** or the Proposing Shareholder. From the receipt of the aforesaid notice or the expiration of the reply period, the supervisory committee or proposing shareholder may publish the notice for convening the extraordinary general meeting on its own.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
(V) The written request of the Proposing Shareholders to convene an extraordinary general meeting shall first be submitted to the Board of Directors, and if the directors do not furnish any reply within the specified time frame, the Proposing Shareholders may submit the written request to the supervisory committee and request that the supervisory committee propose to convene the meeting; if the supervisory committee does not furnish any reply within the specified time frame, the Proposing Shareholders may convene and preside over the meeting on their own. Shareholders individually or collectively holding 10% or more of the shares of the Company for ninety or more consecutive days may convene and preside over an extraordinary general meeting himself or themselves on their own.	(V) The written request of the Proposing Shareholders to convene an extraordinary general meeting shall first be submitted to the Board of Directors~~,~~**. If the Board of Directors does not agree to convene the extraordinary general meeting, or** ~~and~~ if the directors do not furnish any reply within ~~the specified time frame~~ **ten days upon receipt of the request**, the Proposing Shareholders may submit the written request to the ~~supervisory committee~~ **Audit and Risk Management Committee** and request that the ~~supervisory committee~~ **Audit and Risk Management Committee** propose to convene the meeting; if the ~~supervisory committee~~ **Audit and Risk Management Committee agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five days upon receipt of the request. In the event of any change to the original proposal set forth in the notice, the consent of the relevant shareholders shall be obtained. If the Audit and Risk Management Committee** does not furnish any reply within the specified time frame, **it shall be regarded that the Audit and Risk Management Committee will not convene or preside over the meeting, and** the Proposing Shareholders may convene and preside over the meeting on their own. Shareholders individually or collectively holding 10% or more of the shares of the Company for ninety or more consecutive days may convene and preside over an extraordinary general meeting himself or themselves on their own.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 17 If the supervisory committee or proposing shareholder decides to convene the extraordinary general meeting on its own, it shall publish the notice for convening the extraordinary general meeting after giving a notice to the Board of Directors in writing. The shareholding proportion in the Company carrying the right to vote of the proposing shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The supervisory committee and convening shareholder shall submit relevant evidence to the local office of China Securities Regulatory Commission at the place where the Company is located and the stock exchange upon the issuance of the notice of the extraordinary general meeting and the announcement of the resolutions of the extraordinary general meeting.	Article 17 If the ~~supervisory committee~~ **Audit and Risk Management Committee** or proposing shareholder decides to convene the extraordinary general meeting on its own, it shall publish the notice for convening the extraordinary general meeting after giving a notice to the Board of Directors in writing**, and reporting to the local offices of the China Securities Regulatory Commission and the stock exchanges accordingly**. The shareholding proportion in the Company carrying the right to vote of the proposing shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The ~~supervisory committee~~ **Audit and Risk Management Committee** and convening shareholder shall submit relevant evidence to the local office of China Securities Regulatory Commission at the place where the Company is located and the stock exchange upon the issuance of the notice of the extraordinary general meeting and the announcement of the resolutions of the extraordinary general meeting.
Article 18 The content of the notice published by the supervisory committee or proposing shareholder shall fulfill the following provisions: The content of the resolutions to be proposed shall not add new items. Otherwise, the proposing shareholder shall request the Board of Directors to convene the shareholders' general meeting again in accordance with the aforesaid procedure; The place of the meeting shall be at the business address of the Company.	Article 18 The content of the notice published by the ~~supervisory committee~~ **Audit and Risk Management Committee** or proposing shareholder shall fulfill the following provisions: The content of the resolutions to be proposed shall not add new items. Otherwise, the proposing shareholder shall request the Board of Directors to convene the shareholders' general meeting again in accordance with the aforesaid procedure; The place of the meeting shall be at the business address of the Company.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 19 With respect to the extraordinary general meeting to be convened by the supervisory committee or proposing shareholder on its own, the Board of Directors and the Board secretary shall duly perform their duties. The Board of Directors shall ensure the usual proceeding of the meeting. The procedures for convening the meeting shall follow those under which a shareholders' general meeting is to be convened by the Board of Directors as similar as possible. The supervisory committee or the shareholders who made the motion shall engage lawyers to provide legal advice. The Board of Directors shall provide the register of shareholders as of the record date. If the Board of Directors does not provide the register of shareholders, the convener may apply to the securities depository and clearing authority for obtaining the register of shareholders with the announcement in relation to the notice convening the shareholders' general meeting. The register of shareholders obtained by the convener shall not be used for any other purposes other than to convene a shareholders' general meeting.	Article 19 With respect to the extraordinary general meeting to be convened by the ~~supervisory committee~~ **Audit and Risk Management Committee** or proposing shareholder on its own, the Board of Directors and the Board secretary shall duly perform their duties. The Board of Directors shall ensure the usual proceeding of the meeting. The procedures for convening the meeting shall follow those under which a shareholders' general meeting is to be convened by the Board of Directors as similar as possible. The ~~supervisory committee or the shareholders~~ **Company** who made the motion shall engage lawyers to provide legal advice. The Board of Directors shall provide the register of shareholders as of the record date. If the Board of Directors does not provide the register of shareholders, the convener may apply to the securities depository and clearing authority for obtaining the register of shareholders with the announcement in relation to the notice convening the shareholders' general meeting. The register of shareholders obtained by the convener shall not be used for any other purposes other than to convene a shareholders' general meeting.
Article 20 The extraordinary meeting convened by the supervisory committee or shareholders at its or their own discretion is at the cost of the Company unless otherwise required in these rules.	Article 20 The extraordinary meeting convened by the ~~supervisory committee~~ **Audit and Risk Management Committee** or shareholders at its or their own discretion is at the cost of the Company unless otherwise required in these rules.
CHAPTER 4 MOTIONS AND NOTIFICATION OF GENERAL MEETINGS	**CHAPTER 4 MOTIONS AND NOTIFICATION OF GENERAL MEETINGS**
Article 25 The notice convening shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions and contain all of information or explanations required for shareholders to make sound judgment of the matters to be discussed. For those items requiring the opinions of independent directors, the notice of shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of independent directors.	Article 25 The notice convening shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions and contain all of information or explanations required for shareholders to make sound judgment of the matters to be discussed. ~~For those items requiring the opinions of independent directors, the notice of shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of independent directors.~~

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 27 The nominee list of Directors and Supervisors of the Company shall be submitted to the shareholders' general meeting for resolution. Where the shareholders' general meeting intends to deliberate the election of directors or supervisors, the notice of meeting shall fully disclose the details information on the candidates for directors or supervisors at least in the following aspects:	Article 27 The nominee list of Directors ~~and Supervisors~~ of the Company shall be submitted to the shareholders' general meeting for resolution. Where the shareholders' general meeting intends to deliberate the election of directors ~~or supervisors~~, the notice of meeting shall fully disclose the details information on the candidates for directors ~~or supervisors~~ at least in the following aspects:
(1) Personal information such as educational background, work experience and other engagements;	(1) Personal information such as educational background, work experience and other engagements;
(2) Whether such candidate has any affiliation with the Company or its controlling shareholders or beneficial controllers;	(2) Whether such candidate has any affiliation with the Company or its controlling shareholders or beneficial controllers;
(3) The number of shares of the Company such candidate holds;	(3) The number of shares of the Company such candidate holds;
(4) Whether such candidate has been penalised by the CSRC or any other relevant authorities.	(4) Whether such candidate has been penalised by the CSRC or any other relevant authorities.
Saving directors or supervisors who are elected by way of cumulative voting system, a single motion shall be put forward for each candidate for directors or supervisors.	Saving directors ~~or supervisors~~ who are elected by way of cumulative voting system, a single motion shall be put forward for each candidate for directors ~~or supervisors~~.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 31 The appointment of accountants shall be proposed by the Board of Directors and approved by the shareholders' meeting. In the event that the Board of Directors proposes to dismiss or not to re-appoint the accountants, prior notice shall be given to the accountants concerned and the Board of Directors shall explain the reasons thereof to the shareholders' meeting. The relevant accountants shall be entitled to give their opinions in the shareholders' meeting. In the event that the Board of Directors dismisses the accountants due to proper reasons or the accountants resign voluntarily during time not having a shareholders' meeting, it may appoint other accountants as a temporary replacement provided that such appointment shall be ratified and approved in the coming shareholders' meeting. In the event that the registered accountant resigns, the Board of Directors shall state the reasons for such resignation in the coming shareholders' general meeting. The resigned registered accountant is liable to address the shareholders' meeting whether the Company has acted improperly or not in writing or assigning a representative to attend the shareholders' meeting.	Article 31 The appointment of accountants **engaged for the audit work of the Company** shall be proposed by the Board of Directors and approved by the shareholders' meeting. In the event that the Board of Directors proposes to dismiss or not to re-appoint the accountants, prior notice shall be given to the accountants concerned and the Board of Directors shall explain the reasons thereof to the shareholders' meeting. The relevant accountants shall be entitled to give their opinions in the shareholders' meeting. In the event that the Board of Directors dismisses the accountants due to proper reasons or the accountants resign voluntarily during time not having a shareholders' meeting, it may appoint other accountants as a temporary replacement provided that such appointment shall be ratified and approved in the coming shareholders' meeting. In the event that the registered accountant resigns, the Board of Directors shall state the reasons for such resignation in the coming shareholders' general meeting. The resigned registered accountant is liable to address the shareholders' meeting whether the Company has acted improperly or not in writing or assigning a representative to attend the shareholders' meeting.
Article 33 After issue of notice of shareholders' meeting by the Company about election of Directors and Supervisors, shareholder(s) individually or jointly holding 1% or more of the voting shares of the Company may propose nominees of Directors and Supervisors before the shareholders' general meeting for review by the Board of Directors in accordance with the procedures for amendments to proposals of shareholders' meeting before submission to shareholders' meeting for examination. Shareholder(s) individually or collectively holding 1% or more of the voting shares of the Company may propose nominees for independent directors for review by the Board of Directors before submission to shareholders' meeting for examination.	Article 33 After issue of notice of shareholders' meeting by the Company about election of Directors ~~and Supervisors~~, shareholder(s) individually or jointly holding 1% or more of the voting shares of the Company may propose nominees of Directors ~~and Supervisors~~ before the shareholders' general meeting for review by the Board of Directors in accordance with the procedures for amendments to proposals of shareholders' meeting before submission to shareholders' meeting for examination. Shareholder(s) individually or collectively holding 1% or more of the voting shares of the Company may propose nominees for independent directors for review by the Board of Directors before submission to shareholders' meeting for examination.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 34 The notice of the shareholders' general meeting shall be issued in writing and shall include the following contents:	Article 34 The notice of the shareholders' general meeting shall be issued in writing and shall include the following contents:
(1) the date, place and duration of the meeting;	(1) the date~~,~~ **and** place ~~and duration~~ of the meeting;
(2) state the matters and proposals to be considered at the meeting;	(2) state the matters and proposals to be considered at the meeting;
(3) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder;	(3) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder;
(4) specify the record date of shareholding of shareholders entitled to attend the shareholders' general meeting;	(4) specify the record date of shareholding of shareholders entitled to attend the shareholders' general meeting;
(5) specify the time and place for lodging proxy forms for the relevant meeting;	(5) specify the time and place for lodging proxy forms for the relevant meeting;
(6) specify the name and telephone number of the contact person of the meeting;	(6) specify the name and telephone number of the contact person of the meeting;
(7) provide such information and explanation as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganise the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;	(7) provide such information and explanation as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganise the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
(8) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, president or other senior administrative officer in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;	(8) contain a disclosure of the nature and extent, if any, of the material interests of any director~~, supervisor, president~~ or ~~other~~ senior administrative officer in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;
(9) contain the full text of any special resolution to be proposed at the meeting;	(9) contain the full text of any special resolution to be proposed at the meeting;
Where the Company convenes the shareholders' general meeting and provides shareholders with online voting, the time and voting procedures of online voting and the matters to be considered and approved.	Where the Company convenes the shareholders' general meeting and provides shareholders with online voting, the time and voting procedures of online voting and the matters to be considered and approved.
CHAPTER 5 HOLDING OF SHAREHOLDERS'	**CHAPTER 5 HOLDING OF SHAREHOLDERS'**
Article 43 Individual shareholders are entitled to attend any shareholders' general meeting by presenting their identity cards and share account cards; proxies on behalf of shareholders are entitled to attend any shareholders' general meeting by presenting their identity cards, power of attorney and share account cards.	Article 43 Individual shareholders are entitled to attend any shareholders' general meeting by presenting their identity cards ~~and share account cards~~ **or other valid documents or certificates proving their identity**; proxies on behalf of shareholders are entitled to attend any shareholders' general meeting by presenting their identity cards~~, power of attorney~~ and ~~share account cards~~ **and shareholder authorization letters**.
The legal person shareholder is entitled to appoint a legal representative or a proxy on behalf of such legal representative to attend any shareholders' general meeting.	The legal person shareholder is entitled to appoint a legal representative or a proxy on behalf of such legal representative to attend any shareholders' general meeting.
The legal representative is entitled to attend any shareholder' general meeting by presenting their identity cards, power of attorney confirming his legal representation and share account cards; his proxy is entitled to attend any shareholders' general meeting by presenting identity cards, power of attorney granted by the legal representative on behalf the legal person shareholder and share account cards.	The legal representative is entitled to attend any shareholders' general meeting by presenting their identity cards, power of attorney confirming his legal representation~~ and share account cards~~; his proxy is entitled to attend any shareholders' general meeting by presenting identity cards, power of attorney granted by the legal representative on behalf the legal person shareholder ~~and share account cards~~.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 44 The proxy form to appoint a proxy to attend any shareholder' general meeting by a shareholder shall contain the following: (1) Name of the proxy; (2) Indication of whether voting power is granted; (3) Instruction of voting "for", "against" or "abstention" for the first resolution proposed at any shareholder' general meeting; (4) whether or not the proxy has voting rights in respect of any provisionary proposed resolution which be included in the agenda for shareholders' general meeting and if the proxy has voting rights in respect thereof, specific instructions as to the type of voting rights to be exercised; (5) Date of appointing a proxy and the effective period for such appointment; (6) The appointer shall sign or seal the proxy form. If the appointer is a corporation, the proxy form must be affixed with the common seal. If no instruction or no specific instruction is given on the proxy form, it shall be deemed as that the proxy is duly authorized to vote at his discretionary and the results are deemed as made by the shareholder.	Article 44 The proxy form to appoint a proxy to attend any shareholder' general meeting by a shareholder shall contain the following: (1) Name of the ~~proxy~~ **appointer, type and quantity of shares held in the Company**; (2) ~~Indication of whether voting power is granted~~ **Name or title of the proxy**; (3) **Specific** ~~I~~**i**nstruction **from shareholders** of voting "for", "against" or "abstention" for the first resolution proposed at any shareholder' general meeting; (4) ~~whether or not the proxy has voting rights in respect of any provisionary proposed resolution which be included in the agenda for shareholders' general meeting and if the proxy has voting rights in respect thereof, specific instructions as to the type of voting rights to be exercised;~~ ~~(5)~~ Date of appointing a proxy and the effective period for such appointment; (~~6~~**5**) The appointer shall sign or seal the proxy form. If the appointer is a corporation, the proxy form must be affixed with the common seal. ~~If no instruction or no specific instruction is given on the proxy form, it shall be deemed as that the proxy is duly authorized to vote at his discretionary and the results are deemed as made by the shareholder.~~

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 45 Any shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more other persons (whether a shareholder or not) as his/her proxies to attend and vote on his/her behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:	Article 45 Any shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more other persons (whether a shareholder or not) as his/her proxies to attend and vote on his/her behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:
(1) The shareholder's right to speak at the meeting;	(1) The shareholder's right to speak at the meeting;
(2) The right to demand or join in demanding a poll;	(2) The right to demand or join in demanding a poll;
(3) The right to vote by show of hand or by poll, but where more than one proxy is appointed, such proxies may only vote by poll.	(3) The right to vote by show of hand or by poll, but where more than one proxy is appointed, such proxies may only vote by poll.
(4) Where such shareholder is a Recognized Clearing House within the meaning of the Securities and Futures (Clearing Houses) Ordinance (the Laws of Hong Kong), it may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' meeting or any class meeting, provided that if more than one person is so authorized, such authorization shall specify the number and class of shares in respect to which each person is so authorized. A person so authorized may exercise the rights on behalf of the Recognized Clearing House (or its nominee) as if such person were an individual shareholder of the Company.	(4) Where such shareholder is a Recognized Clearing House within the meaning of the ~~Securities and Futures (Clearing Houses) Ordinance (the Laws of Hong Kong)~~ **applicable securities listing rules or other securities laws and regulations**, it may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' meeting ~~or any class meeting~~, provided that if more than one person is so authorized, such authorization shall specify the number and class of shares in respect to which each person is so authorized. A person so authorized may exercise the rights on behalf of the Recognized Clearing House (or its nominee) as if such person were an individual shareholder of the Company.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
(5) Where the appointor or his/her proxy is ineligible for attending the shareholders' meeting as a result of unclearness of the appointor's authorization or the fact that documents evidencing the legitimate identity of the appointor produced by the proxy or the authorization do not comply with the provisions of laws, the regulations, the Company's Articles of Association and these rules, the legal consequences so arising shall be borne by the appointor or his/her proxy.	(5) Where the appointor or his/her proxy is ineligible for attending the shareholders' meeting as a result of unclearness of the appointor's authorization or the fact that documents evidencing the legitimate identity of the appointor produced by the proxy or the authorization do not comply with the provisions of laws, the regulations, the Company's Articles of Association and these rules, the legal consequences so arising shall be borne by the appointor or his/her proxy.
Article 47 The Company is responsible for compiling the signatures of the personnel attending the meeting. The signature list states clearly names of personnel (or companies' names) attending the meeting, ID card numbers, addresses, numbers of shares held and represented and names of the appointers (or companies' names). The Board of Directors, independent directors and shareholders who hold 1% or more of voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the requirements of the CSRC may solicit from other shareholders their voting rights in shareholders' general meetings. The solicitation shall be without consideration and information shall be fully disclosed to such shareholders.	Article 47 The Company is responsible for compiling the signatures of the personnel attending the meeting. The signature list states clearly names of personnel (or companies' names) attending the meeting, ID card numbers~~, addresses~~, numbers of shares held and represented and names of the appointers (or companies' names). The Board of Directors, independent directors and shareholders who hold 1% or more of voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the requirements of the CSRC may solicit from other shareholders their voting rights in shareholders' general meetings. The solicitation shall be without consideration and information shall be fully disclosed to such shareholders.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
The convener and the legal counsel engaged by the Company shall jointly verify the qualification of shareholders according to the register of shareholders provided by the securities depository and clearing institution, and shall register the names of the shareholders and the numbers of their voting shares. Such registration shall be concluded prior to the announcement by the chairman of the shareholders' meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.	The convener and the legal counsel engaged by the Company shall jointly verify the qualification of shareholders according to the register of shareholders provided by the securities depository and clearing institution, and shall register the names of the shareholders and the numbers of their voting shares. **The** the **chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held by them before voting. The number of shareholders and proxies present at the meeting and the total number of shares with voting rights held by them shall be determined based on the meeting registration.** Such registration shall be concluded prior to the announcement by the chairman of the shareholders' meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.
Article 52 The Board of Directors and the supervisory committee of the Company should take necessary measures to ensure the solemnity and normal order of the shareholders' general meetings. Except for the attending shareholders (or their proxies), the participating directors, supervisors, senior management, the lawyers retained and the persons invited by the Board of Directors, the Company reserves the right to refuse entry of other people into the venue of the meeting(s) in accordance with the laws. The Company shall take measures to prevent the occurrence of any interruption to order of the shareholders' general meeting, disturbance and nuisance, and any conduct infringing the legitimate rights of the shareholders. The Company shall also report the same to the relevant government authorities for investigation.	Article 52 The Board of Directors ~~and the supervisory committee~~ of the Company **and other conveners** should take necessary measures to ensure the solemnity and normal order of the shareholders' general meetings. Except for the attending shareholders (or their proxies), the participating directors~~,~~ ~~supervisors~~, senior management, the lawyers retained and the persons invited by the Board of Directors, the Company reserves the right to refuse entry of other people into the venue of the meeting(s) in accordance with the laws. The Company shall take measures to prevent the occurrence of any interruption to order of the shareholders' general meeting, disturbance and nuisance, and any conduct infringing the legitimate rights of the shareholders. The Company shall also report the same to the relevant government authorities for investigation.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 56 At the annual general meeting, the Board of Directors and the supervisory committee shall report their respective work of the previous year to the general meeting of shareholders, and each independent director shall also make his duty report correspondingly.	Article 56 At the annual general meeting, the Board of Directors ~~and the supervisory committee~~ shall report their respective work of the previous year to the general meeting of shareholders, and each independent director shall also make his duty report correspondingly.
Article 57 Except for trade secret of the Company and issues which are not discloseable at shareholders' meetings as provided by laws, regulations, or trading rules of the stock exchange, directors, supervisors and senior administrative officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting. Where a motion relating to a connected transaction is to be considered at a shareholders' general meeting, the connected shareholders (including their proxies) may still attend the meeting, express their views according to the procedures of the meeting and respond to the enquire made by other shareholders.	Article 57 Except for trade secret of the Company and issues which are not discloseable at shareholders' meetings as provided by laws, regulations, or trading rules of the stock exchange, directors~~, supervisors~~ and senior administrative officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting. Where a motion relating to a connected transaction is to be considered at a shareholders' general meeting, the connected shareholders (including their proxies) may still attend the meeting, express their views according to the procedures of the meeting and respond to the enquire made by other shareholders.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
CHAPTER 6 VOTING AND RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING	**CHAPTER 6 VOTING AND RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING**
Article 61 The following matters shall be resolved by an ordinary resolution at the shareholders' general meeting:	Article 61 The following matters shall be resolved by an ordinary resolution at the shareholders' general meeting:
(1) Work reports of the Board of Directors and the supervisory committee;	(1) Work reports of the Board of Directors ~~and the supervisory committee~~;
(2) Plans formulated by the Board of Directors for distribution of profits and for making up losses;	(2) Plans formulated by the Board of Directors for distribution of profits and for making up losses;
(3) Removal of the members of the Board of Directors and members of the supervisory committee, their remuneration and method of payment;	(3) Removal of the members of the Board of Directors ~~and members of the supervisory committee~~, their remuneration and method of payment;
(4) Annual report of the Company;	(4) Annual report of the Company;
(5) Appointment and dismissal of accounting firms and determination of their remuneration;	(5) Appointment and dismissal of accounting firms and determination of their remuneration;
(6) Matters other than those specified by laws, administrative regulations or these Articles of Association to be resolved by special resolutions.	(6) Matters other than those specified by laws, administrative regulations or these Articles of Association to be resolved by special resolutions.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 64 The accumulative voting system shall be promoted in the election of the directors (including independent directors and excluding employee representative directors) and supervisors (excluding supervisors assumed by staff representatives) at the general meetings. The accumulative voting system referred to herein means that, in the election of directors or supervisors at the general meeting, each share carrying voting right shall carry the same number of voting right as the number of directors or supervisors proposed to be elected, and the voting rights of the shareholders may be freely cast among the proposed directors and supervisors, either be separately cast in favour of a number of nominees or be collectively cast in favour of one nominee. As such, based on the number of votes that the nominated directors and supervisors have got and the number of directors or supervisors proposed to be elected, those who have got more votes shall be elected.	Article 64 The accumulative voting system shall be promoted in the election of ~~the~~ **two or more** directors (including independent directors and excluding employee representative directors) ~~and supervisors (excluding supervisors assumed by staff representatives)~~ at the general meetings. The accumulative voting system referred to herein means that, in the election of directors ~~or supervisors~~ at the general meeting, each share carrying voting right shall carry the same number of voting right as the number of directors ~~or supervisors~~ proposed to be elected, and the voting rights of the shareholders may be freely cast among the proposed directors ~~and supervisors~~, either be separately cast in favour of a number of nominees or be collectively cast in favour of one nominee. As such, based on the number of votes that the nominated directors ~~and supervisors~~ have got and the number of directors ~~or supervisors~~ proposed to be elected, those who have got more votes shall be elected.
Article 66 Each of the proposed resolutions set out in the agenda shall be decided by voting in the shareholders' general meeting in sequence, and such voting shall not in any event be suspended or cancelled. Should there be more than one resolution on the same issue in the annual general meeting, voting shall be conducted according to the chronology of the resolutions proposed.	Article 66 Each of the proposed resolutions, **except for those subject to cumulative voting,** set out in the agenda shall be decided by voting in the shareholders' general meeting in sequence, and such voting shall not in any event be suspended or cancelled. Should there be more than one resolution on the same issue in the annual general meeting, voting shall be conducted according to the chronology of the resolutions proposed.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 69 Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinising. When a resolution on connected transactions is voted on at the shareholders' meeting, any connected shareholders shall abstain from voting. The number of voting shares represented by such shareholders shall be excluded from the total number of voting shares held by shareholders present at the meeting. When the shareholders are voting on the motions, lawyers, shareholder representatives and supervisor representatives shall count and scrutinize the votes jointly. Shareholders or their proxies that vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.	Article 69 Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinising. When a resolution on connected transactions is voted on at the shareholders' meeting, any connected shareholders shall abstain from voting. The number of voting shares represented by such shareholders shall be excluded from the total number of voting shares held by shareholders present at the meeting. When the shareholders are voting on the motions, lawyers~~,~~ **and** shareholder representatives ~~and supervisor representatives~~ shall count and scrutinize the votes jointly**, and the voting results shall be announced on the spot**. Shareholders or their proxies that vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.
Article 70 The on site shareholders general meeting shall not end earlier than the online means or other means. The chairman of the meeting shall announce the voting and result of each of the motions, and announce whether they are approved according to the results. Before the results are officially announced, all the on site related parties such as the listed companies, vote counters, vote scrutinisers, substantial shareholders and network service providers are obliged to keep the result confidential.	Article 70 The on site shareholders general meeting shall not end earlier than the online means or other means. The chairman of the meeting shall announce the voting and result of each of the motions, and announce whether they are approved according to the results. Before the results are officially announced, all the on site related parties such as the listed companies, vote counters, vote scrutinisers, ~~substantial~~ shareholders and network service providers are obliged to keep the result confidential.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 71 The board secretary shall be responsible for preparing minutes of shareholders' general meetings, which shall contain:	Article 71 The board secretary shall be responsible for preparing minutes of shareholders' general meetings, which shall contain:
(1) the time, venue, agendas of the meeting, and the name of the convener;	(1) the time, venue, agendas of the meeting, and the name of the convener;
(2) the directors, supervisors, president and other senior administrative officers attending the meeting;	(2) the directors~~, supervisors, president~~ and ~~other~~ senior administrative officers attending the meeting;
(3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;	(3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
(4) the name of the chairman of the meeting and agenda;	(4) the name of the chairman of the meeting and agenda;
(5) the process of deliberation of each proposal and the main points of speeches in respect of each motion by each speaker;	(5) the process of deliberation of each proposal and the main points of speeches in respect of each motion by each speaker;
(6) the voting results of each motions;	(6) the voting results of each motions;
(7) the inquiries or suggestions of the shareholders and the corresponding replies or explanations of the Board of Directors and supervisory committee;	(7) the inquiries or suggestions of the shareholders and the corresponding replies or explanations ~~of the Board of Directors and supervisory committee~~;
(8) the names of legal counsel, vote counters, and supervisors;	(8) the names of legal counsel, vote counters, and supervisors;
(9) other contents which, shall be contained in the minutes of the meeting as considered by the shareholders' general meeting and prescribed by the Company's Articles of Association.	(9) other contents which, shall be contained in the minutes of the meeting as considered by the shareholders' general meeting and prescribed by the Company's Articles of Association.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
Article 72 Shareholders and their proxies may inquire about or make suggestion on a resolution, the chairman of the meeting shall appoint any of the directors, supervisors or other persons who are present at the meeting, to provide an answer or explanation in response to the inquiries. The chairman of the meeting may refuse to answer any inquiries under any of the following circumstances provided that he/she shall state the reasons: (1) the statement is irrelevant to the subject; (2) the matters inquired about are subject to investigation; (3) the trade secrets of the Company are involved, which may not be disclosed at the shareholders' meeting; (4) answering the inquiry will harm the common interests of shareholders; (5) there exist other important matters; (6) the matters and information cannot be disclosed in accordance with the provisions of laws, regulations, and trading rules of the stock exchange where the Company's shares are listed.	Article 72 Shareholders and their proxies may inquire about or make suggestion on a resolution, the chairman of the meeting shall appoint any of the directors~~, supervisors~~ or other persons who are present at the meeting, to provide an answer or explanation in response to the inquiries. The chairman of the meeting may refuse to answer any inquiries under any of the following circumstances provided that he/she shall state the reasons: (1) the statement is irrelevant to the subject; (2) the matters inquired about are subject to investigation; (3) the trade secrets of the Company are involved, which may not be disclosed at the shareholders' meeting; (4) answering the inquiry will harm the common interests of shareholders; (5) there exist other important matters; (6) the matters and information cannot be disclosed in accordance with the provisions of laws, regulations, and trading rules of the stock exchange where the Company's shares are listed.
Article 73 The directors, supervisors, board secretary, convener or their representative, chairman of the meeting shall sign on the minutes of the meeting, and ensure that the contents of the minutes of meetings are true, accurate and complete. The minutes of meeting shall be kept together with the valid information such as the attendance register of the attending shareholders and the power of attorney of their proxies, the votes cast by way of internet and by other means shall be kept at the premises of the Company for a period ten years.	Article 73 The directors~~, supervisors~~, board secretary, convener or their representative, chairman of the meeting shall sign on the minutes of the meeting, and ensure that the contents of the minutes of meetings are true, accurate and complete. The minutes of meeting shall be kept together with the valid information such as the attendance register of the attending shareholders and the power of attorney of their proxies, the votes cast by way of internet and by other means shall be kept at the premises of the Company for a period ten years.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
CHAPTER 7 ENFORCEMENT OF THE RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETING	**CHAPTER 7 ENFORCEMENT OF THE RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETING**
Article 76 If the motion with respect to directors or supervisors election is approved at the shareholders' general meeting, the new director or supervisor shall take office pursuant with the Company's Articles of Association.	Article 76 If the motion with respect to directors ~~or supervisors~~ election is approved at the shareholders' general meeting, the new director ~~or supervisor~~ shall take office pursuant with the Company's Articles of Association.
Article 78 Any resolution of the shareholders' general meeting of the Company that is inconsistent with the laws or administrative regulations shall be invalid. Where any of the procedures for convening a shareholders' general meeting or the means of voting is inconsistent with the laws, administrative regulations or the Company's Articles of Association, or the content of any resolution is inconsistent with the Company's Articles of Association, shareholders may request the people's court to cancel such resolution within sixty days from the date on which the resolution is made, provided that there is a minor defect in the procedures for convening the meeting or the means of voting, without causing substantive impacts on the resolution. A shareholder who has not been notified of the shareholders' meeting may request the People's Court to revoke the resolution within sixty days from the date on which he knows or should know that the resolution of the shareholders' meeting is made; if the right of revocation is not exercised within one year from the date of the resolution, the right shall be extinguished.	Article 78 Any resolution of the shareholders' general meeting of the Company that is inconsistent with the laws or administrative regulations shall be invalid. Where any of the procedures for convening a shareholders' general meeting or the means of voting is inconsistent with the laws, administrative regulations or the Company's Articles of Association, or the content of any resolution is inconsistent with the Company's Articles of Association, shareholders may request the people's court to cancel such resolution within sixty days from the date on which the resolution is made, provided that there is a minor defect in the procedures for convening the meeting or the means of voting, without causing substantive impacts on the resolution. A shareholder who has not been notified of the shareholders' meeting may request the People's Court to revoke the resolution within sixty days from the date on which he knows or should know that the resolution of the shareholders' meeting is made; if the right of revocation is not exercised within one year from the date of the resolution, the right shall be extinguished.

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	The amended Procedural Rules of the Shareholders' General Meeting
	If the Board of Directors, shareholders or other relevant parties dispute the validity of a resolution at the shareholders' general meeting, they shall promptly initiate legal proceedings with the People's Court. Prior to the issuance of a judgment or ruling by the People's Court to revoke such resolution or otherwise, the relevant parties shall implement the resolution of the shareholders' general meeting. The Company, its directors and senior management shall practically perform their duties to ensure the normal operation of the Company. **Where the People's Court makes a judgment or ruling on the relevant matter, the Company shall, in accordance with the law, administrative regulations, and the requirements of the CSRC and the stock exchange, fulfil its information disclosure obligations, fully explain the impact, and actively cooperate in enforcement after such judgment or ruling becomes effective. If correction of prior matters is involved, the Company should promptly address them and discharge the corresponding information disclosure obligations.** **Resolutions of a shareholders' general meeting of the Company shall be invalid in any of the following circumstances:** **(1) the resolution was not made by a shareholders' general meeting;** **(2) no voting on the resolution was made on at a shareholders' general meeting;**

The existing Procedural Rules of the Shareholders' General Meeting (July 2024)	**The amended Procedural Rules of the Shareholders' General Meeting**
	(3) the number of attendees of the meeting or the number of their voting rights does not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association; **(4) the number of attendees voting in favor of the resolution or the number of their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association.**
CHAPTER 9 ADDENDUM	**CHAPTER 9 ADDENDUM**
Article 81 These rules are addendum to the Company's Articles of Association which come into effect from the date on which such resolution is passed at the shareholders' general meeting of the Company. Also, these rules represent a document with binding effect on the shareholders' general meeting, shareholders and their proxies, directors, supervisors and other attendees.	Article 81 These rules are addendum to the Company's Articles of Association which come into effect from the date on which such resolution is passed at the shareholders' general meeting of the Company. Also, these rules represent a document with binding effect on the shareholders' general meeting, shareholders and their proxies, directors~~, supervisors~~ and other attendees.
Article 84 In these Rules, the term "more than" includes the given figure and the terms "more than half", "over", "below" and "above" do not include the given figure.	Article 84 In these Rules, the term**s** "more than" **and "within"** includes the given figure and the terms "more than half", "over", "below" ~~and,~~ "above" **and "exceed"** do not include the given figure.

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

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
CHAPTER 2 DIRECTORS	**CHAPTER 2 DIRECTORS**
Article 4 A person shall be disqualified from being a director of the Company in any one of the following circumstances:	Article 4 A person shall be disqualified from being a director of the Company in any one of the following circumstances:
(1) The individual has no or restricted capacity to civil liabilities;	(1) The individual has no or restricted capacity to civil liabilities;
(2) A period of five years has not yet elapsed since the penalization on conviction of corruption, bribery, unauthorized taking of properties, misappropriation of properties or disrupting social and economic order or being deprived of political rights for commission of offences, and less than two years have elapsed since the date of the completion of the probation period if probation is announced;	(2) A period of five years has not yet elapsed since the penalization on conviction of corruption, bribery, unauthorized taking of properties, misappropriation of properties or disrupting social and economic order or being deprived of political rights for commission of offences, and less than two years have elapsed since the date of the completion of the probation period if probation is announced;
(3) A period of three years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director, factory manager or manager of such company or enterprise and was personally liable for such insolvency;	(3) A period of three years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director, factory manager or manager of such company or enterprise and was personally liable for such insolvency;
(4) A period of three years has not yet elapsed since revocation of the business license or being ordered to close of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;	(4) A period of three years has not yet elapsed since revocation of the business license or being ordered to close of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(5) The person is listed as a defaulter by the People's Court since he/she is personally liable for a substantial loan which was due for payment but remains unpaid;	(5) The person is listed as a defaulter by the People's Court since he/she is personally liable for a substantial loan which was due for payment but remains unpaid;
(6) The person is a civil servant;	(6) The person is a civil servant;
(7) The person has been involved in criminal offences subject to investigation by judicial authorities and the case has yet been settled;	(7) The person has been involved in criminal offences subject to investigation by judicial authorities and the case has yet been settled;
(8) The person is prohibited from acting as a director, supervisor or senior officer of an enterprise by virtue of laws or administrative regulations;	(8) The person is prohibited from acting as a director, supervisor or senior officer of an enterprise by virtue of laws or administrative regulations**, or disqualified as a director or senior management member of a listed company recognized by the stock exchange and the period has not expired**;
(9) A period of five years has not yet elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty;	(9) A period of five years has not yet elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty;
(10) Currently being barred by the China Securities Regulatory Commission from participating in the securities market;	(10) Currently being barred by the China Securities Regulatory Commission from participating in the securities market;
(11) Other stipulations of laws, administrative regulations or departmental rules.	(11) Other stipulations of laws, administrative regulations or departmental rules.
If the Company elects and appoints a director in breach of this Article, such election, appointment or engagement will be void. Any director who falls within one of the above categories during his term of service will be removed by the Company.	If the Company elects and appoints a director in breach of this Article, such election, appointment or engagement will be void. Any director who falls within one of the above categories during his term of service will be removed by the Company.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Article 5 Directors shall be elected or and replaced at a shareholders' meeting and their terms shall be three years, The term of office for a director (including a director nominated to fill a casual vacancy of the Board of Directors) shall commence from the date of passing of the relevant resolution at a shareholders' meeting to the date of expiry of the then Board of Directors. Upon the expiry of his term, a director shall be eligible for re-election. Where no new appointment is made upon expiry of the term of a director, the original director shall, prior to the new director entering on the office, continue to perform his duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association. The post of a director may be performed concurrently by the general manager or other senior management personnel, to the extent that the number of such directors performed concurrently by the shareholders' general manager or other senior management personnel as well as staff representatives shall not be in aggregate more than one-half of the total number of directors of the Company. The employee representatives on the Board of Directors shall be directly elected by the Company through the employee representatives' meeting, the employees' meeting or other democratic elections.	Article 5 Directors shall be elected or and replaced at a shareholders' meeting and their terms shall be three years, The term of office for a director (including a director nominated to fill a casual vacancy of the Board of Directors) shall commence from the date of passing of the relevant resolution at a shareholders' meeting to the date of expiry of the then Board of Directors. Upon the expiry of his term, a director shall be eligible for re-election. Where no new appointment is made upon expiry of the term of a director, the original director shall, prior to the new director entering on the office, continue to perform his duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association. The post of a director may be performed concurrently by the general manager or other senior management personnel, to the extent that the number of such directors performed concurrently by the shareholders' general manager or other senior management personnel as well as staff representatives shall not be in aggregate more than one-half of the total number of directors of the Company. **The Board of Directors shall include one company employee representative.** The employee representatives on the Board of Directors shall be directly elected by the Company through the employee representatives' meeting, the employees' meeting or other democratic elections.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 9 The election of directors shall be based on a cumulative voting system. During the election, each share held by shareholders attending the shareholders' meeting shall have the same voting rights as the number of director's candidates. Each shareholder may cast all his votes to a single candidate or spread his votes among different candidates, provided that the cumulative votes cast shall not exceed the total number of votes held by that shareholder. The directors shall be elected according to the number of votes cast for them. The number of votes obtained by the director's candidates shall exceed half of the voting rights represented by the persons attending the shareholders' meeting.	Article 9 The election of directors shall be based on a cumulative voting system. During the election, each share **carrying voting right** held by shareholders attending the shareholders' meeting shall have the same **number of** voting rights as the number of director~~'s candidates~~ **proposed to be elected**. Each shareholder may cast all his votes to a single candidate or spread his votes among different candidates, provided that the cumulative votes cast shall not exceed the total number of votes held by that shareholder. The directors shall be elected according to the number of votes cast for them. The number of votes obtained by the director's candidates shall exceed half of the voting rights represented by the persons attending the shareholders' meeting.
Article 12 The directors shall perform the following duties: (1) The directors shall comply with the laws, regulations and the Articles of Association, and perform the following duty of loyalty: The directors shall act in the best interests of the Company and shareholders if there are conflicts between his own interests and the interests of the Company and shareholders, and ensure that they actively participate in the relevant trainings to understand the rights, obligations and duties of directors, and the relevant laws and regulations and the required knowledge as a director; they shall perform their duties honestly and faithfully in accordance with the best interests the Company and its shareholders; they shall ensure that they have sufficient time and ability in efficiently discharging their duties; they shall attend Board meetings earnestly and responsibly and clearly express their opinions on the transacted business; they shall comply with the relevant laws, regulations and the Articles of Association and exercise powers within the scope of his powers and not to exceed those powers and strictly fulfill the undertakings made publicly;	Article 12 The directors shall perform the following duties: (1) The directors shall comply with the laws, regulations and the Articles of Association, **shall have fiduciary duties to the Company and take measures to avoid conflicts between their own interests and the interests of the Company, and shall not make use of their positions to gain undue advantage.** **The directors shall** perform the following duty of loyalty: **1)** The directors shall act in the best interests of the Company and shareholders if there are conflicts between his own interests and the interests of the Company and shareholders, and ensure that they actively participate in the relevant trainings to understand the rights, obligations and duties of directors, and the relevant laws and regulations and the required knowledge as a director;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
they shall not enter into any contract or transaction with the Company in violation of the provisions of the Articles of Association and without the approval by the shareholders' meeting; they shall not use insider information or use their position to pursue business opportunities for themselves or for other persons which should belong to the Company, run their own business or business of other individuals which is the same as the Company's business, or engage in the activities that would incur losses to the Company; they shall not abuse their authority of office to take bribes or other illegal income; they shall not misappropriate the capital of the Company; they shall not lend the capital of the Company to others or provide guarantees for others with the Company's assets in violation of the provisions of the Articles of Association and without the consent of the shareholders' meeting or the Board of Directors; they shall not use their position to expropriate the Company's property for themselves or others; they shall not accept commissions in connection with the Company's transactions; they shall not open accounts in their own name or in the name of other individuals for the deposit of the Company's assets; they shall not gain for themselves commissions in transactions of the Company.	**2)** they shall perform their duties honestly and faithfully in accordance with the best interests the Company and its shareholders; they shall ensure that they have sufficient time and ability in efficiently discharging their duties; they shall attend Board meetings earnestly and responsibly and clearly express their opinions on the transacted business; **3)** they shall comply with the relevant laws, regulations and the Articles of Association and exercise powers within the scope of his powers and not to exceed those powers and strictly fulfill the undertakings made publicly; **4)** they shall not **directly** enter into any contract or transaction with the Company ~~in violation of the provisions of~~ **without reporting to the Board of Directors or the shareholders' meeting and obtaining the approval of the Board of Directors or the shareholders' meeting in accordance with the provisions of** the Articles of Association ~~and without the approval by the shareholders' meeting~~; **5)** they shall not use insider information or use their position to pursue business opportunities for themselves or for other persons which ~~should~~ belong to the Company, run their own business or business of other individuals which is the same as the Company's business, or engage in the activities that would incur losses to the Company **without the approval of the shareholders' meeting**;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Unless otherwise permitted by informed shareholders in shareholders' meeting, a director shall not disclose the confidential information acquired by him in the course of and during his tenure. Save that disclosure of such information to the court or other governmental authorities is permitted if disclosure is made under compulsion of law, the interests of the public require disclosure or the interests of such director require disclosure; where the Board resolutions violate any laws, regulations, or the provisions of the Articles of Association. The directors involved in the resolutions shall be liable for compensation. However, if a director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability. Any income obtained by a director in violation of the above provisions shall belong to the Company; they are liable for compensation if causing damage to the Company.	**6)** they shall not abuse their authority of office to ~~take~~ bribes~~s~~ or **receive** other illegal income~~;~~**, and shall not embezzle the Company's property;** **7)** they shall not misappropriate the capital of the Company; **8)** they shall not lend the capital of the Company to others or provide guarantees for others with the Company's assets in violation of the provisions of the Articles of Association and without the consent of the shareholders' meeting or the Board of Directors; ~~they shall not use their position to expropriate the Company's property for themselves or others;~~ **9)** they shall not accept commissions **from others** in connection with the Company's transactions **for their own benefit**; **10)** they shall not open accounts in their own name or in the name of other individuals for the deposit of the Company's ~~assets~~ **funds**; **11)** they shall not **use their related relationships to harm the interests of the Company;**

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(2) Directors shall comply with the provisions of laws, regulations and the Articles of Association, and perform the following duty of diligence: They shall exercise the rights delegated by the Company in a cautious, conscientious and diligent manner to ensure that the Company's commercial activities are in compliance with laws, regulations and the requirements of all economic policies of the State, and that the business activities do not exceed the business scope specified in the business license; they shall treat all shareholders equally; they shall timely understand the operational and management conditions of the Company; carefully read the business and financial reports of the Company and periodic reports and sign written confirmation opinions to ensure that the information disclosed by the Company is true, accurate and complete; truthfully providing relevant information and materials to the supervisory committee and shall not hinder the supervisory committee or supervisors to exercise their powers; they shall exercise the lawfully-authorized disposal right concerning the management of the Company in person and be free from the manipulation of the other individuals; they shall not transfer their disposal right to any other individual without the requirement of the laws, regulations or the informed authorization of the shareholders' meeting; they shall make explanations and descriptions as to shareholders' inquiries and suggestions at the shareholders' meeting and shall be subject to the lawful supervision and reasonable recommendations from the supervisory committee regarding their performance of duties and responsibilities.	**12)** they shall not **disclose secrets** ~~gain for themselves commissions in transactions~~ of the Company **without authorisation**. ~~Unless otherwise permitted by informed shareholders in shareholders' meeting, a director shall not disclose the confidential information acquired by him in the course of and during his tenure.~~ Save that disclosure of such information to the court or other governmental authorities is permitted if disclosure is made under compulsion of law, the interests of the public require disclosure or the interests of such director require disclosure; where the Board resolutions violate any laws, regulations, or the provisions of the Articles of Association. The directors involved in the resolutions shall be liable for compensation. However, if a director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability~~;~~**.** Any income obtained by a director in violation of the above provisions shall belong to the Company; they are liable for compensation if causing damage to the Company. **The above provisions of Item 4) shall apply to contracts or transactions entered into by close relatives of directors, enterprises directly or indirectly controlled by directors or their close relatives, and other related parties with other relationships with directors.**

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(3) The directors shall obey the following operational rules: they shall participate in the meetings of the Company according to the time of holding the meetings and exercise the voting rights pursuant to the requirements; they shall establish relationship among themselves which is in the interests of the Company; the directors shall only transact businesses in the form of Board meetings and their opinion made publicly shall be consistent with the conclusions drawn by the Board of Directors and the information disclosure requirements of the Company. They shall not express opinions different from the conclusions drawn by the Board of Directors without permission; they shall ensure that the Board of Directors could keep contact with themselves at all times; they shall observe other operational rules of the Company; Without stipulation by the Articles of Association or lawful authorization by the Board of Directors, no director shall in his own name act for the Company or the Board of Directors. Where a director acts in his own name but a third party reasonably believes that such director is acting for the Company or the Board of Directors, such director shall declare in advance that he is not acting on behalf of the Company.	(2) Directors shall comply with the provisions of laws, regulations and the Articles of Association, and perform the following duty of diligence: **1)** They shall exercise the rights delegated by the Company in a cautious, conscientious and diligent manner to ensure that the Company's commercial activities are in compliance with laws, regulations and the requirements of all economic policies of the State, and that the business activities do not exceed the business scope specified in the business license; **2)** they shall treat all shareholders equally; **3)** they shall timely understand the operational and management conditions of the Company; ~~carefully read~~ **4)** **they shall** ~~the business and financial reports of the Company and periodic reports and~~ sign written confirmation opinions **on the Company's periodic reports** to ensure that the information disclosed by the Company is true, accurate and complete; **5)** **they shall** truthfully provid**e**~~ing~~ relevant information and materials to the ~~supervisory committee~~ **audit and risk management committee** and shall not hinder the ~~supervisory committee or supervisors~~ **audit and risk management committee** to exercise their powers;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(4) Where a director or other enterprises where he worked directly or indirectly had connected relationship in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than his service contract with the Company), he shall declare the nature and extent of such relationships to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board of Directors. Unless a director who has connected relationship discloses his interests in accordance with this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which such director is not counted in the quorum and has abstained from voting, the contract, transaction or arrangement in which such director had connected relationship may be revoked at the instance of the Company except as against a bona fide third party thereto. Where the Board of Directors votes on matters as required by this Article, the directors who had connected relationship shall be abstained from voting. However, such directors are allowed to provide necessary explanation in respect to the above matters to the Board of Directors.	**6)** they shall exercise the lawfully-authorized disposal right concerning the management of the Company in person and be free from the manipulation of the other individuals; **7)** without the requirement of the laws, regulations or the informed authorization of the shareholders' meeting, **8)** they shall not transfer their disposal right to any other individual; **9)** they shall make explanations and descriptions as to shareholders' inquiries and suggestions at the shareholders' meeting and shall be subject to the lawful supervision and reasonable recommendations from the ~~supervisory committee~~ **audit and risk management committee** regarding their performance of duties and responsibilities.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
	(3) The directors shall obey the following operational rules: they shall participate in the meetings of the Company according to the time of holding the meetings and exercise the voting rights pursuant to the requirements; they shall establish relationship among themselves which is in the interests of the Company; the directors shall only transact businesses in the form of Board meetings and their opinion made publicly shall be consistent with the conclusions drawn by the Board of Directors and the information disclosure requirements of the Company. They shall not express opinions different from the conclusions drawn by the Board of Directors without permission; they shall ensure that the Board of Directors could keep contact with themselves at all times; they shall observe other operational rules of the Company; Without stipulation by the Articles of Association or lawful authorization by the Board of Directors, no director shall in his own name act for the Company or the Board of Directors. Where a director acts in his own name but a third party reasonably believes that such director is acting for the Company or the Board of Directors, such director shall declare in advance that he is not acting on behalf of the Company.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
	(4) Where a director or other enterprises where he worked directly or indirectly had connected relationship in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than his service contract with the Company), he shall declare the nature and extent of such relationships to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board of Directors. Unless a director who has connected relationship discloses his interests in accordance with this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which such director is not counted in the quorum and has abstained from voting, the contract, transaction or arrangement in which such director had connected relationship may be revoked at the instance of the Company except as against a bona fide third party thereto. Where the Board of Directors votes on matters as required by this Article, the directors who had connected relationship shall be abstained from voting. However, such directors are allowed to provide necessary explanation in respect to the above matters to the Board of Directors.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 13 A director may resign before the expiration of his term. The resigning director shall tender resignation to the Board of Directors in writing. If a director's resignation results in the number of directors constituting the Board of Directors to fall below the quorum or less than two-thirds as required under the Articles of Association, the notice of resignation of such director shall become effective only when the vacancy arising from his resignation has been filled by a new director. The Company shall convene an extraordinary shareholders' meeting or employee representatives' meeting as soon as possible to elect a new director to fill the vacancy arising from the resignation of such director. Before the newly elected director assumes office, the former director shall still retain their directorship in accordance with the relevant laws, administrative regulations, departmental regulations and the Articles of Association. The power of the resigning director and the Board of Directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' meeting has made a resolution in respect of the re-election of a director to fill the vacancy. Where a director leaves the Company before expiry of his term of office, he shall compensate the Company for any losses arising from his unauthorized resignation. Except in the circumstances specified above, the resignation of a director shall become effective upon the resignation letter is delivered to the Board of Directors. If a director who is the legal representative resigns, he/she shall be deemed to have resigned from the position of legal representative.	Article 13 A director may resign before the expiration of his term. The resigning director shall tender resignation to the Board of Directors in writing**, and the resignation shall take effect on the date the Company receives the resignation report**. If a director's resignation results in the number of directors constituting the Board of Directors to fall below the quorum or less than two-thirds as required under the Articles of Association, the notice of resignation of such director shall become effective only when the vacancy arising from his resignation has been filled by a new director. The Company shall convene an extraordinary shareholders' meeting or employee representatives' meeting as soon as possible to elect a new director to fill the vacancy arising from the resignation of such director. Before the newly elected director assumes office, the former director shall still retain their directorship in accordance with the relevant laws, administrative regulations, departmental regulations and the Articles of Association. The power of the resigning director and the Board of Directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' meeting has made a resolution in respect of the re-election of a director to fill the vacancy. Where a director leaves the Company before expiry of his term of office, he shall compensate the Company for any losses arising from his unauthorized resignation. Except in the circumstances specified above, the resignation of a director shall become effective upon the resignation letter is delivered to the Board of Directors. If a director who is the legal representative resigns, he/she shall be deemed to have resigned from the position of legal representative.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Article 14 Upon the resignation taking effect or the expiry of the term of office of a director, such director shall duly complete all handover. Upon the resignation taking effect or the expiry of the term of office of a director, the fiduciary duties owed by such director to the Company and the shareholders will not be released before or within the term of contract after the resignation takes effect and within a reasonable period upon the expiry of his term of office. The obligation of confidentiality of such director in relation to the trade secrets of the Company remains effective after the term of such director ends until such trade secrets become public information. The continuity of other obligations shall be determined on the principle of fairness, and dependent on the length of time between the incident occurs and the resignation, as well as the conditions and circumstances under which the director terminates his relationship with the Company, and shall be implemented in accordance with the Company Law, the rules of the stock exchange where the Company is listed, provisions of the Articles of Association and these Rules.	Article 14 Upon the resignation taking effect or the expiry of the term of office of a director, such director shall duly complete all handover. Upon the resignation taking effect or the expiry of the term of office of a director, the fiduciary duties owed by such director to the Company and the shareholders will not be released before or within the term of contract after the resignation takes effect and within a reasonable period upon the expiry of his term of office. The obligation of confidentiality of such director in relation to the trade secrets of the Company remains effective after the term of such director ends until such trade secrets become public information. **The obligations of a director arising from the performance of his/her duties during his/her term of office shall not be relieved or terminated by his/her departure from office.** The continuity of other obligations shall be determined on the principle of fairness, and dependent on the length of time between the incident occurs and the resignation, as well as the conditions and circumstances under which the director terminates his relationship with the Company, and shall be implemented in accordance with the Company Law, the rules of the stock exchange where the Company is listed, provisions of the Articles of Association and these Rules.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
CHAPTER 3 INDEPENDENT DIRECTORS	**CHAPTER 3 INDEPENDENT DIRECTORS**
Article 16 An independent director shall meet the following requirements:	Article 16 An independent director shall meet the following requirements:
(1) He shall be qualified as a director of a listed company according to the laws, administrative rules and other relevant rules of the jurisdiction where the Company's shares are listed;	(1) He shall be qualified as a director of a listed company according to the laws, administrative rules and other relevant rules of the jurisdiction where the Company's shares are listed;
(2) He shall meet the independence requirements under the Measures for Independent Directors and these Rules;	(2) He shall meet the independence requirements under the Measures for Independent Directors and these Rules;
(3) He shall have the basic knowledge of operating a listed company, and is well acquainted with the relevant laws, administrative rules and other rules and regulations;	(3) He shall have the basic knowledge of operating a listed company, and is well acquainted with the relevant laws, administrative rules and other rules and regulations;
(4) He shall have at least five years of experience in the legal, accounting or economic field, or other experience necessary for performing his duties as an independent director;	(4) He shall **possess good personal integrity and have no record of major breaches of trust or other adverse conduct;**
	(5) He shall have at least five years of experience in the legal, accounting or economic field, or other experience necessary for performing his duties as an independent director;
(5) Other conditions set forth in the Articles of Association.	~~(5)~~**(6)** Other conditions set forth in **laws and administrative regulations of the place of listing, provisions of the CSRC, rules of the stock exchange where the Company is listed, and** the Articles of Association.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 17 Independent directors shall maintain their independence. The following persons shall not be independent directors of the Company:	Article 17 Independent directors shall maintain their independence. The following persons shall not be independent directors of the Company:
(1) Persons who are employed by the Company or its subsidiaries, and their spouses, parents, and offspring, and close relatives (close relatives mean siblings, brother-in law and sister-in-law, and the siblings of the spouses, the spouses of the offspring, and the parents of the spouses of the offspring);	(1) Persons who are employed by the Company or its subsidiaries, and their spouses, parents, and offspring, and close relatives (close relatives mean siblings, brother-in law and sister-in-law, and the siblings of the spouses, the spouses of the offspring, and the parents of the spouses of the offspring);
(2) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares, or who are among the top ten shareholders of the Company, and spouses, parents and offspring thereof;	(2) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares, or who are among the top ten shareholders of the Company, and spouses, parents and offspring thereof;
(3) Persons employed by Company shareholders which directly or indirectly hold more than 5% of the issued shares of the Company or are among the top five shareholders of the Company, and spouses, parents and offspring thereof;	(3) Persons employed by Company shareholders which directly or indirectly hold more than 5% of the issued shares of the Company or are among the top five shareholders of the Company, and spouses, parents and offspring thereof;
(4) Persons employed by the subsidiaries of the Company's controlling shareholders and Actual Controllers, and spouses, parents and offspring thereof;	(4) Persons employed by the subsidiaries of the Company's controlling shareholders and Actual Controllers, and spouses, parents and offspring thereof;
(5) Persons who have significant business transactions with the Company, its controlling shareholders or Actual Controllers or their respective subsidiaries, or persons employed by the entities and their controlling shareholders or Actual Controllers that have such significant business transactions;	(5) Persons who have significant business transactions with the Company, its controlling shareholders or Actual Controllers or their respective subsidiaries, or persons employed by the entities and their controlling shareholders or Actual Controllers that have such significant business transactions;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(6) Persons who provide financial, legal, advisory, sponsorship and other services to the Company and its controlling shareholders, Actual Controllers or their respective subsidiaries, including but not limited to all members of the project, review officers at all levels, personnel signing on the reports, partners, directors, senior management officers and the persons in charge of the intermediaries providing such services;	(6) Persons who provide financial, legal, advisory, sponsorship and other services to the Company and its controlling shareholders, Actual Controllers or their respective subsidiaries, including but not limited to all members of the project, review officers at all levels, personnel signing on the reports, partners, directors, senior management officers and the persons in charge of the intermediaries providing such services;
(7) Persons who fell under any of the above circumstances of items (1) to (6) in the past twelve months;	(7) Persons who fell under any of the above circumstances of items (1) to (6) in the past twelve months;
(8) Other persons having no independence specified in laws, administrative rules, the requirements of the CSRC, the rules of stock exchange where the Company is listed and the Articles of Association.	(8) Other persons having no independence specified in laws, administrative rules, the requirements of the CSRC, the rules of stock exchange where the Company is listed and the Articles of Association.
Independent directors shall conduct an annual self-review of their independence, and report the review results to the Board of Directors.	**The aforementioned subsidiaries of the controlling shareholders and actual controllers in Items (4) to (6) do not include enterprises that are controlled by the same state-owned asset management institution as the Company and do not constitute an affiliated relationship with the Company in accordance with relevant regulations.**
The Board of Directors shall assess and give special opinions on the independence of the incumbent independent directors on an annual basis, and disclose the same with the annual report of the Company.	Independent directors shall conduct an annual self-review of their independence, and report the review results to the Board of Directors. The Board of Directors shall assess and give special opinions on the independence of the incumbent independent directors on an annual basis, and disclose the same with the annual report of the Company.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 20 In addition to the above obligations, independent directors shall provide their independent opinions to the Board of Directors or the shareholders' meeting on the following matters: (1) Nomination, appointment and removal of directors; (2) Appointment and dismissal of senior administrative officers; (3) Remuneration of directors and senior administrative officers; (4) Newly occurred transactions, loans and other forms of fund transfer between the Company and its shareholders, Actual Controllers or their affiliates, the aggregate amount of which is in compliance with the relevant provisions of the existing listing rules and other supervisory regulations in places where the Company is listed, and whether the Company has taken effective measures to collect the amounts due; (5) Matters that independent directors believe may harm the interests of the minority shareholders (6) When the Board of Directors does not put forward a cash dividend plan; (7) Matters relating to security provided to external parties by the Company; (8) Other matters provided by the stock exchange where the Company's shares are listed and the Articles of Association.	Deleted

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Article 21 The independent directors shall choose to provide any of the following opinions in respect of the above matters: (1) Agree; (2) Reserve opinion and the reasons therefor; (3) Dissent and the reasons therefor; (4) Unable to comment and the reasons therefor. If the matters concerned fall under those which require disclosure, the company shall publicly disclose the opinions of the independent directors. If the independent directors cannot reach a consensus, the Company shall publicly disclose the opinions of each of the independent directors.	Deleted
Article 25 The independent directors shall only assume the position as an independent director for up to 3 listed companies and shall ensure that they have sufficient time and ability in effectively discharging their duties.	Article 23 The independent directors shall only assume the position as an independent director for up to 3 **domestic** listed companies and shall ensure that they have sufficient time and ability in effectively discharging their duties.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 27 Procedures for nomination, election and replacement of independent directors:	Article 25 Procedures for nomination, election and replacement of independent directors:
(1) The Board of Directors, the supervisory committee, and shareholder(s) who alone or jointly with other persons hold(s) more than 1% of the issued shares of the Company shall have the right to nominate candidates as independent directors, and the nominated candidates shall become independent directors by election at the shareholders' meeting; The investor protection institution established in accordance with the law may publicly request the shareholders to entrust them to exercise the right to nominate independent directors on their behalf;	(1) The Board of Directors~~, the supervisory committee,~~ and shareholder(s) who alone or jointly with other persons hold(s) more than 1% of the issued shares of the Company shall have the right to nominate candidates as independent directors, and the nominated candidates shall become independent directors by election at the shareholders' meeting; The investor protection institution established in accordance with the law may publicly request the shareholders to entrust them to exercise the right to nominate independent directors on their behalf;
(2) The nominator shall seek consent from the proposed candidate for the nomination before making nomination. The nominator shall have adequate knowledge of the profession, education, job title and detailed work experience of the nominee as well as status of all his part-time jobs, and whether there are any serious dishonesty, etc. The nominator shall also comment on the qualification for independence of the nominee and other conditions for serving as an independent director. The nominee shall make a public statement asserting his/her qualification for independence and other conditions for him/her serving as an independent director. The nomination committee shall review the qualifications of the nominee and form a clear review opinion. Before the shareholders' meeting for the election of independent directors, the Company shall submit relevant materials to the stock exchange(s) where the Company is listed, and the relevant materials shall be authentic, accurate and complete in accordance with the relevant provisions;	(2) The nominator shall seek consent from the proposed candidate for the nomination before making nomination. The nominator shall have adequate knowledge of the profession, education, job title and detailed work experience of the nominee as well as status of all his part-time jobs, and whether there are any serious dishonesty, etc. The nominator shall also comment on the qualification for independence of the nominee and other conditions for serving as an independent director. The nominee shall make a public statement asserting his/her qualification for independence and other conditions for him/her serving as an independent director. The nomination committee shall review the qualifications of the nominee and form a clear review opinion. Before the shareholders' meeting for the election of independent directors, the Company shall submit relevant materials to the stock exchange(s) where the Company is listed, and the relevant materials shall be authentic, accurate and complete in accordance with the relevant provisions;

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(3) The stock exchange shall review the relevant materials of the candidates for independent directors pursuant to the regulations, make a prudent judgement on whether the candidates for independent directors meet the qualifications and have the right to raise an objection. The Company shall not propose any candidate to the shareholders' meeting for election if the stock exchange objects to such candidate. Cumulative voting system shall be adopted for a shareholders' meeting of the Company at which two or more independent directors are elected. The voting by minority shareholders shall be counted separately and be disclosed;	(3) The stock exchange shall review the relevant materials of the candidates for independent directors pursuant to the regulations, make a prudent judgement on whether the candidates for independent directors meet the qualifications and have the right to raise an objection. The Company shall not propose any candidate to the shareholders' meeting for election if the stock exchange objects to such candidate. Cumulative voting system shall be adopted for a shareholders' meeting of the Company at which two or more independent directors are elected. The voting by minority shareholders shall be counted separately and be disclosed;
(4) The terms of office of the independent directors are the same as those of other directors. Successive terms are allowed upon expiration of the term, but may not be extended to more than six years;	(4) The terms of office of the independent directors are the same as those of other directors. Successive terms are allowed upon expiration of the term, but may not be extended to more than six years;
(5) An independent director may be removed by the Company in accordance with legal procedures prior to the expiry of his/her term of office. In the case of any early removal of an independent director, the Company shall make a timely disclosure of the specific reasons and evidence. In case that the independent director has an objection, the Company shall disclose in a timely manner. An independent director who fails to attend in person two consecutive Board meetings and does not appoint another independent director to attend on his/her behalf, the Board of Directors shall propose to convene a shareholders' meeting to remove him/her from his/her position as an independent director from the date of such fact.	(5) An independent director may be removed by the Company in accordance with legal procedures prior to the expiry of his/her term of office. In the case of any early removal of an independent director, the Company shall make a timely disclosure of the specific reasons and evidence. In case that the independent director has an objection, the Company shall disclose in a timely manner. An independent director who fails to attend in person two consecutive Board meetings and does not appoint another independent director to attend on his/her behalf, the Board of Directors shall propose to convene a shareholders' meeting to remove him/her from his/her position as an independent director **within 30 days** from the date of such fact.

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(6) Independent directors may resign before the expiration of their terms. A resigning independent director shall submit written resignation to the Board of Directors. The written resignation shall contain explanations on matters related to his resignation or any other matters which in his opinion, should be brought to the notice of the shareholders and creditors of the Company. If the resignation of an independent director or the removal of the same for involving in the relevant circumstances results in the proportion of independent shareholders or the number of directors constituting the Board of Directors to fall below such as required under laws or the Articles of Association or the absence of an accounting professional among the independent directors, the Company shall complete the by-election within sixty days from the date on which the independent director tenders his/her resignation.	(6) Independent directors may resign before the expiration of their terms. A resigning independent director shall submit written resignation to the Board of Directors. The written resignation shall contain explanations on matters related to his resignation or any other matters which in his opinion, should be brought to the notice of the shareholders and creditors of the Company. If the resignation of an independent director or the removal of the same for involving in the relevant circumstances results in the proportion of independent shareholders or the number of directors constituting the Board of Directors to fall below such as required under laws or the Articles of Association or the absence of an accounting professional among the independent directors, **the independent director who intends to resign shall continue to perform his/her duties until the date when the new independent director is elected. T**he Company shall complete the by-election within sixty days from the date on which the independent director tenders his/her resignation.
CHAPTER 4 COMPOSITION AND DUTIES OF THE BOARD OF DIRECTORS	**CHAPTER 4 COMPOSITION AND DUTIES OF THE BOARD OF DIRECTORS**
Article 32 The Board of Directors shall comprise more than five members, among which independent directors shall not be less than one-third of the members of the Board of Directors and not less than three, one of whom shall be the Chairman and one shall be the vice Chairmen. The Chairman and the vice Chairmen shall be elected with the approval of more than half of all the directors. A director shall not be required to hold any shares of the Company. The members of the Board of Directors shall possess required knowledge, skills and qualities necessary for discharging duties. The Board of Directors shall have a reasonable and professional structure.	Article 30 The Board of Directors shall comprise ~~more than five~~ **eight** members, among which independent directors shall not be less than one-third of the members of the Board of Directors and not less than three, one of whom shall be the Chairman and one shall be the vice Chairmen. The Chairman and the vice Chairmen shall be elected with the approval of more than half of all the directors. A director shall not be required to hold any shares of the Company. The members of the Board of Directors shall possess required knowledge, skills and qualities necessary for discharging duties. The Board of Directors shall have a reasonable and professional structure.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 33 The Board of Directors shall exercise the following powers:	Article 31 The Board of Directors shall exercise the following powers:
(1) To be responsible for the convening of the shareholders' meeting and to report on its work to the shareholders' meeting;	(1) To be responsible for the convening of the shareholders' meeting and to report on its work to the shareholders' meeting;
(2) To implement the resolutions of the shareholders' meeting;	(2) To implement the resolutions of the shareholders' meeting;
(3) To decide on the Company's operating principles, business plans, investment schemes and investment plans;	(3) To decide on the Company's operating principles, business plans, investment schemes and investment plans;
(4) To review and approve adjustments in significant accounting policy and changes in accounting estimate;	(4) To review and approve adjustments in significant accounting policy and changes in accounting estimate;
(5) To formulate profit distribution plan and plan for making up losses of the Company;	(5) To formulate profit distribution plan and plan for making up losses of the Company;
(6) To decide on venture capital investment, acquisition and disposal of assets, matters on external guarantee, asset mortgage, entrusted financial management, connected transactions, etc. of the Company within the authority granted by the shareholders' meeting and in accordance with the laws, administrative regulations, listing rules of the stock exchange(s) at the place where the Company is listed and requirements of the Articles of Association; any abovementioned matters which are required to be approved by the shareholders' meeting shall be submitted to the shareholders' meeting for review after being approved by the Board of Directors. Of which:	(6) To decide on venture capital investment, acquisition and disposal of assets, matters on external guarantee, asset mortgage, entrusted financial management, connected transactions, etc. of the Company within the authority granted by the shareholders' meeting and in accordance with the laws, administrative regulations, listing rules of the stock exchange(s) at the place where the Company is listed and requirements of the Articles of Association; any abovementioned matters which are required to be approved by the shareholders' meeting shall be submitted to the shareholders' meeting for review after being approved by the Board of Directors. Of which:

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
1. To undertake risk investments the amount of which shall be less than 10% of the Company's latest audited net assets (as shown in the Company's latest audited accounts). Investment in such undertaking shall follow stringent procedures of examination and decision making. Major investment projects exceeding the aforesaid amount shall be examined by relevant specialists and then submitted to the shareholders' meeting for approval. The above risk investments are those which involve areas the Company has never ventured into in the past, and are outside the Company's scope of normal business, or those which the Board of Directors considers as highly risky and without certainty, including but not limited to investment on shares, futures or foreign exchange transactions, etc.	1. To undertake risk investments the amount of which shall be less than 10% of the Company's latest audited net assets (as shown in the Company's latest audited accounts). Investment in such undertaking shall follow stringent procedures of examination and decision making. Major investment projects exceeding the aforesaid amount shall be examined by relevant specialists and then submitted to the shareholders' meeting for approval. The above risk investments are those which involve areas the Company has never ventured into in the past, and are outside the Company's scope of normal business, or those which the Board of Directors considers as highly risky and without certainty, including but not limited to investment on shares, futures or foreign exchange transactions, etc.
2. To cancel more than 10% of the Company's latest audited net assets (as shown in the Company's latest audited accounts). When the assets to be cancelled are more than 10% of the Company's net assets, the Board of Directors should submit the proposal to the shareholders' meetings for approval;	2. To cancel more than 10% of the Company's latest audited net assets (as shown in the Company's latest audited accounts). When the assets to be cancelled are more than 10% of the Company's net assets, the Board of Directors should submit the proposal to the shareholders' meetings for approval;
3. To review and approve the provision for asset impairment whose aggregate annual amount accounting for over 10% (inclusive) of the Company's latest audited net assets, in addition to impairment provision made by the Company in accordance with accounting estimation principles and aging analysis;	3. To review and approve the provision for asset impairment whose aggregate annual amount accounting for over 10% (inclusive) of the Company's latest audited net assets, in addition to impairment provision made by the Company in accordance with accounting estimation principles and aging analysis;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(7) To formulate proposals for increases or reductions in the Company's registered capital and for the issuance and listing of the bond or other securities of the Company;	(7) To formulate proposals for increases or reductions in the Company's registered capital and for the issuance and listing of the bond or other securities of the Company;
(8) To prepare plans for major acquisition, repurchase of the Company's shares or mergers, division, spin-off, dissolution of the Company and change of the form of the Company;	(8) To prepare plans for major acquisition, repurchase of the Company's shares or mergers, division, spin-off, dissolution of the Company and change of the form of the Company;
(9) To decide on matters relating to the Company's assets pledge, external guarantee, entrusted financial management, connected transaction, external donations etc. according to authorization of shareholders' meeting;	(9) To decide on matters relating to the Company's assets pledge, external guarantee, entrusted financial management, connected transaction, external donations etc. according to authorization of shareholders' meeting;
(10) To decide on the establishment of the Company's internal management structure;	(10) To decide on the establishment of the Company's internal management structure;
(11) To review and approve major reform matters in relation to the Company and its subsidiaries;	(11) To review and approve major reform matters in relation to the Company and its subsidiaries;
(12) To decide on the authorization management system and authorization decision scheme of the Board of Directors;	(12) To decide on the authorization management system and authorization decision scheme of the Board of Directors;
(13) Pursuant to the Chairman's nomination to appoint or dismiss the Company's president, the Secretary to the Board of Directors and decide the remunerations thereof, and pursuant to the president's nominations to appoint or dismiss the vice-presidents, the chief financial officer, the general economic officer, the chief engineer, the chief pilot and other senior management of the Company and decide the remunerations thereof;	(13) Pursuant to the Chairman's nomination to appoint or dismiss the Company's president, the Secretary to the Board of Directors and decide the remunerations thereof, and pursuant to the president's nominations to appoint or dismiss the vice-presidents, the chief financial officer, the general economic officer, the chief engineer, the chief pilot and other senior management of the Company and decide the remunerations thereof;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)		The amended articles of the Procedural Rules of the Board of Directors	
(14)	To establish the Company's basic management system;	(14)	To establish the Company's basic management system;
(15)	To formulate proposals for amendments to the Articles of Association, and approve amendments to the Articles of Association caused by change in registered capital due to the Company's share issuance;	(15)	To formulate proposals for amendments to the Articles of Association, and approve amendments to the Articles of Association caused by change in registered capital due to the Company's share issuance;
(16)	To manage information disclosure of the Company;	(16)	To manage information disclosure of the Company;
(17)	To propose to the shareholders' meeting for the engagement or change of accounting firm of the Company;	(17)	To propose to the shareholders' meeting for the engagement or change of accounting firm ~~of~~ **that audits** the Company;
(18)	To receive the work report and to check the work of the General Manager of the Company (if the General Manager is also a director, such director shall abstain from exercising his rights as director when the Board examines his work as General Manager);	(18)	To receive the work report and to check the work of the General Manager of the Company (if the General Manager is also a director, such director shall abstain from exercising his rights as director when the Board examines his work as General Manager);
(19)	To formulate the standard of remuneration and allowance package of the directors;	(19)	To formulate the standard of remuneration and allowance package of the directors;
(20)	To formulate the standard of allowance for the independent directors;	(20)	To formulate the standard of allowance for the independent directors;
(21)	To decide the Company's risk management system, internal control system and legal compliance management system and supervise the relevant rules and their implementation; guide, review and assess the internal audit, and approve annual audit report and significant audit report according to law;	(21)	To decide the Company's risk management system, internal control system and legal compliance management system and supervise the relevant rules and their implementation; guide, review and assess the internal audit, and approve annual audit report and significant audit report according to law;
(22)	To exercise any other powers conferred by the laws, regulations and the Articles of Association or the shareholders' meeting.	(22)	To exercise any other powers conferred by the laws, regulations and the Articles of Association or the shareholders' meeting.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Except for resolutions of the Board of Directors in respect of the matters specified in clauses (7), (8), (9) and (15) of this Article which shall be passed by more than two-thirds of all the directors, resolutions of the Board of Directors in respect of all other matters may be passed by more than one half of all the directors. Matters beyond the scope of authorisation by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.	Except for resolutions of the Board of Directors in respect of the matters specified in clauses (7), (8), (9) and (15) of this Article which shall be passed by more than two-thirds of all the directors, resolutions of the Board of Directors in respect of all other matters may be passed by more than one half of all the directors. Matters beyond the scope of authorisation by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.
Article 34 The Board of Directors shall comply with the relevant national laws and regulations, the Articles of Association and resolutions of shareholders' meetings in performing their duties, and accept the supervision of the supervisory committee of the Company at their own initiatives. Matters which required the approval from relevant national authorities shall be implemented subject to such approval.	Article 32 The Board of Directors shall comply with the relevant national laws and regulations, the Articles of Association and resolutions of shareholders' meetings in performing their duties, and accept the supervision of the ~~supervisory committee~~ **audit and risk management committee** of the Company at their own initiatives. Matters which required the approval from relevant national authorities shall be implemented subject to such approval.
Article 36 The Company may set up several special committees, including strategy and investment committee, audit and risk management committee, nomination committee, remuneration and assessment committees and aviation safety committee. Members of special committees shall all be directors. In the audit and risk management committee, the nomination committee and the remuneration and assessment committee, the majority of members shall be independent directors and the chairman of each committee shall be an independent director. In the audit and risk management committee, all the members shall be independent directors and the chairman shall be an accounting professional.	Article 34 The Company may set up several special committees, including strategy and investment committee, audit and risk management committee, nomination committee, remuneration and assessment committees and aviation safety committee. Members of special committees shall all be directors. In the audit and risk management committee, the nomination committee and the remuneration and assessment committee, the majority of members shall be independent directors and the chairman of each committee shall be an independent director. In the audit and risk management committee, ~~all~~ **more than half of the** members shall be independent directors and the chairman shall be an accounting professional.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 37 The Board of Directors may make adjustments to the above-mentioned committees in accordance with the needs of the Company.	Article 35 The Board of Directors may make adjustments to the above-mentioned committees in accordance with the needs of the Company.
(1) The major terms of reference of the strategy and investment committee are: to study and consider the long-term development strategies and major investment decisions of the Company and submit recommendations and plans to the Board of Directors and supervise their implementation;	(1) The major terms of reference of the strategy and investment committee are: **(i)** to study and consider the long-term development strategies and major investment decisions of the Company and submit recommendations and plans to the Board of Directors and supervise their implementation; **(ii) other duties as stipulated in the Articles of Association, these Rules and the terms of reference of the strategy and investment committee.**
(2) The major terms of reference of the audit and risk management committee are: (i) to make recommendations to the Board of Directors on the appointment and removal of the external audit firms; (ii) to examine the Company's internal audit system and its implementation; (iii) to ensure co-ordination between the internal and external auditors; (iv) to review and monitor the Company's financial information and its disclosure; (v) to review the Company's internal control and risk management system;	(2) The **audit and risk management committee shall exercise the functions and powers of the supervisory committee as stipulated by other laws and administrative rules of the Company Law, and the** major terms of reference of the audit and risk management committee are: (i) to make recommendations to the Board of Directors on the appointment and removal of the external audit firms; (ii) to examine the Company's internal audit system and its implementation; (iii) to ensure co-ordination between the internal and external auditors; (iv) to review and monitor the Company's financial information and its disclosure; (v) to review the Company's internal control and risk management system; **(vi) other duties as stipulated in the Articles of Association, these Rules and the terms of reference of the audit and risk management committee.**
(3) The major terms of reference of the nomination committee are: (i) to research and make recommendations to the Board of Directors on the criteria and procedures for selection of directors and senior administrative officer(s); (ii) to extensively look for individuals suitably qualified to be Board members and senior administrative officer(s); (iii) to review and make recommendations to the Board of Directors on the candidates of directors and senior administrative officer(s);	

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(4) The major terms of reference of the remuneration and assessment committee are: (i) to research the evaluation criteria of directors and senior administrative officer(s) and make recommendations to the Board of Directors; (ii) to study and review the remuneration policies and plans for all directors and senior administrative officer(s); (5) The major terms of reference of the aviation safety committee are: (i) to supervise management over the Company's aviation safety management; (ii) to conduct research, examine and put forward suggestions to the Company's safety work plan and major issues related to safety work and supervise the implementation. The special committees are accountable to the Board of Directors, and the proposals made by each of the special committees shall be submitted to the Board of Directors for examination and decision; the special committees may engage professional institutions to provide professional advice at the expense of the Company.	(3) The major terms of reference of the nomination committee are: (i) to research and make recommendations to the Board of Directors on the criteria and procedures for selection of directors and senior administrative officer(s); (ii) to extensively look for individuals suitably qualified to be Board members and senior administrative officer(s); (iii) to review and make recommendations to the Board of Directors on the candidates of directors and senior administrative officer(s); **(iv) other duties as stipulated in the Articles of Association, these Rules and the terms of reference of the nomination committee.** (4) The major terms of reference of the remuneration and assessment committee are: (i) to ~~research~~ **formulate** the evaluation criteria of directors and senior administrative officer(s) and make recommendations to the Board of Directors; (ii) to ~~research~~ **formulate** and review the remuneration policies and plans for all directors and senior administrative officer(s); **(iii) other duties as stipulated in the Articles of Association, these Rules and the terms of reference of the remuneration and assessment committee.** (5) The major terms of reference of the aviation safety committee are: (i) to supervise management over the Company's aviation safety management; (ii) to conduct research, examine and put forward suggestions to the Company's safety work plan and major issues related to safety work and supervise the implementation**; (iii) other duties as stipulated in the Articles of Association, these Rules and the terms of reference of the aviation safety committee**.

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	~~The special committees are accountable to the Board of Directors, and the proposals made by each of the special committees shall be submitted to the Board of Directors for examination and decision; the special committees may engage professional institutions to provide professional advice at the expense of the Company.~~
CHAPTER 6 SECRETARY TO THE BOARD OF DIRECTORS	**CHAPTER 6 SECRETARY TO THE BOARD OF DIRECTORS**
Article 46 The Secretary to the Board of Directors is a senior management member of the Company and is accountable to the Board of Directors. Eligibility of the Secretary to the Board of Directors:	Article 44 The Secretary to the Board of Directors is a senior management member of the Company and is accountable to the Board of Directors. Eligibility of the Secretary to the Board of Directors:
(1) qualifications of professional training in university or above, work experience in finance or audit, business administration or law for 3 years or above, having taken training in and passed the exam of Secretary to the Board of Directors organized by China Securities Regulatory Commission and other organizations;	(1) qualifications of professional training in university or above, work experience in finance or audit, business administration or law for 3 years or above, having taken training in and passed the exam of Secretary to the Board of Directors organized by China Securities Regulatory Commission and other organizations;
(2) with certain knowledge in areas such as finance, taxation, law, monetary, corporate management and computer application, good personal qualities and work ethics, strict compliance with relevant laws, regulations and rules and the ability to perform his/her duty faithfully;	(2) with certain knowledge in areas such as finance, taxation, law, monetary, corporate management and computer application, good personal qualities and work ethics, strict compliance with relevant laws, regulations and rules and the ability to perform his/her duty faithfully;
(3) Company directors or other senior management personnel (except for the General Manager, Chief Financial Officer and Supervisors) can hold the position of the Secretary to the Board of Directors concurrently;	(3) Company directors or other senior management personnel (except for the General Manager, Chief Financial Officer and ~~Supervisors~~ **members of the audit and risk management committee**) can hold the position of the Secretary to the Board of Directors concurrently;

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(4) the requirements of the laws, regulations, the Articles of Association and these Rules on not holding the position of director of the Company shall apply to the Secretary to the Board of Directors;	(4) the requirements of the laws, regulations, the Articles of Association and these Rules on not holding the position of director of the Company shall apply to the Secretary to the Board of Directors;
(5) An individual shall not serve as the Secretary to the Board of Directors if he/she falls in any of the following circumstances: having been subject to administrative penalties by the CSRC within the past 3 years; having been publicly censured or criticized by a stock exchange 3 or more times within the past 3 years; currently serving as a supervisor of the Company;	(5) An individual shall not serve as the Secretary to the Board of Directors if he/she falls in any of the following circumstances: having been subject to administrative penalties by the CSRC within the past 3 years; having been publicly censured or criticized by a stock exchange 3 or more times within the past 3 years; currently serving as a ~~supervisor~~ **member of the audit and risk management committee** of the Company;
(6) accountants of the accounting firm or lawyers of law firms engaged by the Company cannot hold the position of the Secretary to the Board of Directors concurrently. If an act is required by directors and the Secretary to the Board of Directors separately, the party holding the positions of director and the Secretary to the Board of Directors at the same time cannot act in dual capacity.	(6) accountants of the accounting firm or lawyers of law firms engaged by the Company cannot hold the position of the Secretary to the Board of Directors concurrently. If an act is required by directors and the Secretary to the Board of Directors separately, the party holding the positions of director and the Secretary to the Board of Directors at the same time cannot act in dual capacity.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 48 The principal duties of the Secretary to the Board of Directors include:	Article 46 The principal duties of the Secretary to the Board of Directors include:
(1) to prepare and submit reports and documents and other documents which relevant government departments and stock exchange require the Board of Directors and the shareholders' general meeting to issue;	(1) to prepare and submit reports and documents and other documents which relevant government departments and stock exchange require the Board of Directors and the shareholders' general meeting to issue;
(2) to co-ordinate and handle the daily business of the Board of Directors and work assigned by the Chairman;	(2) to co-ordinate and handle the daily business of the Board of Directors and work assigned by the Chairman;
(3) to manage the matters of equity securities of the Company;	(3) to manage the matters of equity securities of the Company;
(4) to arrange Board meetings, shareholders' meetings and other meetings organized by the Board of Directors according to the statutory procedure, draft documents such as reports, resolution, summary and notice of the Board of Directors and shareholders' meetings, maintain the minutes, documents and record of meetings;	(4) to arrange Board meetings, shareholders' meetings and other meetings organized by the Board of Directors according to the statutory procedure, draft documents such as reports, resolution, summary and notice of the Board of Directors and shareholders' meetings, maintain the minutes, documents and record of meetings;
(5) to be in charge of the matters of disclosure of the Company's information and ensure the disclosure of the Company's information is timely, accurate, truthful and complete;	(5) to be in charge of the matters of disclosure of the Company's information and ensure the disclosure of the Company's information is timely, accurate, truthful and complete;
(6) to ensure parties entitled to the relevant records and documents of the Company can have access to the relevant documents and records in a timely manner;	(6) to ensure parties entitled to the relevant records and documents of the Company can have access to the relevant documents and records in a timely manner;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(7) to cause directors, supervisors and senior management of the Company to understand their responsibility and the relevant laws, regulations, rules and policy and relevant requirements of the Company's Articles of Association which they should abide by;	(7) to cause directors~~, supervisors~~ and senior management of the Company to understand their responsibility and the relevant laws, regulations, rules and policy and relevant requirements of the Company's Articles of Association which they should abide by;
(8) to assist the Board of Directors to exercise authority in accordance with relevant laws, regulations and the relevant requirements of the Articles of Association, raise objection when the Board's resolution is in breach of the relevant requirements of laws, regulations, stock exchange and the Company's Articles of Association to avoid incurring loss to the Company and investors;	(8) to assist the Board of Directors to exercise authority in accordance with relevant laws, regulations and the relevant requirements of the Articles of Association, raise objection when the Board's resolution is in breach of the relevant requirements of laws, regulations, stock exchange and the Company's Articles of Association to avoid incurring loss to the Company and investors;
(9) to provide legal assistance, consultation and advice on decision-making for important decisions of the Board of Directors;	(9) to provide legal assistance, consultation and advice on decision-making for important decisions of the Board of Directors;
(10) to organize local and overseas promotional activities of the Company;	(10) to organize local and overseas promotional activities of the Company;
(11) to handle related matters among the Company and directors, securities administration department, stock exchange, intermediary agencies and investors;	(11) to handle related matters among the Company and directors, securities administration department, stock exchange, intermediary agencies and investors;
(12) to be responsible for managing investor relations and co-ordinate related matters between the Company and investors;	(12) to be responsible for managing investor relations and co-ordinate related matters between the Company and investors;
(13) to keep the information of the register of members, register of directors, shareholding information of major shareholders and directors and the seal of the Board of Directors;	(13) to keep the information of the register of members, register of directors, shareholding information of major shareholders and directors and the seal of the Board of Directors;

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
(14) other matters authorized by the Board of Directors; (15) to organize relevant trainings for the Company's directors, supervisors and senior management personnel, and urge them to abide by regulations and fulfill their commitments; (16) other duties required by the laws, administrative regulations, requirements of the CSRC and the rules of the stock exchange where the Company is listed.	(14) other matters authorized by the Board of Directors; (15) to organize relevant trainings for the Company's directors~~, supervisors~~ and senior management personnel, and urge them to abide by regulations and fulfill their commitments; (16) other duties required by the laws, administrative regulations, requirements of the CSRC and the rules of the stock exchange where the Company is listed.
Article 54 Before resignation, the Secretary to the Board of Directors shall be subject to exit review by the Board of Directors and the supervisory committee, handing over relevant files and items being handled or to be handled under the supervision of the Company's supervisory committee.	Article 52 Before resignation, the Secretary to the Board of Directors shall be subject to exit review by the Board of Directors and the ~~supervisory committee~~ **audit and risk management committee**, handing over relevant files and items being handled or to be handled under the supervision of the Company's ~~supervisory committee~~ **audit and risk management committee**.
CHAPTER 7 PROCEDURES FOR CONVENING BOARD MEETINGS	**CHAPTER 7 PROCEDURES FOR CONVENING BOARD MEETINGS**
Article 55 The deliberations of the directors shall be conducted in the form of a Board meeting. A Board meeting shall be convened and presided over by the Chairman of the Board of Directors (or by a director authorized by the Chairman of the Board of Directors). If the Chairman of the Board of Directors is unable to or does not perform his or her duties for any special reason, he/she may appoint a vice chairman to convene and preside over the Board meeting on his or her behalf; if the Chairman of the Board of Directors does not perform his/her duty for no reason and fails to appoint a specific person to perform his/her duty on his/her behalf, a majority of the directors may jointly elect one director to convene the meeting.	Article 5~~5~~3 The deliberations of the directors shall be conducted in the form of a Board meeting. A Board meeting shall be convened and presided over by the Chairman of the Board of Directors (or by a director authorized by the Chairman of the Board of Directors). If the Chairman of the Board of Directors is unable to or does not perform his or her duties for any special reason, he/she may appoint a vice chairman to convene and preside over the Board meeting on his or her behalf; if the Chairman of the Board of Directors does not perform his/her duty for no reason and fails to appoint a specific person to perform his/her duty on his/her behalf, **the vice chairman shall perform his or her duties; if the vice chairman is unable to perform or fails to perform his or her duties,** a majority of the directors may jointly elect one director to convene the meeting.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Article 58 The Chairman of the Board of Directors shall convene an extraordinary Board meeting within ten days when it is:	Article 56 The Chairman of the Board of Directors shall convene an extraordinary Board meeting within ten days when it is:
(1) considered by the Chairman that it is necessary;	(1) considered by the Chairman that it is necessary;
(2) proposed by one-third or more of the directors;	(2) proposed by one-third or more of the directors;
(3) proposed by more than half of the independent directors;	(3) proposed by more than half of the independent directors;
(4) proposed by shareholders representing more than one tenth of voting rights;	(4) proposed by shareholders representing more than one tenth of voting rights;
(5) proposed by the supervisory committee;	(5) proposed by the ~~supervisory committee~~ **audit and risk management committee**;
(6) proposed by the General Manager;	(6) proposed by the General Manager;
(7) requested to be convened by the securities regulatory body;	(7) requested to be convened by the securities regulatory body;
(8) otherwise provided by the Articles of Association.	(8) otherwise provided by the Articles of Association.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Article 60 The method and time of notice of the board meeting as follows:	Article 58 The method and time of notice of the board meeting as follows:
(1) Notify the directors via hand delivery, fax, email or other methods where delivery can be confirmed ten days before the date of the regular meeting;	(1) Notify the directors via hand delivery, fax, email or other methods where delivery can be confirmed ten days before the date of the regular meeting;
(2) Notify the directors via hand delivery, telephone, fax, email or other methods where delivery can be confirmed five days before the date of the extraordinary meeting;	(2) Notify the directors via hand delivery, telephone, fax, email or other methods where delivery can be confirmed five days before the date of the extraordinary meeting;
(3) For a meeting notice sent by hand, the recipient shall sign (or seal) the relevant receipt. The receipt date shall be the date of service; for a notice sent by registered mail, the 5th working day from the date of sending shall be the date of service; for a notice sent by fax, the day of sending shall be the date of service subject to the date indicated on the fax report; for a notice sent by e-mail, the time of e-mail reaching the recipient's specific system shall be the time of service;	(3) For a meeting notice sent by hand, the recipient shall sign (or seal) the relevant receipt. The receipt date shall be the date of service; for a notice sent by registered mail, the 5th working day from the date of sending shall be the date of service; for a notice sent by fax, the day of sending shall be the date of service subject to the date indicated on the fax report; for a notice sent by e-mail, the time of e-mail reaching the recipient's specific system shall be the time of service;
(4) When a special meeting of the Board needs to be held as early as possible in case of an emergency, the meeting notice is allowed to be given by telephone or in other verbal forms at any time provided that the convener makes necessary explanations at the meeting;	(4) When a special meeting of the Board needs to be held as early as possible in case of an emergency, the meeting notice is allowed to be given by telephone or in other verbal forms at any time**, and not subject to the time limits on meeting notice as mentioned in preceding paragraphs,** provided that the convener makes necessary explanations at the meeting;
(5) Such notices shall be in Chinese, with English version when necessary.	(5) Such notices shall be in Chinese, with English version when necessary.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Article 66 If a director fails to attend a Board meeting or to appoint a proxy, he/she shall be deemed to have waived his/her right to vote at that meeting. If the director fails to attend the Board meeting or entrust any other directors to attend the meeting on his/her behalf for two consecutive times, the Board shall be entitled to advise the shareholders' meeting to remove such director.	Article 64 If a director fails to attend a Board meeting or to appoint a proxy, he/she shall be deemed to have waived his/her right to vote at that meeting. If the director fails to attend the Board meeting or entrust any other directors to attend the meeting on his/her behalf for two consecutive times, **it shall be deemed that he/she cannot perform his/her duties, and** the Board shall ~~be entitled to~~ advise the shareholders' meeting to remove such director.
Article 67 The general manager, supervisors and the Secretary to the Board of Directors shall attend the Board meeting as non-voting observers, and the non-director senior management personnel and personnel involved with the topic considered in the meeting shall attend the meeting as non-voting observers as required. The non-voting observers have the right to issue opinions about relevant topics but have no voting right.	Article 65 The general manager~~, supervisors~~ and the Secretary to the Board of Directors shall attend the Board meeting as non-voting observers, and the non-director senior management personnel and personnel involved with the topic considered in the meeting shall attend the meeting as non-voting observers as required. The non-voting observers have the right to issue opinions about relevant topics but have no voting right.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 69 Submission procedure of resolutions of the Board of Directors is:	Article 67 Submission procedure of resolutions of the Board of Directors is:
(i) Proposal presentation: in accordance with the powers of Board of Directors, the proposals shall be put forward by Chairman, supervisory committee, the general manager, a director or be jointly put forward by numerous directors;	(i) Proposal presentation: in accordance with the powers of Board of Directors, the proposals shall be put forward by Chairman, ~~supervisory committee~~ **audit and risk management committee**, the general manager, a director or be jointly put forward by numerous directors;
(ii) Proposal preparation: the proposal put forward by the Chairman, supervisory committee or the general manager shall be prepared by himself/herself or submit to the Secretary to the Board of Directors who will organize relevant functional departments to prepare. The proposals put forward by a director or jointly put forward by numerous directors shall be prepared by the director who put forward the proposal or upon approval of the Chairman submit to the Secretary to the Board of Directors who will organize relevant departments to prepare;	(ii) Proposal preparation: the proposal put forward by the Chairman, ~~supervisory committee~~ **audit and risk management committee** or the general manager shall be prepared by himself/herself or submit to the Secretary to the Board of Directors who will organize relevant functional departments to prepare. The proposals put forward by a director or jointly put forward by numerous directors shall be prepared by the director who put forward the proposal or upon approval of the Chairman submit to the Secretary to the Board of Directors who will organize relevant departments to prepare;
(iii) Proposal submission: after the proposal is prepared, the Secretary to the Board of Directors shall collect opinions within certain scope. After demonstration, evaluation and revision of relevant departments and personnel, the proposal will be submitted to Board of Directors for discussion and decision making when it is mature basically;	(iii) Proposal submission: after the proposal is prepared, the Secretary to the Board of Directors shall collect opinions within certain scope. After demonstration, evaluation and revision of relevant departments and personnel, the proposal will be submitted to Board of Directors for discussion and decision making when it is mature basically;
(iv) The related party transaction proposal with the total transaction amount higher than the current listing rules and other regulatory regulations in the place where the company is listed shall be signed and approved by the independent directors before being submitted to the Board of Directors for discussion.	(iv) The related party transaction proposal with the total transaction amount higher than the current listing rules and other regulatory regulations in the place where the company is listed shall be signed and approved by the independent directors before being submitted to the Board of Directors for discussion.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
CHAPTER 8 VOTING PROCEDURE OF BOARD MEETINGS	**CHAPTER 8 VOTING PROCEDURE OF BOARD MEETINGS**
Article 70 Board meetings shall be held only if more than half of the directors are present. Where the requirement of the minimum number of participants fails to be met due to some relevant directors' refusal or failure to attend the meeting, the Chairman and the Secretary to the Board shall report it to the regulatory department in a timely manner. The supervisors, the General Manager and the Secretary to the Board without a concurrent post of director shall attend the meeting of the Board. The meeting moderator, if he/she considers necessary, can inform other relevant personnel to attend the meeting.	Article 68 Board meetings shall be held only if more than half of the directors are present. Where the requirement of the minimum number of participants fails to be met due to some relevant directors' refusal or failure to attend the meeting, the Chairman and the Secretary to the Board shall report it to the regulatory department in a timely manner. The ~~supervisors, the~~ General Manager and the Secretary to the Board without a concurrent post of director shall attend the meeting of the Board. The meeting moderator, if he/she considers necessary, can inform other relevant personnel to attend the meeting.
Article 76 After attending directors have completed voting, the securities affairs representative and relevant staff of the board office shall promptly collect directors' voting ballots and submit them to the Secretary to the Board of Directors for counting under the supervision of a supervisor or an independent director. For meetings held in person, the chairperson shall announce the counting results on the spot; in other circumstances, the meeting chairperson shall require the Secretary to the Board of Directors to notify the directors of the voting results by the next working day following the conclusion of the stipulated voting period. Any voting by directors after the voting results are announced by the chairperson or after the stipulated voting deadline will not be counted.	Article 74 After attending directors have completed voting, the securities affairs representative and relevant staff of the board office shall promptly collect directors' voting ballots and submit them to the Secretary to the Board of Directors for counting under the supervision of a supervisor or **a member of the audit and risk management committee** ~~an independent director~~. For meetings held in person, the chairperson shall announce the counting results on the spot; in other circumstances, the meeting chairperson shall require the Secretary to the Board of Directors to notify the directors of the voting results by the next working day following the conclusion of the stipulated voting period. Any voting by directors after the voting results are announced by the chairperson or after the stipulated voting deadline will not be counted.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	The amended articles of the Procedural Rules of the Board of Directors
Article 80 When the Board of Directors discusses or decides significant proposal which may be deferred objectively, if more than half of the attending directors or more than two independent directors believe that the proposal is unclear, lacking in specificity, or if insufficient meeting materials hinder judgment on relevant matters and a proposal for reconsideration is raised, the further discussion can be on. Where a matter remains undecided after further discussion, the chairperson of the meeting shall request that the meeting postpone voting on the matter. Directors proposing deferred voting shall specify the conditions that the proposal must meet for resubmission and review. A resolution passed by the Board of Directors shall be reconsidered upon request by the chairman of the Board of Directors, one-third of the directors, the supervisory committee, or the general manager. However, such reconsideration shall not exceed two times.	Article 78 When the Board of Directors discusses or decides significant proposal which may be deferred objectively, if more than half of the attending directors or more than two independent directors believe that the proposal is unclear, lacking in specificity, or if insufficient meeting materials hinder judgment on relevant matters and a proposal for reconsideration is raised, the further discussion can be on. Where a matter remains undecided after further discussion, the chairperson of the meeting shall request that the meeting postpone voting on the matter. Directors proposing deferred voting shall specify the conditions that the proposal must meet for resubmission and review. A resolution passed by the Board of Directors shall be reconsidered upon request by the chairman of the Board of Directors, one-third of the directors, ~~the supervisory committee,~~ or the general manager. However, such reconsideration shall not exceed two times.
Article 87 The participating directors shall sign the meeting minutes and resolution record for confirmation on behalf of themselves and the directors who authorize them to attend, and be responsible for the resolution(s) of the Board meeting. Any director who has different views on the meeting minutes or the resolution record can make a written explanation when signing the minutes; when necessary, he/she shall report it to the regulatory authorities timely; he/she can also make a public statement.	Article 85 The participating directors shall sign the meeting minutes and resolution record for confirmation on behalf of themselves and the directors who authorize them to attend, and be responsible for the resolution(s) of the Board meeting. Any director who has different views on the meeting minutes or the resolution record can make a written explanation when signing the minutes; when necessary, he/she shall report it to the regulatory authorities timely; he/she can also make a public statement.

The existing articles of the Procedural Rules of the Board of Directors (July 2024)	**The amended articles of the Procedural Rules of the Board of Directors**
Where the resolution of the Board violates the laws, administrative regulations or the Articles of Association, and causes severe loss to the Company, the directors participating in such resolution shall be liable for compensation to the Company; however, if there is evidence recorded in the meeting minutes showing that the director has objected to such resolution, such director shall be exempted for such compensation. Directors who abstain from voting on a resolution or fail to attend a meeting without appointing others to attend the meeting on their behalf shall not be absolved of responsibility; directors who clearly express their dissent during the discussion but fail to vote against the resolution shall also not be absolved of responsibility.	Where the resolution of the Board violates the laws, administrative regulations or the Articles of Association, and causes severe loss to the Company, the directors participating in such resolution shall be liable for compensation to the Company; however, if there is evidence recorded in the meeting minutes showing that the director has objected to **and vote against** such resolution, such director shall be exempted for such compensation. Directors who abstain from voting on a resolution or fail to attend a meeting without appointing others to attend the meeting on their behalf shall not be absolved of responsibility; directors who clearly express their dissent during the discussion but fail to vote against the resolution shall also not be absolved of responsibility.
CHAPTER 10 DOCUMENTATION FOR BOARD MEETING	**CHAPTER 10 DOCUMENTATION FOR BOARD MEETING**
Article 95 The Board of Directors shall keep the notices, records, minutes, resolutions, financial audit reports, registers of shareholders and other meeting materials of all previous general meetings and Board meetings as well as meetings of the supervisory committee at the Company for future reference. These materials shall be retained for a period of ten years.	Article 93 The Board of Directors shall keep the notices, records, minutes, resolutions, financial audit reports, registers of shareholders and other meeting materials of all previous general meetings and Board meetings as well as meetings of the **audit and risk management committee** ~~supervisory committee~~ at the Company for future reference. These materials shall be retained for a period of ten years.
Article 119 In accordance with the laws, regulations, administrative requirements, the Articles of Association, and the provisions of these Rules regarding the powers and authorities of the Board of Directors, the Board of Directors shall formulate and amend from time to time the authorization management measures and authorization list of the Board of Directors. The authorization management measures and authorization list of the Board of Directors shall be considered and approved by the Board of Directors.	Article 117 In accordance with the laws, regulations, administrative requirements, the Articles of Association, and the provisions of these Rules regarding the powers and authorities of the Board of Directors, the Board of Directors shall formulate and amend from time to time the **decision-making list,** authorization management measures and authorization list of the Board of Directors. The **decision-making list,** authorization management measures and authorization list of the Board of Directors shall be considered and approved by the Board of Directors.

中国南方航空股份有限公司
CHINA SOUTHERN AIRLINES COMPANY LIMITED

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

(Stock Code: 1055)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2025 (the "**EGM**") of China Southern Airlines Company Limited (the "**Company**") will be held at No. 3301 Conference Room, 33rd Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC on Friday, 12 December 2025 at 2:30 p.m. for the purpose of considering, if thought fit, to approve the following resolution. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the circular of the Company dated 25 November 2025 (the "**Circular**"):

AS ORDINARY RESOLUTIONS

To consider and, if thought fit, approve the following resolutions as ordinary resolutions:

1. the resolution regarding the provision of guarantees by Xiamen Airlines Company Limited for the year 2026

2. the resolution regarding the renewal of financial services framework agreement entered into between the Company and China Southern Airlines Group Finance Company Limited and connected transactions

3. the resolution regarding the renewal of finance and lease service framework agreement entered into between the Company and China Southern Air Leasing Company Limited and connected transactions

AS SPECIAL RESOLUTIONS

To consider and, if thought fit, approve the following resolutions as special resolutions:

4. the resolution regarding the amendments to the Articles of Association of China Southern Airlines Company Limited and the abolishment of the Supervisory Committee

5. the resolution regarding the amendments to the Procedural Rules of the Shareholders' General Meeting of China Southern Airlines Company Limited

6. the resolution regarding the amendments to the Procedural Rules of the Board of Directors of China Southern Airlines Company Limited

By Order of the Board of
CHINA SOUTHERN AIRLINES COMPANY LIMITED
Chen Wei Hua and Liu Wei
Joint Company Secretaries

Guangzhou, the People's Republic of China
25 November 2025

As at the date of this notice, the Directors include Ma Xu Lun and Han Wen Sheng as executive Directors; and Pansy Catilina Chiu King Ho, Guo Wei, Zhang Jun Sheng and Zhu Hai Ping as independent non-executive Directors.

Notes:

1. Persons who are entitled to attend the EGM

a. Holders of the H Shares and A Shares whose names appear on the register of holders of H Shares and register of holders of A Shares of the Company, respectively, on Thursday, 4 December 2025 ("**Eligible Shareholders**") or their representatives are entitled to attend the EGM after completion of the required registration procedures in accordance with Note 2 "Registration procedures for attending the EGM". Holders of A Shares shall receive a notice separately.

b. The directors, supervisors and senior management of the Company.

c. Representatives of the professional advisers hired by the Company and special guests invited by the Board.

2. Registration procedures for attending the EGM

a. When attending the EGM, individual Eligible Shareholder or his/her proxy shall bring along his/her identity card. The legal representative of a corporate Eligible Shareholder attending the EGM shall bring along his/her identity card, together with a notarised copy of the resolution or power of attorney issued by the board of directors or other governing body of the corporate Eligible Shareholder to appoint such legal representative to attend the meeting.

b. Holders of H Shares who intend to attend the EGM must deliver their instruments of transfer together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the registrar of H Shares, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Wednesday, 3 December 2025.

c. The register of holders of H Shares will be closed from Thursday, 4 December 2025 to Friday, 12 December 2025 (both days inclusive), during which period no transfer of H Shares will be registered.

3. Proxies

a. An Eligible Shareholder has the right to appoint one or more proxies to attend the EGM and vote on his/her behalf. A proxy does not need to be a Shareholder. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

b. A proxy must be appointed by an Eligible Shareholder or his/her attorney by way of a form of proxy for the EGM, which is attached to the notice of EGM as Attachment A. If the proxy is appointed by the attorney of an Eligible Shareholder, the power of attorney or other authorisation document(s) authorizing such attorney to appoint the proxy must be notarised.

c. To be valid, for holders of A Shares, the notarially certified power of attorney, or other document of authorisation, and the form of proxy must be delivered to the registered address of the Company no later than 24 hours before the time appointed for the holding of the EGM. To be valid, for holders of H Shares, the notarised power of attorney or other authorisation document(s), together with the completed form of proxy for the EGM, must be lodged with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong within the same period of time.

4. Miscellaneous

a. The EGM are expected to last for not more than one day. Eligible Shareholders (or their proxies) who attend shall bear their own travelling and accommodation expenses.

b. The address of the headquarter of the Company is:

China Southern Airlines Building
68 Qixin Road, Baiyun District, Guangzhou
Guangdong Province
(Postcode 510403)
Telephone No.: (+86) 20-8611 2480
Facsimile No.: (+86) 20-8665 9040
Website: www.csair.com
Contact person: Ms. Yang

c. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the EGM shall be voted by poll.