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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Zhejiang Expressway Co., Ltd., you should at once hand this circular with the accompanying form of proxy(s) to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 0576)

- (1) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION – ABSORPTION AND MERGER OF OCEANKING DEVELOPMENT THROUGH SHARE SWAP AND ISSUANCE OF A SHARES UNDER SPECIFIC MANDATE;
  - (2) ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
  - (3) FORMULATION OF THE ARTICLES OF ASSOCIATION (DRAFT) AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY;
  - (4) NOTICE OF EXTRAORDINARY GENERAL MEETING;
  - (5) NOTICE OF H SHARES CLASS MEETING;
- AND
- (6) NOTICE OF DOMESTIC SHARES CLASS MEETING

Financial advisers to the Company



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



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The EGM, the H Shares Class Meeting and the Domestic Shares Class Meeting will be held at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the PRC on March 20, 2026 at 10:00 a.m., on March 20, 2026 at 12:00 noon (or immediately after the conclusion or adjournment of the EGM) and on March 20, 2026 at 12:30 p.m. (or immediately after the conclusion or adjournment of the H Shares Class Meeting), respectively. The notices convening the EGM, the H Shares Class Meeting and the Domestic Shares Class Meeting are set out on pages 359 to 363, 364 to 367 and 368 to 370 of this circular, respectively.

Whether or not you intend to attend the EGM, the H Shares Class Meeting and/or the Domestic Shares Class Meeting in person, you are requested to complete and return the accompanying proxy form(s) in accordance with the instructions printed thereon. In case of H Shareholders, the proxy form should be lodged with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM and/or the H Shares Class Meeting (or any adjournment thereof). In case of Domestic Shareholders, the proxy form should be lodged with the Company's principal place of business in the PRC at Room 501, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Shangcheng District, Hangzhou City, Zhejiang Province, the PRC not less than 24 hours before the time for holding the EGM and/or Domestic Shares Class Meeting (or any adjournment thereof). Completion and delivery of the proxy form(s) will not preclude you from attending and voting in person at the meeting(s) or any adjournment thereof should you so wish.

February 5, 2026

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## DEFINITIONS

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*In this circular, unless the context specifies otherwise, the following expressions shall have the meanings stated below:*

“Absorption and Merger through Share Swap”, “Absorption and Merger”, “Merger”, “Transaction” or “Reorganization”	Zhejiang Expressway will absorb and merge Oceanking Development by the Issuance of A Shares to all Conversion Shareholders of Oceanking Development. Upon completion of the Merger, Oceanking Development will be delisted from the SSE and its legal person status will be deregistered. Zhejiang Expressway and/or its designated subsidiaries will succeed to and assume all assets, liabilities, businesses, contracts, qualifications, employees, and all other rights and obligations of Oceanking Development. At the same time, Zhejiang Expressway will apply for the listing and trading of A Shares to be issued for the Merger and the existing Domestic Shares on the Main Board of the SSE
“Agreement on Absorption and Merger through Share Swap” or “Agreement”	the Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. entered into between the Company and Oceanking Development on September 2, 2025
“Articles of Association”	the Articles of Association of Zhejiang Expressway Co., Ltd. (as amended, modified or otherwise supplemented from time to time)
“A Share(s)”	ordinary share(s) as issued in the PRC, listed on the PRC domestic stock exchange, denominated, subscribed for and traded in RMB with a nominal value of RMB1.00 each
“A Shares of Oceanking Development”	A Shares of Oceanking Development (stock code: 603213.SH) listed and traded on the SSE
“Board of Directors” or “Board”	board of directors of the Company
“Cash Option(s)”	the rights of the Dissenting Shareholders of Oceanking Development entitled in the Merger. The Dissenting Shareholders of Oceanking Development who declare to exercise the right may request the Cash Option Provider to acquire all or part of the shares of Oceanking Development held by them in cash during the Cash Option Declaration Period

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## DEFINITIONS

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“Cash Option Exercise Date”	the date on which the Cash Option Provider pays cash consideration to Dissenting Shareholders of Oceanking Development who effectively declare to exercise the Cash Option for the shares of Oceanking Development held by them, such date will be determined through negotiation and announced by the Merging Parties separately
“Cash Option Provider”	the entity which pays cash consideration to the eligible Dissenting Shareholders of Oceanking Development for shares of Oceanking Development held by such Dissenting Shareholders in the Absorption and Merger through Share Swap. Communications Group will serve as the Cash Option Provider of the Absorption and Merger through Share Swap
“China Merchants Expressway”	China Merchants Expressway Network & Technology Holdings Co., Ltd. (stock code: 001965.SH), the substantial shareholder of a significant subsidiary of the Company
“Class Meetings”	the H Shares Class Meeting and/or the Domestic Shares Class Meeting
“Closing Date”	the same day as the Share Swap Implementation Date or such other date as the Merging Parties may agree, on which Zhejiang Expressway, as the Surviving Company, and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations of Oceanking Development
“Communications Group”	Zhejiang Communications Investment Group Co., Ltd., a state-owned enterprise established in the PRC on December 29, 2001 and the controlling shareholder of the Company
“Company Law”	Company Law of the People’s Republic of China (as amended from time to time)

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## DEFINITIONS

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“Company” or “Zhejiang Expressway”	Zhejiang Expressway Co., Ltd.* (浙江滬杭甬高速公路股份有限公司), a joint stock limited company established in the PRC on March 1, 1997, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00576)
“Completion Date of the Merger”	the date on which Zhejiang Expressway completed the procedures for industrial and commercial change registration regarding the Merger or the date on which Oceanking Development completed the procedures for industrial and commercial deregistration, whichever is later
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the price per share of Oceanking Development when A Shares of Oceanking Development are swapped for A Shares to be issued by Zhejiang Expressway under the Merger
“Conversion Ratio”	the ratio of each share of Oceanking Development to be swapped for shares of Zhejiang Expressway under the Merger pursuant to the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements, which is determined to be 1:1.0800, meaning that each A Share of Oceanking Development held by A shareholders of Oceanking Development can be exchanged for 1.0800 A Shares of Zhejiang Expressway
“Conversion Shareholders of Oceanking Development”	all shareholders of Oceanking Development whose names appear on the shareholders’ register at the close of business of the Record Date for Merger Implementation, including the shareholders of Oceanking Development who have not declared, partially declared, have no right to declare or invalidly declared the exercise of the Cash Option, and the Cash Option Provider for the Dissenting Shareholders of Oceanking Development
“CSRC”	China Securities Regulatory Commission

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## DEFINITIONS

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“Declaration Period of Cash Option”	the period during which the eligible Dissenting Shareholders of Oceanking Development may request to exercise the Cash Option, which will be determined through negotiation and announced by the Merging Parties separately
“Declaration Period of Put Option”	the period during which the eligible Dissenting Shareholders of Zhejiang Expressway may request to exercise the Put Options, which shall be determined through negotiation and announced by the Merging Parties separately
“Dissenting Shareholders of Oceanking Development”	the shareholders of Oceanking Development having cast effective dissenting votes in respect of the resolutions and each of the sub-resolutions to be voted separately regarding the plan for the Transaction and the resolutions regarding entering into the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements at the general meeting held by Oceanking Development for the purpose of voting on the Transaction, and having held the shares which are entitled to the dissenting rights until the Cash Option Exercise Date of the Dissenting Shareholders of Oceanking Development, and having fulfilled relevant declaration procedures of the Cash Option within the specified time
“Dissenting Shareholders of Zhejiang Expressway”	the shareholders of Zhejiang Expressway having cast effective dissenting votes in respect of the resolutions and each of the sub-resolutions to be voted separately regarding the plan for the Transaction and the resolutions regarding entering into the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements at the General Meeting and corresponding Class Meetings held by Zhejiang Expressway for the purpose of voting on the Transaction, having held the shares which are entitled to the dissenting rights until the Put Option Exercise Date of the Dissenting Shareholders of Zhejiang Expressway, and having fulfilled relevant declaration procedures of the Put Option within the specified time

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## DEFINITIONS

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“Domestic Shares”	unlisted domestic shares of Zhejiang Expressway with a par value of RMB1.00 each held by the legal person in the PRC as at the date of signing the Agreement on Absorption and Merger through Share Swap
“Domestic Shares Class Meeting”	the Domestic Shares class meeting of the Company to be held at 12:30 p.m. on Friday, March 20, 2026 (or immediately after the conclusion or adjournment of the H Shares Class Meeting) at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the PRC
“EGM” or “General Meeting”	the extraordinary general meeting of the Shareholders of the Company to be convened at 10:00 a.m. on Friday, March 20, 2026 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the PRC
“Enlarged Group”	the post-merger Company and its subsidiaries
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being appointed as the independent financial adviser by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with a par value of RMB1.00 each, listed and traded in Hong Kong dollars on the Main Board of the Hong Kong Stock Exchange since May 15, 1997
“H Shares Class Meeting”	the H Shares class meeting of the Company to be held at 12:00 noon on Friday, March 20, 2026 (or immediately after the conclusion or adjournment of the EGM) at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the PRC
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. YU Mingyuan
“Independent Shareholders”	shareholders who are independent within the meaning of the relevant provisions of the Listing Rules, and with respect to the relevant resolutions approving the transactions contemplated under the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements at the EGM and the Class Meeting, means shareholders other than Communications Group and its associates
“Issuance of A Shares”	issuance of A Shares by Zhejiang Expressway to all Conversion Shareholders of Oceanking Development due to the Merger
“Issue Price”	the price per A Share to be issued by Zhejiang Expressway to all Conversion Shareholders of Oceanking Development for the Merger
“Latest Practicable Date”	February 3, 2026, being the latest practicable date for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended and in force from time to time)
“Merging Parties” or “A&M Parties”	Zhejiang Expressway and Oceanking Development
“Oceanking Convertible Bonds”	the convertible corporate bonds issued by Oceanking Development in December 2023 (bond code: 113681.SH)

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## DEFINITIONS

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“Oceanking Development”	Zhejiang Oceanking Development Co., Ltd., whose shares are listed and traded on the Main Board of the SSE (stock code: 603213.SH). As at September 30, 2025, the total share capital of Oceanking Development was 441,971,017 shares, and Communications Group directly held approximately 54.71% of the shares of Oceanking Development, making it the controlling shareholder of Oceanking Development
“PRC”	the People’s Republic of China, solely for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“Pricing Benchmark Date”	the announcement date of the resolution of the first board meeting held by Oceanking Development to consider matters related to the Transaction (i.e., September 3, 2025)
“Put Option(s)”	the rights of the Dissenting Shareholders of Zhejiang Expressway entitled in the Absorption and Merger through Share Swap. The Dissenting Shareholders of Zhejiang Expressway who declare to exercise such right may request the Put Option Provider to acquire all or part of the shares of Zhejiang Expressway held by them in cash during the Declaration Period of Put Option
“Put Option Exercise Date”	the date on which the Put Option Provider pays cash consideration to Dissenting Shareholders of Zhejiang Expressway who effectively declared to exercise the Put Option for the shares of Zhejiang Expressway held by them, which will be determined through negotiation and announced by the Merging Parties separately
“Put Option Provider”	the entity that pays cash consideration to the eligible Dissenting Shareholders of Zhejiang Expressway for shares of Zhejiang Expressway held by such dissenting shareholders in the Absorption and Merger through Share Swap. Universal Cosmos will serve as the Put Option Provider for the Merger
“Record Date for Merger Implementation”	a trading day for determining the list of shareholders of Oceanking Development entitled to participate in the Share Swap and the number of shares held by them, which will be determined through negotiations and announced by the Merging Parties separately

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## DEFINITIONS

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“Restrictions on Rights”	circumstances where the ownership of shares held by shareholders is subject to disputes, or where the shares are pledged, judicially frozen, seized or otherwise restricted from transfer under applicable laws or binding agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China (as amended from time to time)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Swap”	with respect to the Absorption and Merger, the exchange of A Shares of Oceanking Development held by Conversion Shareholders of Oceanking Development into A Shares to be issued by the Company according to the Conversion Ratio as stipulated in the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements
“Share Swap Implementation Date” or “Share Swap Date”	the date on which the A Shares issued by Zhejiang Expressway for the Merger are registered under the names of Conversion Shareholders of Oceanking Development, such date will be determined through negotiations and announced by the Merging Parties separately
“SSE”	Shanghai Stock Exchange
“Supplemental Agreements”	the Supplemental Agreement (I) to the Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. entered into between the Company and Oceanking Development on January 12, 2026, and the Supplemental Agreement (II) to the Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. entered into between the Company and Oceanking Development on January 30, 2026
“Surviving Company”	Zhejiang Expressway upon the completion of the Merger
“Transition Period of the Merger”	the period from the execution date of the Agreement on Absorption and Merger through Share Swap to the Completion Date of the Merger

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## DEFINITIONS

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“Universal Cosmos”	Universal Cosmos Limited, a wholly-owned subsidiary of Communications Group
“Zheshang Securities”	Zheshang Securities Co., Ltd., whose shares are listed and traded on the Main Board of the SSE (stock code 601878.SH), a subsidiary of Zhejiang Expressway

*Note:* Certain amounts and percentages in this circular have been rounded. Any discrepancies between the arithmetic results shown in the tables and the figures calculated from the preceding numbers are due to rounding. Unless otherwise specified, all monetary amounts in this circular are presented in Renminbi. For the avoidance of doubt, references to “not less than” a certain figure and “not more than” a certain figure shall include the figure mentioned.

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LETTER FROM THE BOARD

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 0576)

*Chairman:*  
Mr. YUAN Yingjie

*Executive Directors:*  
Mr. WU Wei  
Mr. LI Wei

*Non-executive Directors:*  
Mr. ZHAO Xilong  
Mr. FAN Ye  
Mr. HUANG Jianzhang

*Independent Non-executive Directors:*  
Mr. PEI Ker-Wei  
Ms. LEE Wai Tsang, Rosa  
Mr. YU Mingyuan

*Registered Address and  
Principal Place of Business:*  
Room 501, No. 2  
Mingzhu International Business Center  
199 Wuxing Road, Shangcheng District  
Hangzhou City  
Zhejiang Province 310020  
the People's Republic of China

February 5, 2026

*To the Shareholders*

Dear Sir or Madam,

- (1) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION –  
ABSORPTION AND MERGER OF OCEANKING DEVELOPMENT THROUGH  
SHARE SWAP AND ISSUANCE OF A SHARES UNDER SPECIFIC MANDATE;**  
**(2) ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**  
**(3) FORMULATION OF THE ARTICLES OF ASSOCIATION (DRAFT) AND  
ITS APPENDICES TO BE APPLIED UPON LISTING OF  
A SHARES OF THE COMPANY;**  
**(4) NOTICE OF EXTRAORDINARY GENERAL MEETING;**  
**(5) NOTICE OF H SHARES CLASS MEETING;**  
**AND**  
**(6) NOTICE OF DOMESTIC SHARES CLASS MEETING**

**I. INTRODUCTION**

The purpose of this circular is, among other things, to give you notice of the EGM and notices of the Class Meetings and to provide you with detailed information in relation to the

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## LETTER FROM THE BOARD

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resolutions to be proposed at the EGM and the Class Meetings to enable you to make an informed decision on whether to vote for or against those resolutions at the EGM and the Class Meetings.

### II. MATTERS TO BE CONSIDERED AT THE EGM AND/OR CLASS MEETINGS

#### (I) Resolution in Relation to the Plan for Absorption and Merger of Oceanking Development through Share Swap by Zhejiang Expressway

References are made to the announcements of the Company dated August 19, 2025, September 2, 2025, January 12, 2026 and January 30, 2026 in relation to proposed Absorption and Merger of Oceanking Development through Share Swap by the Company and Issuance of A Shares under specific mandate.

##### 1. Overview of the Plan for the Transaction

On September 2, 2025, January 12, 2026 and January 30, 2026, the Company entered into the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements with Oceanking Development, pursuant to which Zhejiang Expressway will absorb and merge Oceanking Development by issuing A Shares, with Zhejiang Expressway as the absorbing and merging party and Oceanking Development as the absorbed and merged party. Accordingly, Zhejiang Expressway will issue A Shares to all Conversion Shareholders of Oceanking Development in exchange for the shares of Oceanking Development held by such shareholders. The Issue Price of A Shares of Zhejiang Expressway is RMB13.50 per share. If Zhejiang Expressway undergoes any ex-rights or ex-dividend events, including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), the aforementioned Issue Price shall be adjusted accordingly. No adjustments to the Issue Price shall be made under any other circumstances. The Conversion Price of Oceanking Development is RMB14.58 per share. If Oceanking Development undergoes any ex-rights or ex-dividend events, including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), the aforementioned Conversion Price will be adjusted accordingly. No adjustments to the Conversion Price shall be made under any other circumstances. The Conversion Ratio for the Merger is 1:1.0800, meaning that each A Share of Oceanking Development held by a Conversion Shareholder of Oceanking Development can be exchanged for 1.0800 A Shares to be issued by Zhejiang Expressway. From the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), unless any of the Merging Parties undergoes ex-rights or ex-dividend events including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue, or if any circumstance occurs in which Issue Price or Conversion Price is required to be adjusted in accordance with relevant laws and regulations, or as required by regulatory authorities, the Conversion Ratio shall not be adjusted under any other circumstances.

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## LETTER FROM THE BOARD

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Upon completion of the Absorption and Merger through Share Swap, Oceanking Development will be delisted and its legal person status will be deregistered. As the Surviving Company, Zhejiang Expressway and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, contracts, qualifications, employees, and all other rights and obligations of Oceanking Development. The A Shares to be issued by Zhejiang Expressway for the Absorption and Merger, and the existing Domestic Shares of Zhejiang Expressway will be applied for listing and trading on the Main Board of the SSE. For details of the plan for the Transaction, please refer to the section headed “3. Plan for the Transaction” below.

The Transaction involves Issuance of new A Shares by the Company to all Conversion Shareholders of Oceanking Development in exchange for A Shares of Oceanking Development held by such shareholders at the Conversion Ratio. The Board proposes to the General Meeting and Class Meetings to grant the Board an unconditional specific mandate, if the Transaction is finalized, to decide on and implement the Issuance of new A Shares of the Company, as required for the Transaction, and to fully handle any and all matters necessary, beneficial, or appropriate for the Issuance of A Shares. The above specific mandate will be approved as part of the approval of the Transaction.

### ***Cash Dividend Arrangement***

Subject to the completion of the Transaction, to establish a reasonable, sustained and stable dividend distribution and return mechanism for investors and protect the interests of minority shareholders, Zhejiang Expressway intends to formulate a shareholder dividend return plan following completion of the Transaction in accordance with the relevant requirements of the Company Law, Securities Law, Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》), Guideline No. 1 of the Shanghai Stock Exchange for Self-Regulation Rules for Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Articles of Association. Such plan shall include the followings: for the three financial years commencing from the year (inclusive) in which the Transaction is completed and the Company’s A Shares issued for the Transaction and the existing Domestic Shares are listed and traded on the Main Board of the SSE, and subject to the relevant provisions on cash dividends stipulated in laws, regulations and regulatory rules and provided that there is no material adverse factors or force majeure, the Surviving Company shall distribute profits in cash each year in an amount of not less than RMB0.4100 per share (including both A Shares and H Shares). In the event of ex-rights events such as distribution of stock dividends, conversion of capital reserve into share capital, or rights issue, the above cash dividend shall be adjusted accordingly to reflect the ex-rights.

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## LETTER FROM THE BOARD

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The above arrangements are conducive to safeguarding reasonable investment returns for investors. The Company will focus on long-term and sustainable development, and based on a comprehensive consideration of its actual situation and development goals, shareholders' wishes, external financing environment, and other factors, establish a sustained, stable and reasonable return plan and mechanism for investors.

### **2. Reasons for and Benefits of the Transaction**

#### **2.1 Capitalise on opportunities arising from the restructuring policies to enhance corporate competitiveness and further reap the benefits from the leading economic development of the Yangtze River Delta region**

On September 24, 2024, the CSRC issued the Opinions on Deepening the Reform of Mergers and Acquisitions and Reorganizations Market for Listed Companies (《關於深化上市公司併購重組市場改革的意見》), proposing to further enhance the resource allocation functions of mergers and acquisitions (M&A) and restructuring, give fully play to the main channel role of the capital market for corporate M&A and restructuring, support absorptions and mergers between listed companies under common control, and promote resource integration. The regulatory policy updates have created favorable opportunities for the Transaction. Zhejiang Expressway seizes the opportunity and plans to achieve “A+H” dual-listing through the Absorption and Merger, thereby further enhancing the quality of the listed company. This move also serves as a proactive response to the CSRC’s multi-faceted measures to revitalize the M&A and restructuring market. Through the Absorption and Merger and the “A+H” dual listing, Zhejiang Expressway will be able to strengthen its brand influence in both domestic and international capital markets, enhance its competitiveness, propel the Group’s continuous development, and further benefit from the integrated development of the regional economy. Furthermore, from the perspective of A-share listing approaches, the Company’s achievement of A-share listing through the plan for Absorption and Merger is the optimal solution selected after comprehensive consideration of factors such as cost and efficiency, regulatory requirements and application procedures for A-share listing.

Building a country with a strong transportation network is China’s development vision, and the Yangtze River Delta is one of China’s key strategic regions. The Plan for Higher-Quality Integrated Development of Transportation in the Yangtze River Delta Region (《長江三角洲地區交通運輸更高質量一體化發展規劃》) issued by the National Development and Reform Commission sets out the goal of building a multi-level comprehensive transportation network featuring efficient external connectivity and sound internal connection – with rail transit as the backbone, highway networks as the foundation, water transport and civil aviation as support, and Shanghai, Nanjing, Hangzhou, Hefei, Ningbo and other cities as key nodes. In addition, according to the government work report of Zhejiang Province, in recent years, significant progress has been made in the integrated development of the Yangtze River Delta and the “Four Major Initiatives”(四大建設). The national strategy for the integrated development of the Yangtze River Delta has been accelerated.

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## LETTER FROM THE BOARD

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The expressways operated by the Group connect several major economic zones within the Yangtze River Delta. As the integrated development of the Yangtze River Delta deepens, regional economic ties and population mobility will further intensify, which will facilitate the steady growth of the Group's traffic volume and toll revenue. As the only listed expressway company in Zhejiang Province, Zhejiang Expressway will take advantage of the integrated development of the Yangtze River Delta and Zhejiang Province's high-quality construction of a demonstration zone for common prosperity, and actively seize the development opportunities arising from the implementation of the strategy by expanding smart transportation and promoting service upgrades, thereby driving the profit growth and long-term value enhancement of the Group.

### ***2.2 Enhance investment and financing capabilities to support the corporate's long-term development.***

Upon the completion of the Transaction, Zhejiang Expressway, as the Surviving Company, will become listed on both the A-share and H-share markets, which will enable the Company to benefit from the valuation premium of the A-share market and enhance its overall valuation. Meanwhile, it will provide the Company with both domestic and international platforms equivalent to its listed peers, thereby enhancing its competitiveness in the capital market. The A-share market, being the Company's home market, features active investment and financing activities and a high level of investor familiarity with the Company's business, while the H-share market offers a high degree of internationalization and diverse funding channels. Against this backdrop, the formation of an "A+H" dual-platform capital operation system will enable the Company to flexibly leverage the differentiated advantages of both capital markets, further strengthen its investment and financing capabilities while increasing operational flexibility in this regard and reducing financing costs. Consequently, it will help achieve the goal of optimizing the Company's capital structure and enhancing its risk resistance capacity. The establishment of this dual platform will also enhance the Company's brand influence and market competitiveness, and provide a more solid and flexible capital support for its future business expansion and mergers and acquisitions, thereby supporting the Company's high-quality development.

### ***2.3 Facilitate protecting the interests of shareholders of the Merging Parties and improving investment returns for minority shareholders***

Upon completion of the Transaction, Zhejiang Expressway, as the Surviving Company, will become listed on both the A-share and H-share markets. This will necessitate compliance with the regulatory frameworks of both markets, which is expected to further elevate the Company's corporate governance standards, enhance information transparency, and facilitate greater participation of minority shareholders in the Company's corporate governance.

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## LETTER FROM THE BOARD

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As a leading enterprise in expressway investment, operation and management in the industry, Zhejiang Expressway has a large asset base and strong profitability, along with notable geographical advantages and stable financial performance. The achievement of “A+H” dual-listing through the Absorption and Merger will place all shareholders on an equal footing as holders of publicly traded shares with fully aligned interests, help the Company focus on value creation, and enhance its capital operation efficiency, thus bringing more favorable and sustainable returns to minority shareholders.

Notwithstanding the different nature of the principal business of the Group and Oceanking Development, the Transaction carries positive significance for the Company’s strategy and overall interests and is conducive to the interests of the Company and its shareholders as a whole, mainly based on the following considerations: (i) the Transaction represents a key initiative to capitalize on the prevailing favourable regulatory policies and enhance access to capital platforms. As Oceanking Development and the Company are A-share and H-share listed companies under common control, the Transaction is in line with the regulatory policy of the CSRC to support mergers and acquisitions between listed companies under common control. Selecting Oceanking Development as the party to be absorbed and merged is conducive to risk control and execution efficiency in the process of merger by absorption; and (ii) the main objective of the merger by absorption of Oceanking Development is to leverage the aforementioned regulatory policy support to achieve the Company’s dual listing on “A+H” markets, thereby strengthening its investment and financing capabilities, optimizing the shareholder structure, further enhancing governance standards and facilitating the long-term development of the Company. In the future, the Merging Parties can leverage their respective strengths in real-world application scenarios and well-established terminal networks in the expressway and hydrogen production sectors to collaborate on areas such as new energy transportation infrastructure construction. The Group will enhance the integration of “transportation + energy,” deepen green transportation solutions, and further strengthen the Group’s overall competitiveness and green development capabilities. For details regarding the impact of the Transaction on the principal business of the Surviving Company, please refer to the subsection headed “8.1 Impact of the Transaction on the principal business of the Surviving Company” below.

After considering the terms of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements and the opinions of the Independent Financial Adviser, in particular, the principal factors and reasons considered by the Independent Financial Adviser in its letter of advice, the Directors (including independent non-executive Directors) who are not required to abstain from voting on the relevant Board resolutions are of the opinion that, the terms of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements and the Transaction contemplated thereunder are entered into on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Given that Mr. YUAN Yingjie, Mr. FAN Ye and Mr. HUANG Jianzhang are currently also employed by Communications Group, they have abstained from voting on the relevant Board

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## LETTER FROM THE BOARD

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resolutions approving the Transaction. Except for the aforementioned persons, no other Directors have a material interest in the Transaction or are required to abstain from voting on any of the relevant Board resolutions approving the Transaction.

### **3. *Plan for the Transaction***

Zhejiang Expressway will absorb and merge Oceanking Development by issuing A Shares to all shareholders of Oceanking Development in exchange for the shares of Oceanking Development held by them, with Zhejiang Expressway as the absorbing and merging party and Oceanking Development as the absorbed and merged party.

Upon completion of the Absorption and Merger through Share Swap, Oceanking Development will be delisted and its legal person status will be deregistered. As the Surviving Company, Zhejiang Expressway and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, contracts, qualifications, employees, and all other rights and obligations of Oceanking Development. A Shares to be issued by Zhejiang Expressway for the Absorption and Merger and its existing Domestic Shares will be applied for listing and trading on the Main Board of the SSE.

### ***Parties to the Transaction***

The absorbing and merging party in the Absorption and Merger through Share Swap is Zhejiang Expressway, and the absorbed and merged party is Oceanking Development.

### ***Class and par value of shares to be issued for the Share Swap***

The RMB ordinary shares (A Shares) of Zhejiang Expressway to be issued by Zhejiang Expressway for the purpose of the Absorption and Merger through Share Swap have a par value of RMB1 per share.

### ***Share Swap targets and the Record Date for Merger Implementation***

The targets of the Share Swap are all shareholders of Oceanking Development whose name appears on the shareholders' register of Oceanking Development at the close of business of the Record Date for Merger Implementation. As at the Record Date for Merger Implementation, shares of Oceanking Development held by shareholders of Oceanking Development who have not declared, partially declared, are not entitled to declare, or have invalidly declared the exercise of the Cash Option, as well as shares of Oceanking Development held by the Cash Option Provider due to provision of the Cash Option, will all be converted into A Shares to be issued by Zhejiang Expressway for the Absorption and Merger through Share Swap at the Conversion Ratio.

The boards of directors of the A&M Parties will announce the Record Date for Merger Implementation separately after the consent for registration is obtained from the CSRC with respect to the Merger.

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## LETTER FROM THE BOARD

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### ***Issue Price of A Shares of Zhejiang Expressway***

The Issue Price of A Shares of Zhejiang Expressway is RMB13.50 per share, representing (i) a premium of approximately 119.01%<sup>1</sup> over the closing price of HKD6.76 per H Share of Zhejiang Expressway on the Hong Kong Stock Exchange on September 2, 2025 (i.e., the date of Zhejiang Expressway’s first Board meeting held to consider and approve the plan for the Transaction); and (ii) a premium of approximately 101.44%<sup>2</sup> over the closing price of HKD7.52 per H Share of Zhejiang Expressway on the Hong Kong Stock Exchange on the Latest Practicable Date.

If Zhejiang Expressway undergoes any ex-rights or ex-dividend events, including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), the aforementioned Issue Price shall be adjusted accordingly (the formula is as follows). No further adjustments to the Issue Price shall be made under any other circumstances.

$$P1 = (P0 - D + A \times K) / (1 + K + N)$$

Where P0 represents the Issue Price before adjustment; N represents the number of bonus shares or share capital converted from capital reserve for every share; K represents the number of newly issued shares or rights issue shares for every share; A represents the price per share for newly issued shares or rights issue shares; D represents the dividend per share; P1 represents the Issue Price after adjustment

For details on the pricing basis of the Issue Price of the A Shares of Zhejiang Expressway, please refer to the section headed “6. Analysis on the Reasonableness of the Transaction”.

### ***Conversion Price of Oceanking Development***

The Conversion Price of Oceanking Development is RMB14.58 per share, representing a discount of approximately 4.64% to the closing price of RMB15.29 per A Share of Oceanking Development on the SSE on August 19, 2025<sup>3</sup>.

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<sup>1</sup> The exchange rate between HKD and RMB used is the RMB central parity rate of HKD1 to RMB0.91183 as announced by the People’s Bank of China on September 2, 2025.

<sup>2</sup> The exchange rate between HKD and RMB used is the RMB central parity rate of HKD1 to RMB0.89117 as announced by the People’s Bank of China on February 3, 2026.

<sup>3</sup> According to the relevant requirements of the SSE, trading in A Shares of Oceanking Development has been suspended since the opening of the market on August 20, 2025. The last trading day of A Shares of Oceanking Development on the SSE prior to the halt for the Transaction was August 19, 2025.

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## LETTER FROM THE BOARD

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If Oceanking Development undergoes any ex-rights or ex-dividend events, including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Share Swap Date (both days inclusive), the aforementioned Conversion Price will be adjusted accordingly (the formula is as follows). No further adjustments to the Conversion Price shall be made under any other circumstances.

$$P1 = (P0-D+A \times K)/(1+K+N)$$

Where P0 represents the Issue Price before adjustment; N represents the number of bonus shares or share capital converted from capital reserve for every share; K represents the number of newly issued shares or rights issue shares for every share; A represents the price per share for newly issued shares or rights issue shares; D represents the dividend per share; P1 represents the Issue Price after adjustment

For details on the pricing basis of the Conversion Price of Oceanking Development, please refer to the section headed “6. Analysis of the Reasonableness of the Transaction”.

The Issue Price of A Shares of Zhejiang Expressway and the Conversion Price of Oceanking Development are determined based on the principle of taking into account the interests of shareholders of the Merging Parties, after comprehensive consideration of the overall business conditions, profitability, risk resistance capabilities of the Merging Parties, valuation levels of comparable companies and comparable transactions in the industry and other factors.

### ***Conversion Ratio***

The Conversion Ratio shall be calculated according to the following formula: Conversion Ratio = Conversion Price of Oceanking Development/Issue Price of A Shares of Zhejiang Expressway (the calculation result shall be rounded to four decimal places). The Conversion Ratio for the Merger is 1:1.0800, meaning that each A share of Oceanking Development held by the Conversion Shareholders of Oceanking Development can be exchanged for 1.0800 A Shares to be issued by Zhejiang Expressway.

From the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), unless any of the A&M Parties undergoes ex-rights or ex-dividend events including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue, or if any circumstance occurs in which Issue Price or Conversion Price is required to be adjusted in accordance with relevant laws and regulations, or as required by regulatory authorities, the Conversion Ratio shall not be adjusted under any other circumstances.

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## LETTER FROM THE BOARD

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### ***Number of shares to be issued for Share Swap***

As at September 30, 2025, the total share capital of Oceanking Development was 441,971,017 shares, and the outstanding balance of Oceanking Convertible Bonds was RMB579,683,000. Assuming all outstanding convertible bonds of Oceanking Development<sup>4</sup> are converted into shares subsequently, and based on the aforementioned Conversion Ratio, the maximum number of shares to be issued by Zhejiang Expressway for the Transaction shall not exceed 533,226,702 shares. The actual number of shares to be issued will be determined based on the registration documents for the Transaction issued by the CSRC and the final number of Oceanking Development shares participating in the Share Swap.

If either of the A&M Parties undergoes any ex-rights and ex-dividend events including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue, from the Pricing Benchmark Date to the Share Swap Date (both days inclusive), the above number of shares to be issued for the Share Swap will be adjusted accordingly.

Pursuant to the plan for the Transaction:

Without considering the conversion of the outstanding Oceanking Convertible Bonds, if based on (i) the Issue Price of the A Shares of Zhejiang Expressway of RMB13.50 per share, and (ii) the total share capital of Oceanking Development comprising 441,971,017 shares as at September 30, 2025, the total number of A Shares to be issued by Zhejiang Expressway for the Absorption and Merger, calculated according to the Conversion Ratio, would be 477,328,699 shares. Accordingly, the estimated total consideration for the Absorption and Merger would be RMB6,443,937,437, which includes the consideration of RMB2,918,202,485 for Zhejiang Expressway to issue 216,163,147 A shares to other existing shareholders of Oceanking Development<sup>5</sup> (For details, please refer to “8.2 Impact of the Transaction on the shareholding structure of the Surviving Company – Scenario 1: Shareholding structure of the Surviving Company after the Transaction if none of the outstanding Oceanking Convertible Bonds are converted into shares”).

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<sup>4</sup> Pursuant to the Approval for the Registration of Convertible Corporate Bonds Issued by the Company to Unspecified Subscribers (CSRC Permit [2023] No. 2408) (《關於公司向不特定對象發行可轉換公司債券註冊的批覆》)(證監許可[2023]2408號) issued by the CSRC, Oceanking Development issued 6.6 million convertible corporate bonds to unspecified subscribers on December 29, 2023, with each bond having a par value of RMB100 and a total issue amount of RMB660 million. Pursuant to the Self-Regulatory Decision Letter (Circular [2024] No. 8) (自律監管決定書[2024]8號文) issued by the SSE, the RMB660 million convertible corporate bonds of Oceanking Development were listed and traded on the SSE from January 17, 2024, with the bond abbreviation “Oceanking Convertible Bonds (鎮洋轉債)” and bond code “113681”. As at September 30, 2025, an aggregate of RMB80,317,000 of “Oceanking Convertible Bonds” was converted into shares of Oceanking Development. The cumulative number of shares derived from such conversion was 7,171,017 shares, and the total share capital of Oceanking Development was 441,971,017 shares.

<sup>5</sup> For information regarding the shareholding status of other existing shareholders of Oceanking Development after the Transaction and the impact of the Transaction on the company’s equity structure, please refer to the section headed “8.2 Impact of the Transaction on the shareholding structure of the Surviving Company”.

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## LETTER FROM THE BOARD

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If assuming the subsequent full conversion of all outstanding Oceanking Convertible Bonds and based on (i) the Issue Price of the A Shares of Zhejiang Expressway of RMB13.50 per share, and (ii) the total share capital of Oceanking Development comprising 441,971,017 shares and the outstanding Oceanking Convertible Bonds of RMB579,683,000 as at September 30, 2025, the maximum total number of shares to be issued by Zhejiang Expressway for the Transaction, calculated according to the Conversion Ratio, would not exceed 533,226,702 shares. Accordingly, the estimated total consideration for the Absorption and Merger would be no more than RMB7,198,560,477, which includes the consideration of RMB3,672,825,525 for Zhejiang Expressway to issue 272,061,150 A shares to other existing shareholders of Oceanking Development and Conversion Shareholders of Oceanking Convertible Bonds<sup>6</sup> (For details, please refer to “8.2 Impact of the Transaction on the shareholding structure of the Surviving Company – Scenario 2: Shareholding structure of the Surviving Company after the Transaction if all of the outstanding Oceanking Convertible Bonds are converted into shares”).

The actual number of shares to be issued will be determined based on the registration documents for the Transaction issued by the CSRC and the final number of Oceanking Development shares participating in the Share Swap.

### ***Listing and trading of A Shares of Zhejiang Expressway***

Upon completion of the Absorption and Merger through Share Swap, the A Shares to be issued by Zhejiang Expressway for the Absorption and Merger through Share Swap and A Shares to be converted from the existing Domestic Shares of Zhejiang Expressway will be applied for listing and trading on the Main Board of the SSE.

### ***Treatment of fractional shares***

The number of A Shares of Zhejiang Expressway to be obtained by the Conversion Shareholders of Oceanking Development shall be in whole numbers, and if the number of A Shares of Oceanking Development to be held by them multiplied by the Conversion Ratio is not in whole numbers, the share will be distributed sequentially according to the decimal part, one share for each shareholder, until the actual number of shares converted is equal to the number of shares planned to be issued. In case the number of shareholders with the same decimal number exceeds the remaining shares, the shares will be allotted randomly by computer system until the actual number of shares converted is equal to the number of shares planned to be issued.

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<sup>6</sup> For information regarding the shareholding status of other existing shareholders of Oceanking Development and Conversion Shareholders of Oceanking Convertible Bonds after the Transaction and the impact of the Transaction on the company’s equity structure, please refer to the section headed “8.2 Impact of the Transaction on the shareholding structure of the Surviving Company”.

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## LETTER FROM THE BOARD

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### *Treatment of shares of Oceanking Development with restricted rights*

If the shares of Oceanking Development held by the shareholders of Oceanking Development are pledged, frozen, seized or subject to any Restrictions on Rights, all such shares shall be converted into A Shares to be issued by Zhejiang Expressway during the Share Swap process, while the original pledges, freezing, seizures or other Restrictions on Rights, on such shares will remain unchanged and become attaching to the corresponding A Shares of Zhejiang Expressway obtained through the Share Swap.

### *Arrangement for lock-up period of shares*

Regarding the shares of Zhejiang Expressway that are issued before the Transaction and held directly and indirectly by Communications Group (excluding H Shares) and A Shares of Zhejiang Expressway to be obtained by Communications Group through the Transaction (collectively “**Shares of Zhejiang Expressway Held**”), Communications Group undertakes as follows:

- “1. Within 36 months from the date when the A Shares of Zhejiang Expressway are listed and traded, Communications Group shall not transfer or entrust others to manage the Shares of Zhejiang Expressway Held nor have such shares repurchased by Zhejiang Expressway. Within six months after the listing of A Shares of Zhejiang Expressway, if the closing prices of A Shares of Zhejiang Expressway are lower than the Issue Price for 20 consecutive trading days, or the closing price at the end of six months after the listing is lower than the Issue Price, Communications Group undertakes that the lock-up period of the Shares of Zhejiang Expressway Held shall be automatically extended for six months.
2. If relevant laws, regulations and normative documents or securities regulatory authorities such as the CSRC impose other requirements for the lock-up period of shares, Communications Group agrees to make adjustments to the lock-up period of Shares of Zhejiang Expressway Held accordingly.
3. Communications Group undertakes to bear and compensate for all losses caused to Zhejiang Expressway and its controlled enterprises due to any breach of the above undertakings or any violation of relevant laws, regulations and normative documents.
4. If any of the following circumstances occurs after one year from the date of listing of the A Shares of Zhejiang Expressway, Communications Group may, upon application by Communications Group and with approval by the SSE, be exempted from complying with the undertaking in the above paragraph 1: (I) the transferor and the transferee have an actual control relationship, or both are controlled by the same controller, and the transferee undertakes to continue complying with the above undertakings; (II) other circumstances as determined by the SSE.”

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## LETTER FROM THE BOARD

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### ***Protection mechanism for the Dissenting Shareholders of Zhejiang Expressway***

To fully protect the interests of shareholders of Zhejiang Expressway, Zhejiang Expressway will grant its dissenting shareholders Put Options in accordance with the Company Law and the provisions of the existing Articles of Association of Zhejiang Expressway.

The Put Option Provider for the Transaction is Universal Cosmos.

At the General Meeting and relevant Class Meetings of Zhejiang Expressway convened to consider the Transaction, shareholders of Zhejiang Expressway who cast valid dissenting votes on all resolutions related to the plan for the Transaction, and each of sub-resolutions voted separately, as well as the resolutions regarding entering into of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements, shall have the right to request the Put Option Provider to purchase shares of Zhejiang Expressway held by them at a fair price.

After the acquisition of the shares held by dissenting shareholders at a fair price as requested by the dissenting shareholders, such dissenting shareholders shall no longer be entitled to claim the Put Option against Zhejiang Expressway and/or other shareholders who have cast valid affirmative votes on the resolutions relating to the plan for the Transaction.

Any Dissenting Shareholder of Zhejiang Expressway who exercises the Put Option is entitled to, for each share of Zhejiang Expressway validly declared, receive cash consideration paid by the Put Option Provider at the Put Option Price on the Put Option Exercise Date, and simultaneously transfer the corresponding shares to the Put Option Provider. The Put Option Provider shall, on the Put Option Exercise Date, acquire all shares of Zhejiang Expressway for which Dissenting Shareholders of Zhejiang Expressway exercise the Put Option, and shall pay the corresponding cash consideration.

The Dissenting Shareholders of Zhejiang Expressways shall satisfy all of the following conditions to exercise the Put Option:

- 1) having cast effective dissenting votes in respect of relevant resolutions and each of the sub-resolutions voted separately regarding the plan for the Transaction and relevant resolutions regarding entering into of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements at the General Meeting and the corresponding Class Meetings convened by Zhejiang Expressway for consideration of the Transaction;
- 2) having been effectively registered on the register of members of Zhejiang Expressway since the record date of the General Meeting and Class Meetings of Zhejiang Expressway applicable to such class shareholders convened for consideration of the Transaction, and continuing to hold the shares for which they intend to exercise the Put Option until the Put Option Exercise Date;

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## LETTER FROM THE BOARD

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- 3) having successfully fulfilled relevant declaration procedures during the Declaration Period of Put Option;
- 4) no circumstance that excludes the right to claim the exercise of the Put Option.

Shareholders who have fulfilled the above conditions only have the right to declare the exercise of the Put Option for the shares with which they have cast dissenting votes. If the Dissenting Shareholders of Zhejiang Expressway sell their shares (including but not limited to judicially compulsory deductions, etc.) after the record date of the General Meeting and Class Meetings of the Company convened for consideration of the Transaction, the number of shares eligible for the Put Option shall be decreased accordingly; if the Dissenting Shareholders of Zhejiang Expressway purchase shares after the record date of the General Meeting and Class Meetings of the Company convened for consideration of the Transaction, the number of shares eligible for the Put Option shall not increase, and such shares shall not be entitled to the Put Option.

Dissenting Shareholders of Zhejiang Expressway who hold the following shares are not entitled to exercise their Put Option in respect of the shares they hold:

- 1) those shares of Zhejiang Expressway subject to Restrictions on Rights, including but not limited to the shares subject to any pledges, other third party's rights or judicial freeze, and other transfer restrictions under laws and regulations;
- 2) those shares for which the legal holders have undertaken in writing to Zhejiang Expressway to surrender the Put Option;
- 3) other shares that are not eligible for exercising the Put Option under applicable laws.

The detailed arrangements for the Put Option (including but not limited to the Put Option Exercise Date, the declaration, settlement and closing of the Put Option, etc.) will be determined by Zhejiang Expressway and the Put Option Provider through negotiation and will be disclosed in accordance with the requirements of the laws, regulations and the Hong Kong Stock Exchange in a timely manner. The Company will make further announcements in due course.

The relevant taxes and fees arising from the exercise of the Put Option shall be borne by the dissenting shareholders of the Put Option, the Put Option Provider and other parties in accordance with the requirements of relevant applicable laws, regulations, regulatory authorities and clearing companies. If there is no specific provision in this regard under the applicable laws or from regulatory authorities or clearing companies, it shall be negotiated and determined by the relevant parties with reference to market practices.

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## LETTER FROM THE BOARD

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For the avoidance of doubt, the exercise of the Put Option is conditional upon the approval of the plan for the Transaction by the General Meeting and the Class Meetings of Zhejiang Expressway, and the general meeting of Oceanking Development, as well as the approval of the competent regulatory authorities. For details, please refer to the section headed “4. Procedures to be Performed for the Transaction” below.

### *Protection mechanism for the Dissenting Shareholders of Oceanking Development*

In order to fully safeguard the interests of the shareholders of Oceanking Development, pursuant to the requirements of the Company Law and the existing articles of association of Oceanking Development, Oceanking Development will grant its dissenting shareholders the Cash Options.

#### (1) Cash Option Provider

The Cash Option Provider for the Transaction is Communications Group. At the general meeting of Oceanking Development convened to consider the Transaction, any shareholder of Oceanking Development who cast valid dissenting votes on the resolutions regarding the plan for the Transaction and each of the sub-resolutions voted separately, as well as resolutions regarding entering into of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements, shall have the right to request the Cash Option Provider to purchase the shares of Oceanking Development held by them.

After the acquisition of the shares of Oceanking Development held by the dissenting shareholders as requested by the dissenting shareholders, such dissenting shareholders shall no longer be entitled to claim the Cash Option against Oceanking Development and/or other shareholders who have cast valid affirmative votes on the resolutions relating to the plan for the Transaction.

#### (2) Cash Option Price

On January 12, 2026, Oceanking Development convened the 31st meeting of the 2nd board of directors, at which the Cash Option price for the Dissenting Shareholders of Oceanking Development was considered and approved. The price was determined based on the closing price of the shares on the trading day immediately preceding the date of the 31st meeting of the 2nd board of directors of Oceanking Development (i.e. January 9, 2026), namely RMB13.21 per share. If Oceanking Development undergoes any ex-rights or ex-dividend events, including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Cash Option Exercise Date (both days inclusive), the Cash Option price will be adjusted accordingly.

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## LETTER FROM THE BOARD

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### (3) Conditions for Exercising the Cash Option

The Dissenting Shareholders of Oceanking Development shall satisfy the following conditions for exercising the Cash Option:

- 1) having cast effective dissenting votes in respect of relevant resolutions and each of the sub-resolutions to be voted separately regarding the plan for the Transaction and relevant resolutions regarding entering into of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements at the general meeting convened by Oceanking Development for consideration of the Transaction;
- 2) having been effectively registered on the register of members of Oceanking Development since the record date of the general meeting of Oceanking Development for consideration of the Transaction, and continuing to hold the shares for which they intend to exercise the Cash Option until the Cash Option Exercise Date;
- 3) having successfully fulfilled relevant declaration procedures during the Declaration Period of Cash Option;
- 4) no circumstances that would exclude the right to claim the exercise of the Cash Option.

Shareholders who have fulfilled the above conditions only have the right to declare the exercise of the Cash Option for the shares with which they have cast dissenting votes. If the Dissenting Shareholders of Oceanking Development sell their shares (including but not limited to judicially compulsory deductions, etc.) after the record date of the general meeting of Oceanking Development convened for consideration of the Transaction, the number of shares eligible for the Cash Option shall be decreased accordingly; if the Dissenting Shareholders of Oceanking Development purchase shares after the record date of the general meeting of Oceanking Development convened for consideration of the Transaction, the number of shares eligible for the Cash Option shall not increase, and such shares shall not be entitled to the Cash Option.

Dissenting Shareholders of Oceanking Development who hold the following shares are not entitled to exercise their Cash Option in respect of the shares they hold:

- 1) those shares of Oceanking Development subject to Restrictions on Rights, including but not limited to the shares subject to any pledges, other third party's rights or judicial freeze, and other transfer restrictions under laws and regulations;
- 2) those shares for which the legal holders have undertaken in writing to Oceanking Development to surrender the Cash Option;
- 3) other shares that are not eligible for exercising the Cash Option under applicable laws.

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## LETTER FROM THE BOARD

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The above shares which are not entitled to claim the Cash Option will be converted into the A Shares to be issued by Zhejiang Expressway for the Merger based on the Conversion Ratio on the Share Swap Implementation Date.

The Dissenting Shareholders of Oceanking Development who have pledged the shares of Oceanking Development as collateral for margin trading and securities lending transactions must transfer the relevant shares from client credit guarantee account of securities companies to their ordinary securities account before the closing date of Declaration Period of Cash Option in order to exercise the Cash Option. The Dissenting Shareholders of Oceanking Development who have carried out agreed repurchase type securities trading must complete the early repurchase procedures before the closing date of Declaration Period of the Cash Option to exercise Cash Option.

#### (4) Cash Option Price Adjustment Mechanism

##### 1) Subject of Adjustment

The subject of adjustment is the Cash Option price for Dissenting Shareholders of Oceanking Development.

##### 2) Adjustable Period

From the date of announcement of the resolution approving the Transaction by the general meeting of Oceanking Development until the date on which CSRC grants its approval for the registration of the Transaction.

##### 3) Triggering Conditions

###### A. Upward Adjustment

During the adjustable period, the upward adjustment shall be triggered on any trading day when all of the following three conditions are satisfied simultaneously: a) for at least 20 trading days within the 30 consecutive trading days preceding such trading day, the SSE Composite Index (000001.SH) has closed at a level more than 20% above its closing level on the trading day immediately before the suspension of trading of Oceanking Development; b) for at least 20 trading days within the 30 consecutive trading days preceding such trading day, the WIND Basic Chemicals Index (882202.WI) has closed at a level more than 20% above its closing level on the trading day immediately before the suspension of trading of Oceanking Development; c) for at least 20 trading days within the 30 consecutive trading days preceding such trading day, the daily volume-weighted average trading price of Oceanking Development's shares has been more than 20% higher than the closing price of the shares on the trading day immediately before the suspension of trading Oceanking Development.

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## LETTER FROM THE BOARD

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### B. Downward Adjustment

During the adjustable period, the downward adjustment shall be triggered on any trading day when all of the following three conditions are satisfied simultaneously: a) for at least 20 trading days within the 30 consecutive trading days preceding such trading day, the SSE Composite Index (000001.SH) has closed at a level more than 20% below its closing level on the trading day immediately before the suspension of trading of Oceanking Development; b) for at least 20 trading days within the 30 consecutive trading days preceding such trading day, the WIND Basic Chemicals Index (882202.WI) has closed at a level more than 20% below its closing level on the trading day immediately before the suspension of trading of Oceanking Development; c) for at least 20 trading days within the 30 consecutive trading days preceding such trading day, the daily volume-weighted average trading price of Oceanking Development's shares has been more than 20% lower than the closing price of the shares on the trading day immediately before the suspension of trading of Oceanking Development.

#### 4) Adjustment Mechanism and Adjustment Benchmark Date

When the aforementioned price adjustment triggering conditions are satisfied for the first time, Oceanking Development shall have the right, within 10 trading days from the date on which such triggering conditions are met, to convene a board meeting to consider and decide whether to adjust the Cash Option price for Dissenting Shareholders of Oceanking Development in accordance with the price adjustment plan. During the adjustable period, the Cash Option price for dissenting shareholders may be adjusted only once by Oceanking Development. If Oceanking Development has convened a board meeting and decided to adjust the Cash Option price for dissenting shareholders, no further adjustment shall be made even if the price adjustment conditions are triggered again. If Oceanking Development has convened a board meeting and decided not to adjust the Cash Option price for dissenting shareholders, no further adjustment shall be made even if the price adjustment conditions are triggered again.

The adjustment benchmark date shall be the next trading day following the date on which the triggering conditions are met. The adjusted Cash Option price for Dissenting Shareholders of Oceanking Development shall be the closing price of Oceanking Development's shares on the trading day immediately before the adjustment benchmark date.

#### (5) Relevant Taxes and Fees Arising from the Exercise of the Cash Option

The relevant taxes and fees arising from the exercise of the Cash Option shall be borne by the dissenting shareholders for the Cash Option, the Cash Option Provider and other parties in accordance with the requirements of relevant applicable laws, regulations, regulatory authorities and clearing companies. If there is no specific provision in this regard under the applicable laws or from regulatory authorities or clearing companies, it shall be negotiated and determined by the relevant parties with reference to market practices.

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## LETTER FROM THE BOARD

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**For the avoidance of doubt, the exercise of the Cash Option is conditional upon the approval of the plan for the Transaction by the General Meeting and the Class Meetings of Zhejiang Expressway, and the general meeting of Oceanking Development, as well as the approval of the competent regulatory authorities. For details, please refer to the section headed “4. Procedures to be Performed for the Transaction” below.**

### ***Disposal of claims and debts involved in the Transaction***

Upon completion of the Absorption and Merger through Share Swap, Oceanking Development will be delisted and its legal person status will be deregistered, and the Surviving Company and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, employees, contracts, and all other rights and obligations of Oceanking Development.

For the arrangements for assumption of the convertible corporate bonds (the “**Oceanking Convertible Bonds**”, bond code: 113681) issued by Oceanking Development prior to the Transaction and still outstanding, please refer to the section headed “7. Arrangements for Assumption of Outstanding Oceanking Convertible Bonds” below.

In addition, Zhejiang Expressway and Oceanking Development will comply with the notification and announcement procedures for creditors in accordance with relevant laws and regulations, and will, based on the demands raised by their respective creditors within the statutory period, either on their own or procure a third party to prepay the debts to their respective creditors in advance or provide them with alternative guarantees. If, within the aforementioned statutory period, relevant creditors do not claim early repayment or demand guarantees from the Merging Parties, the corresponding outstanding debts will be assumed by the Surviving Company after the completion of the Absorption and Merger through Share Swap.

### ***Arrangements for the Transition Period of the Absorption and Merger transaction***

During the Transition Period of the Absorption and Merger through Share Swap, both of the Merging Parties shall, and shall procure their respective controlled subsidiaries to: (1) continue to operate independently according to the prevailing operational practices and business methods, and not conduct any unusual transactions or incur any unusual liabilities in their ordinary course of business; (2) make every effort to maintain all assets that constitute the principal business in good condition, and continue to maintain relationships with competent authorities of the government, customers and employees; (3) prepare, organize and keep their respective documents and information, as well as pay all related taxes and fees on time.

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## LETTER FROM THE BOARD

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### *Arrangements for the transfer or closing of relevant assets involved in the Transaction*

#### (1) Closing conditions

After the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements become effective, the closing of the Absorption and Merger through Share Swap shall take place on the Closing Date. The Merging Parties shall fulfill the closing obligations agreed upon under the Merger Agreement on the Closing Date and sign the asset closing confirmation documents.

#### (2) Transfer of assets

From the Closing Date, the ownership of all assets of Oceanking Development and the related rights, interests, liabilities and obligations shall be enjoyed and borne by the Surviving Company and/or its designated subsidiaries. Oceanking Development agrees that, from the Closing Date, it will assist the Surviving Company and/or its designated subsidiaries in processing the formalities for changing the ownership of Oceanking Development's all form-required property (referring to any property for which the law prescribes special procedures for the creation or transfer of rights in respect of such property or rights related thereto) from Oceanking Development to the Surviving Company and/or its designated subsidiaries. Failure to complete the formal handover procedures for reasons such as formalities for change of registration shall not affect the Surviving Company and/or its designated subsidiaries enjoying rights to and assuming obligations in respect of the aforesaid assets.

Upon completion of the Absorption and Merger through Share Swap, the equity interests in the subsidiaries held by Oceanking Development shall belong to the Surviving Company and be registered as subsidiaries of the Surviving Company and/or its designated subsidiaries. Branches of Oceanking Development are affiliated with the Surviving Company and shall be registered as branches of the Surviving Company and/or its designated subsidiaries.

#### (3) Assumption of debts

Except for debts repaid in advance based on demands raised by relevant creditors claiming early repayment within the statutory period, all outstanding debts of the Merging Parties shall be assumed by the Surviving Company from the Closing Date of the Merger.

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## LETTER FROM THE BOARD

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The Transaction involves the absorption and merger of Oceanking Development by Zhejiang Expressway. In accordance with the provisions of the Company Law and other relevant laws and regulations, it is necessary to obtain consent from creditors of Zhejiang Expressway and Oceanking Development at the parent company level. The specific details are as follows:

1) Consents of creditors of Zhejiang Expressway

As at September 30, 2025, Zhejiang Expressway had outstanding USD bonds in the amount of approximately USD0.47 billion, bank loans of RMB590 million, and non-financial debts of RMB12,733 million. Pursuant to the issuance documents of the USD bonds, the Transaction does not require approval by a meeting of the bondholders. The status of obtaining letters of consent from creditors for the remaining debts, along with the corresponding debt amounts and proportions, is as follows: With respect to the financial debts of Zhejiang Expressway, letters of consent have been obtained from creditors for debts totaling RMB590 million, representing 100% of its total financial debts. With respect to the ordinary debts of Zhejiang Expressway, letters of consent have been obtained from creditors for debts totaling RMB12,651 million, representing 99.36% of its total ordinary debts. No creditors have demanded early repayment of any debts.

2) Consents of creditors of Oceanking Development

As at September 30, 2025, the total liabilities of Oceanking Development on a parent company basis were RMB1,371.2885 million, of which financial liabilities amounted to RMB216.7316 million (excluding the Oceanking Convertible Bonds), and ordinary liabilities amounted to RMB623.9247 million.

The status of obtaining letters of consent from creditors of Oceanking Development, along with the corresponding debt amounts and proportions, is as follows: With respect to Oceanking Development's financial debts other than the "Oceanking Convertible Bonds", letters of consent have been obtained or are anticipated to be obtained from creditors for debts totaling RMB747.3638 million, representing 100% of this debt category. With respect to its ordinary debts, letters of consent have been obtained from creditors for debts totaling RMB531.5199 million, representing 85.19% of its total ordinary debts. The succession arrangement of "Oceanking Convertible Bonds" was considered and approved at the bondholders' meeting on January 28, 2026. Therefore, no creditors have demanded early repayment of any debts.

(4) Succession of contracts

After the Closing Date of the Absorption and Merger through Share Swap, the parties to all valid contracts/agreements signed in the name of Oceanking Development shall be changed to the Surviving Company.

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## LETTER FROM THE BOARD

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### (5) Information handover

Oceanking Development shall hand over all information on bank accounts, reserved seals and all stamps of Oceanking Development to the Surviving Company on the Closing Date. Oceanking Development shall, from the Closing Date, transfer any and all documents that have a significant impact on its subsequent operations to the Surviving Company.

### (6) Share transfer

Zhejiang Expressway shall, on the Share Swap Implementation Date, register the A Shares to be issued to shareholders of Oceanking Development in the names of shareholders of Oceanking Development as consideration for the Absorption and Merger through Share Swap. Upon the registration of the newly issued shares under their respective names, the shareholders of Oceanking Development shall become shareholders of the Surviving Company.

### ***Arrangement for employees***

Upon completion of the Transaction, the employment agreements or labor contracts of employees with Zhejiang Expressway (including its subsidiaries and branches) will continue to be performed by the Surviving Company (including its subsidiaries and branches), and the employment agreements or labor contracts of employees with Oceanking Development (including its subsidiaries and branches) will be assumed and continue to be performed by the Surviving Company (including its subsidiaries and branches). On December 12, 2025, Zhejiang Expressway convened the 3rd meeting of its 8th employee representative assembly, at which the employee arrangement plan related to the Transaction was considered and approved. On December 16, 2025, Oceanking Development convened the 3rd meeting of its 2nd employee (trade union member) representative assembly, at which the employee arrangement plan related to the Transaction was considered and approved.

### ***Arrangement for retained undistributed profits in the absorption and merger transaction***

Except for the profit distribution plans approved by the respective shareholders' (general) meetings of the Merging Parties, the retained undistributed profits of the Merging Parties as of the Closing Date shall be shared by all shareholders of the Surviving Company in proportion to their shareholdings.

As at the Latest Practicable Date, no profit distribution plan has been approved by the respective shareholders' (general) meeting of the Merging Parties.

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## LETTER FROM THE BOARD

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### ***Validity period of the resolution regarding the Absorption and Merger through Share Swap***

The resolution regarding the Absorption and Merger through Share Swap shall be valid for a period of twelve months from the date of approval at the respective shareholders' (general) meetings of Zhejiang Expressway and Oceanking Development and the class meetings of Zhejiang Expressway.

### ***4. Procedures to be Performed for the Transaction***

Approvals that have been obtained for the Transaction include:

- (1) the Transaction has been approved at the 15th, 21st and 22nd meetings of the 10th Board of Directors of Zhejiang Expressway;
- (2) the Transaction has been approved at the 27th, 31st and 32nd meetings of the 2nd board of directors of Oceanking Development;
- (3) the Transaction has been approved by the internal decision-making body of Communications Group;
- (4) the Transaction has been approved by the competent state-owned assets supervision and administration department;
- (5) the Transaction has obtained confirmation from the Hong Kong Stock Exchange that has no-objection in respect of the circular to shareholders to be issued by Zhejiang Expressway in relation to the transactions contemplated under the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements.

The Transaction is subject to, among others, the receipt of the following approvals or permits:

- (1) the Transaction is subject to consideration and approval at the general meeting of Oceanking Development;
- (2) the Transaction is subject to consideration and approval at the General Meeting and Class Meetings of Zhejiang Expressway;
- (3) the Transaction is subject to review and approval by the SSE;
- (4) the Transaction is subject to registration with the CSRC;
- (5) the Transaction is subject to the approval of the SSE for the listing of ordinary RMB A Shares and existing Domestic Shares issued by Zhejiang Expressway;

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## LETTER FROM THE BOARD

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- (6) the Transaction is subject to other necessary approvals or permits required by relevant laws and regulations (if necessary).

In view of the fact that all holders of Domestic Shares of the Company only comprise the Communications Group, and Communications Group and its associates are required to abstain from voting on resolutions related to the approval of the Transaction, the resolutions related to the Transaction will no longer be submitted to the class meeting of domestic shareholders for consideration.

### **5. Key Terms of the Agreements Related to the Transaction**

On September 2, 2025, January 12, 2026 and January 30, 2026, the Company entered into the Agreement on Absorption and Merger through Share Swap with Oceanking Development and the Supplemental Agreements. In addition to the contents set out in the section headed “3. Plan for the Transaction” above, the principal terms and conditions of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements also include the followings:

Effectiveness and Termination of the Agreement: The Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements shall be formed upon being signed by the legal representatives of both parties and affixed the common seals of the parties.

The Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements shall become effective upon the fulfillment of all the following conditions (for the avoidance of doubt, none of these conditions may be waived by either party):

- (1) the Transaction is approved by the general meeting and class meetings of Zhejiang Expressway;
- (2) the Transaction is approved by the general meeting of Oceanking Development;
- (3) the Transaction is approved by the competent state-owned assets supervision and administration authority;
- (4) the relevant matters of the Transaction are approved by the SSE and the CSRC approved registration of those matters;
- (5) the Transaction passes the concentration of undertakings review by the Anti-Monopoly Bureau of the State Administration for Market Regulation (if required);
- (6) the SSE approves the listing of RMB ordinary shares issued by Zhejiang Expressway on the Main Board of the SSE;

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## LETTER FROM THE BOARD

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- (7) the Hong Kong Stock Exchange has no objection to the circular to shareholders to be issued by Zhejiang Expressway in relation to the Transaction.

The Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements may be terminated under any of the following circumstances:

- (1) they are terminated by mutual agreement of both parties;
- (2) if there is any injunction, decision and order made by competent governmental authorities that restrict, prohibit or disapprove the completion of the Transaction, either party shall have the right to terminate the Agreement and the Supplemental Agreements by written notice;
- (3) the party affected by a force majeure event shall notify the other party within ten (10) business days after the occurrence of the force majeure event and provide all available evidence. If the Agreement and the Supplemental Agreement cannot be performed for sixty (60) days due to a force majeure event (unless both parties agree to extend), then either party to the Agreement and the Supplemental Agreements shall have the right to terminate the Agreement and the Supplemental Agreements by written notice;
- (4) if any party materially breaches the provisions of the Agreement, and such breach is not remedied within thirty (30) days from the date the non-breaching party delivers a written notice to the breaching party requiring it to immediately take remedial measures for such breach, the non-breaching party shall have the right to unilaterally terminate the Agreement and the Supplemental Agreements by written notice.

As at the Latest Practicable Date, for the satisfaction of the conditions precedent for the Transaction, please refer to the section headed “4. Procedures to be Performed for the Transaction” above.

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## LETTER FROM THE BOARD

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Liability for Breach: If a party to the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements breaches any of its representations, warranties, undertakings, or makes any misrepresentations, or fails to perform any of its responsibilities and obligations under the Agreement and the Supplemental Agreements, it shall be deemed to be in breach of contract. The breaching party shall, at the request of the other party, continue to perform its obligations, take remedial measures, or provide full, prompt, adequate and effective indemnification.

Where the Transaction fails to become effective or fails to be completed for reasons not attributable to either party, none of the parties shall be liable for breach of contract.

### **6. Analysis on the Reasonableness of the Transaction**

#### **6.1 Valuation assumptions**

##### **(1) General assumption**

###### **i. Open market assumption**

The open market assumption assumes that for an asset traded or to be traded in the market, the transacting parties to the asset transaction are in equal position, and that each party has access to sufficient market information and time to make a rational judgment on the function, purpose and transaction price of the assets. The open market assumption is based on the premise that the asset is tradable in a public market.

###### **ii. Going concern assumption**

The going concern assumption presumes that the enterprise will conduct its production and operation activities continuously and normally, and in the foreseeable future, the enterprise will continue to operate at its current scale and status without ceasing operations or significantly curtailing its business.

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## LETTER FROM THE BOARD

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### (2) Special assumption

- i. It is assumed that the external economic environment as of the valuation date remains unchanged, and that no significant changes occur in the current national macroeconomic conditions.
- ii. It is assumed that the social and economic environment in which the enterprise operates, along with applicable policies concerning taxes and tax rates, undergoes no significant changes.
- iii. It is assumed that the management of the company will diligently fulfil its responsibilities throughout the future operating period and will continue to operate under the current business model.
- iv. It is assumed that no force majeure or other unforeseeable factors will cause significant adverse effects on the enterprise.
- v. It is assumed that the relevant underlying data, financial information, and publicly available information are true, accurate, and complete.

Should any of the above conditions change, the analysis underlying the valuation generally becomes invalid.

### **6.2 Valuation methodology and method selection**

In merger and acquisition (M&A) transaction practice, the valuation of a target company is typically conducted using the market approach or the income approach. The market approach primarily includes the comparable company method and the comparable transaction method. The income approach mainly refers to the discounted cash flow method, where cash flows are primarily categorized into corporate free cash flow, equity free cash flow, and dividend cash flow.

The comparable company method involves referencing the valuation multiples (such as price-to-earnings (P/E) ratios, price-to-book (P/B) ratios, or price-to-sales (P/S) ratios) of comparable listed companies selected based on the characteristics of the target company. Its core principle is to value the target company using relevant indicators and valuation multiples from the secondary market.

The comparable transaction method involves identifying companies within the same industry as the target that have completed the process of being invested or merger by acquisition for an appropriate period prior to the valuation. By referencing the financing or the transaction price from merger by acquisition, relevant financial and non-financial data are extracted and analyzed to estimate the enterprise value or equity interest value of the target company.

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## LETTER FROM THE BOARD

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The discounted cash flow method involves several key steps: First, establishing a reasonable financial model and applying it to forecast expected returns, such as cash flows. Secondly, selecting an appropriate discount rate (the weighted average cost of capital or equity capital cost) based on the specific characteristics of the relevant company and the definition of cash flows, performing discount on cash flow based on the expected returns, and by estimating the present value of the expected returns, obtaining the value of the target company or equity value.

The advantages, disadvantages and applicability of the three methods mentioned above are as follows:

The advantage of the comparable company method lies in its basis in the efficient market assumption, which assumes that transaction prices reflect all available information, including trends, business risks, and growth rates. Relevant parameters are relatively easy to obtain. Its disadvantage is the difficulty in accurately adjusting for differences in business and financial aspects of comparable companies, and the challenge of incorporating industry-specific factors like M&A activity and regulatory considerations.

The comparable transaction method has the advantage of using actual prices of recent transactions conducted by comparable companies, making the valuation relatively certain and easy to ascertain. Its disadvantage lies in the high uncertainty concerning how to select appropriate parameters based on the latest operational conditions of relevant companies and adjust historical transaction prices to derive the current value of those companies.

The advantages of the discounted cash flow method include its holistic examination of the business, making it theoretically the most comprehensive valuation method; it is less susceptible to short-term volatility of the market and non-economic factors; its ability to integrate the business strategies and synergies of the merged business into the valuation approach; and its capacity to handle most complex scenarios. Its disadvantages lie in the numerous variables and assumptions within the financial model; the valuation's heavy reliance on assumptions about the future, which are sensitive and can be volatile, potentially affecting the accuracy of forecasts; and the difficulty in obtaining fully substantiated values for specific parameters.

In the Transaction, the Merging Parties are both listed companies. Prior to completion of the Absorption and Merger through Share Swap, detailed financial information and future profit and cash flow projections cannot be provided due to listing regulations and commercial confidentiality restrictions. Furthermore, disclosing such projections could trigger abnormal share price movements, increasing the uncertainty concerning the successful completion of the Absorption and Merger through Share Swap. Therefore, no profit or cash flow projections were prepared for the Absorption and Merger through Share Swap. Due to the lack of reliable financial forecast data, the discounted cash flow method cannot be used for valuation analysis in the Transaction.

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## LETTER FROM THE BOARD

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Moreover, the Absorption and Merger through Share Swap constitutes a public market merger, and the Merging Parties are both listed companies with relatively mature valuation frameworks in the capital markets. In addition, there are comparable market precedents for the Transaction. Accordingly, the comparable company method and the comparable transaction method have been primarily applied to assess the fairness and reasonableness of the pricing of the Transaction.

### ***6.3 Analysis of the reasonableness of the Conversion Price of the Merging Parties***

#### **(1) Analysis of the reasonableness of the Issue Price of Zhejiang Expressway**

##### **i. Comparable company method**

By analyzing the valuations of listed companies in the capital market that are in the same or a similar industry as Zhejiang Expressway, appropriate value ratios are selected. A comprehensive analysis is then conducted to determine the value of the target company.

##### **(a) Criteria and scope for selecting comparable companies**

To ensure the referential value of the comparable companies, the following criteria were applied to select companies comparable to Zhejiang Expressway in the highway operations segment among A-share listed companies:

- A-share listed companies primarily engaged in highway operations under the “CITIC Industry Classification – Transportation – Highway & Railway – Highway” sector were selected;
- A-share listed companies with negative P/E ratios or no P/E ratio data for the last 12 months and companies listed on the B-share market were excluded; and
- Listed companies exhibiting significant discrepancies from Zhejiang Expressway in terms of asset size, operating revenue, equity attributable to owners of the parent, and net profit attributable to owners of the parent were further excluded.

## LETTER FROM THE BOARD

There are 20 A-share listed companies primarily engaged in highway operations under the “CITIC Industry Classification – Transportation – Highway & Railway – Highway” sector, and their respective total assets, total revenue, net assets and net profit attributable to owners of the parent are as follows:

Unit: RMB100 million

Stock code	Stock name abbreviation	Equity		Total operating revenue for the last 12 months	Net profit attributable to owners of the parent for the last 12 months
		Total assets as at the end of June 2025	attributable to owners of the parent as at the end of June 2025		
000429.SZ	Yue Expressway A	244.54	105.13	44.57	17.64
000548.SZ	Hunan Investment Group	24.76	20.48	5.09	0.54
000755.SZ	Shanxi Hi-Speed	122.29	52.94	15.79	4.70
000828.SZ	Dongguan Development (Holdings)	161.28	100.28	16.20	10.46
000900.SZ	Xiandai Investment	588.73	124.99	86.20	3.82
001965.SZ	China Merchants Expressway	1,604.39	705.10	123.90	51.17
200429.SZ	Yue Expressway B	244.54	105.13	44.57	17.64
600012.SH	Anhui Wantong Expressway	301.38	119.36	77.80	18.20
600020.SH	Henan Zhongyuan Expressway	530.13	153.69	73.30	9.28
600033.SH	Fujian Expressway	175.61	122.77	30.34	7.95
600035.SH	Hubei Chutian	210.52	87.38	49.00	7.28
600106.SH	Chongqing Road & Bridge	71.31	53.61	1.13	1.93
600269.SH	Jiangxi Ganyue Expressway	372.69	190.10	58.46	14.16
600350.SH	Shandong Hi-Speed	1,622.03	410.05	270.96	32.60
600368.SH	Guangxi Wuzhou Communications	96.97	69.76	18.47	6.61
600377.SH	Jiangsu Expressway	961.34	401.44	226.44	46.22
600548.SH	Shenzhen Expressway	720.39	269.17	94.07	13.31
601107.SH	Sichuan Expressway	613.07	195.78	91.20	15.98
601188.SH	Heilongjiang Transport Development	55.11	46.85	8.63	1.71
601518.SH	Jilin Expressway	64.51	54.52	14.94	5.23

*Note 1:* Data were obtained from Wind and relevant listed companies' announcements.

*Note 2:* Total operating revenue for the last 12 months = Total operating revenue for 2024 – Total operating revenue for the first half of 2024 + Total operating revenue for the first half of 2025.

*Note 3:* Net profit attributable to owners of the parent for the last 12 months = Net profit attributable to owners of the parent for 2024 – Net profit attributable to owners of the parent for the first half of 2024 + Net profit attributable to owners of the parent for the first half of 2025.

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## LETTER FROM THE BOARD

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According to industry standards and based on publicly available information, there are twenty listed highway companies in total on the A-share market, details of which are set out in the table of comparable companies contained in the section headed “(1) Analysis of the reasonableness of the Issue Price of Zhejiang Expressway – i. Comparable company method – (a) Criteria and scope for selecting comparable companies”.

As at the Pricing Benchmark Date of the Transaction, all the twenty listed companies recorded profits, with no instances of negative or unavailable P/E data. Specifically, Yue Expressway A and Yue Expressway B represent different classes of shares issued by the same entity. Given the distinctive characteristics of the B-share market, which differ from the A-share market, such shares are typically not considered for comparison purposes. Apart from the above, the following factors were also taken into consideration when further refining the selection of comparable companies:

- Upon completion of the Transaction, Zhejiang Expressway will become a “A+H” dual-listed company. Therefore, the selection of comparable listed companies encompassed those listed in both markets, primarily including Anhui Wantong Expressway, Jiangsu Expressway, Shenzhen Expressway, and Sichuan Expressway;
- As Zhejiang Expressway is a leading regional highway operator with substantial amount of total assets, operating revenue, net assets and net profit. When selecting comparable listed companies, it is necessary consider the differences in the aforementioned criteria relative to Zhejiang Expressway to enhance comparability. At the same time, to maintain a sufficient sample size, companies with a net profit below RMB1.5 billion were excluded.

The specific process for selecting comparable companies is outlined below:

- According to Zhejiang Expressway’s 2024 Annual Report, as at the end of 2024, its total assets amounted to RMB217,503 million, operating revenue was RMB18,334 million, net profit attributable to owners of the parent was RMB5,447 million, and equity attributable to owners of the parent was RMB46,252 million. Generally, when selecting comparable companies, it is advisable to choose entities with scales and net profits similar to Zhejiang Expressway to enhance comparability.
- Analysis of key financial metrics from 20 listed highway entities on the A-share market reveals significant disparities in their asset scales, operating revenues, and net profits attributable to the parent. Compared to Zhejiang Expressway’s corresponding indicators, there are also considerable discrepancies. Apart from operating revenue scale, Zhejiang Expressway ranks first in terms of total asset scale and net profit attributable to the parent.

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## LETTER FROM THE BOARD

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- To ensure a sufficient number of samples for comparison, companies were first screened based on total assets exceeding RMB20 billion. Under this criteria, the comparable listed companies include: “Yue Expressway A”, “Xiandai Investment”, “China Merchants Expressway”, “Anhui Wantong Expressway”, “Henan Zhongyuan Expressway”, “Hubei Chutian”, “Jiangxi Ganyue Expressway”, “Shandong Hi-Speed”, “Jiangsu Expressway”, “Shenzhen Expressway”, and “Sichuan Expressway”.
- Second, considering that Zhejiang Expressway will become an “A+H” listed company upon completion of the Transaction, comparable companies that are already listed on both A-share and H-share markets – “Anhui Wantong Expressway”, “Jiangsu Expressway”, “Shenzhen Expressway”, and “Sichuan Expressway” – were retained.
- Third, considering the comparability of net profit attributable to the parent, an additional filter of exceeding RMB1.5 billion was applied.
- Finally, the listed companies suitable for comparison in respect of the Transaction include: “Yue Expressway A”, “China Merchants Expressway”, “Anhui Wantong Expressway”, “Shandong Hi-Speed”, “Jiangsu Expressway”, “Shenzhen Expressway”, and “Sichuan Chengyu”.

(b) Valuation process of comparable company method

Zhejiang Expressway operates in the highway sector, and it has maintained steady operations over the long term and remained profitable throughout the reporting period (i.e. the years 2022, 2023 and 2024, and the period from January to September 2025). In addition, companies in the highway sector have highway franchise rights as their core assets, which typically represent substantial asset sizes. In view of this, the P/E and P/B valuation methods have high reference value. Therefore, the P/E multiple and the P/B multiple have been selected as valuation multiples.

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## LETTER FROM THE BOARD

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Based on Zhejiang Expressway's asset size, equity attributable to owners of the parent, total operating revenue, and net profit attributable to owners of the parent, the P/E and P/B ratios of comparable A-share listed companies in the highway segment are as follows:

Stock code	Stock name abbreviation	P/E ratio (x) for the last 12 months	Latest P/B ratio (x)
000429.SZ	Yue Expressway A	15.51	2.59
001965.SZ	China Merchants Expressway	15.76	1.14
600012.SH	Anhui Wantong Expressway	15.35	2.33
600350.SH	Shandong Hi-Speed	14.97	1.19
600377.SH	Jiangsu Expressway	15.89	1.83
600548.SH	Shenzhen Expressway	20.54	1.01
601107.SH	Sichuan Expressway	10.75	0.87
<b>Maximum</b>		<b>20.54</b>	<b>2.59</b>
<b>Third quartile</b>		<b>15.83</b>	<b>2.08</b>
<b>Average</b>		<b>15.54</b>	<b>1.57</b>
<b>Median</b>		<b>15.51</b>	<b>1.19</b>
<b>First quartile</b>		<b>15.16</b>	<b>1.08</b>
<b>Minimum</b>		<b>10.75</b>	<b>0.87</b>

*Note:* P/E ratio for the last 12 months = Volume-weighted average price of the shares over the 120 trading days prior to the Pricing Benchmark Date/Earnings per share attributable to owners of the parent for the last 12 months; and latest P/B ratio for the last period = Volume-weighted average price of the shares over the 120 trading days prior to the Pricing Benchmark Date/Latest net assets per share attributable to the owners of the parent.

The reasons for adopting the volume-weighted average price of the shares over the 120 trading days prior to the Pricing Benchmark Date to determine the P/E ratio and P/B ratio primarily include:

- Both parties involved in the Absorption and Merger are listed companies. To mitigate the impact of short-term share price fluctuations on the analysis of the P/E ratio and P/B ratio, the volume-weighted average share price over a longer period is used as the calculation basis to reduce short-term effects; and
- For Oceanking Development, the company being absorbed and merged in the Transaction, its Conversion Price was determined based on the volume-weighted average price of its shares over the 120 trading days prior to the Pricing Benchmark Date. To maintain consistency in the calculation basis for both parties, the same benchmark was also applied when calculating the P/E and P/B ratios for Zhejiang Expressway's comparable listed companies.

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## LETTER FROM THE BOARD

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### P/E ratio method

Zhejiang Expressway recorded net profit attributable to owners of the parent of RMB5,612 million for the last 12 months. The equity value attributable to ordinary shareholders of Zhejiang Expressway calculated using the minimum and maximum P/E ratios of comparable companies is as follows:

Metric	Calculation formula	Maximum	Minimum
Net profit of Zhejiang Expressway attributable to owners of the parent for the last 12 months (RMB100 million)	(1)	56.12	56.12
P/E ratio (x) of comparable companies	(2)	20.54	10.75
<b>Equity value attributable to ordinary shareholders of Zhejiang Expressway (RMB100 million)</b>	<b>(3) = (1) * (2)</b>	<b>1,152.70</b>	<b>603.29</b>

Based on the valuation results derived from the P/E ratio method of comparable companies above, the equity value attributable to ordinary shareholders of Zhejiang Expressway is estimated to range between RMB60,329 million to RMB115,270 million.

### P/B ratio method

Zhejiang Expressway's equity attributable to owners of the parent as at the end of June 2025 amounted to RMB46,645 million. The equity value attributable to ordinary shareholders of Zhejiang Expressway calculated using the minimum and maximum P/B ratios of comparable companies is as follows:

Metric	Calculation formula	Maximum	Minimum
Latest equity of Zhejiang Expressway attributable to owners of the parent preceding the Pricing Benchmark Date (RMB100 million)	(1)	466.45	466.45
P/B ratio (x) of comparable companies	(2)	2.59	0.87
<b>Equity value attributable to ordinary shareholders of Zhejiang Expressway (RMB100 million)</b>	<b>(3) = (1) * (2)</b>	<b>1,208.11</b>	<b>405.81</b>

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Based on the valuation results derived from the P/B ratio method of comparable companies above, the equity value attributable to ordinary shareholders of Zhejiang Expressway is estimated to range between RMB40,581 million to RMB120,811 million.

### ii. Comparable transaction method

#### (a) Selection of comparable transactions

This method involves analyzing comparable transactions involving the acquisition of expressway assets in recent years, calculating their P/E multiples and P/B multiples and comparing them to the P/E multiple and the P/B multiple of Zhejiang Expressway in respect of the Transaction.

After searching publicly available transactions, as at January 30, 2026, the valuation details of major target assets in completed merger and acquisition transactions involving A-share listed companies acquiring expressway assets are as follows:

Transaction date	Acquirer	Target assets	Total equity value (RMB100 million)	P/E ratio (x)	P/B ratio (x)
March 2025	Anhui Expressway (600012.SH)	100% equity interests in Anhui Sixu Expressway Co., Ltd.* (安徽省泗許高速公路有限公司)	18.63	17.31	1.55
March 2025	Anhui Expressway (600012.SH)	100% equity interests in Anhui Fuzhou Expressway Co., Ltd.* (安徽省阜周高速公路有限公司)	28.98	14.46	1.64
June 2024	Shandong Hi-Speed (600350.SH)	20% equity interests in Luzhou Southeast Expressway Development Co., Ltd.* (瀘州東南高速公路發展有限公司)	20.75	32.22	2.46
April 2024	China Merchants Expressway (001966.SZ)	100% equity interests in Road King (China) Infrastructure Limited* (路勁(中國)基建有限公司)	58.33	18.14	1.53
October 2022	Guangxi Wuzhou Communications (600369.SH)	34% equity interests in Guangxi Quanxing Expressway Development Co., Ltd.* (廣西全興高速公路發展有限公司)	15.25	14.37	1.86
August 2021	Shanxi Hi-speed (000755.SZ)	100% equity interests in Shanxi Pingyu Expressway Co., Ltd.* (山西平榆高速公路有限責任公司)	28.05	13.66	1.39
<b>Maximum</b>				<b>32.22</b>	<b>2.46</b>
<b>Third quartile</b>				<b>17.93</b>	<b>1.81</b>
<b>Average</b>				<b>18.36</b>	<b>1.74</b>
<b>Median</b>				<b>15.89</b>	<b>1.60</b>
<b>First quartile</b>				<b>14.39</b>	<b>1.54</b>
<b>Minimum</b>				<b>13.66</b>	<b>1.39</b>

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- Note 1:* Data were obtained from Wind and relevant listed companies' announcements.
- Note 2:* P/E ratio = Appraised value of 100% equity interest in target company/Net profit attributable to owners of the parent for the most recent year prior to the valuation date. If net profit attributable to owners of the parent is not disclosed, the net profit figure is used for calculation.
- Note 3:* P/B ratio = Appraised value of 100% equity interest in target company/Equity attributable to owners of the parent at the end of the most recent year prior to the valuation date. If equity attributable to owners of the parent is not disclosed, owners' equity shall be used for calculation.

The reporting periods covered in the documents submitted by Zhejiang Expressway to the regulatory authorities of Mainland China in connection with the Transaction encompass the financial years 2022, 2023 and 2024, as well as the period from January to September 2025. With reference to this timeline, the selection period for comparable transactions primarily draws upon disclosed acquisitions of non-listed companies by A-share listed expressway entities over the past five years (2021 to 2025), based on publicly available information. A total of 14 relevant acquisitions conducted during that period were identified. The screening criterion included: (i) excluding acquisitions where the target company did not belong to the expressway industry; (ii) excluding acquisitions where the acquisition target exhibited significantly abnormal P/E ratios, primarily those with negative P/E ratios or P/E ratios significantly deviating from normal ranges; and (ii) excluding acquisitions where the total acquisition consideration was below RMB500 million.

(b) Valuation process of the comparable transaction method

### P/E ratio method

Zhejiang Expressway's net profit attributable to owners of the parent amounted to RMB5,612 million for the last 12 months. The equity value attributable to ordinary shareholders of Zhejiang Expressway calculated using the minimum and maximum P/E multiples under the P/E ratio method of comparable transactions is as follows:

Metric	Calculation formula	Maximum	Minimum
Net profit of Zhejiang Expressway attributable to owners of the parent for the last 12 months (RMB100 million)	(1)	56.12	56.12
P/E ratio (x) of comparable transactions	(2)	32.22	13.66
<b>Equity value attributable to ordinary shareholders of Zhejiang Expressway (RMB100 million)</b>	<b>(3) = (1) * (2)</b>	<b>1,808.19</b>	<b>766.60</b>

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Based on the valuation results derived from the comparable transaction method outlined above, the equity value attributable to ordinary shareholders of Zhejiang Expressway is estimated to range between RMB76,660 million to RMB180,819 million.

### P/B ratio method

Zhejiang Expressway's equity attributable to owners of the parent as at the end of June 2025 amounted to RMB46,645 million. The equity value attributable to ordinary shareholders of Zhejiang Expressway calculated using the minimum and maximum P/B multiples under the P/B ratio method of comparable transactions is as follows:

<b>Metric</b>	<b>Calculation formula</b>	<b>Maximum</b>	<b>Minimum</b>
Latest equity of Zhejiang Expressway attributable to owners of the parent preceding the Pricing Benchmark Date (RMB100 million)	(1)	466.45	466.45
P/B ratio (x) of comparable transactions	(2)	2.46	1.39
<b>Equity value attributable to ordinary shareholders of Zhejiang Expressway (RMB100 million)</b>	<b>(3) = (1) * (2)</b>	<b>1,147.47</b>	<b>648.37</b>

Based on the valuation results derived from the comparable transaction method outlined above, the equity value attributable to ordinary shareholders of Zhejiang Expressway is estimated to range between RMB64,837 million to RMB114,747 million.

### iii. Summary

With the intersection of valuation ranges derived from the comparable company method and the comparable transaction method as the final range, the equity value attributable to ordinary shareholders of Zhejiang Expressway is estimated to range between RMB76,660 million to RMB114,747 million. Different valuation methodologies typically yield distinct value ranges. To have a more prudent assessment of Zhejiang Expressway's reasonable valuation level, adopting an overly broad range – such as the union of ranges from the comparable company and comparable transaction methods – may not accurately reflect its value. Selecting the overlapping range of various valuation methods can, to a certain extent, better represent its true value. Consequently, the intersection has been selected as the final valuation range.

Based on the Issue Price of A Shares of Zhejiang Expressway of RMB13.50 per share and the total share capital before the issuance of 6,038 million shares, the equity value attributable to ordinary shareholders of Zhejiang Expressway is RMB81,515 million, which falls within the above valuation range.

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In summary, the Issue Price of Zhejiang Expressway in the Transaction is determined based on the principle of taking into account the interests of shareholders of the Merging Parties, after comprehensive consideration of its overall business conditions, profitability and risk resistance capabilities, the valuation levels of comparable companies and comparable transactions in the industry and other factors. As such, it is believed that the valuation is reasonable and the pricing is fair.

### (2) Analysis of the reasonableness of the Conversion Price of Oceanking Development

#### i. Conversion Price vs historical price

The Conversion Price of Oceanking Development has been set at RMB14.58 per share, which represents a 29.83% premium over the volume-weighted average price of RMB11.23 per share over the 120 trading days preceding the Pricing Benchmark Date. If Oceanking Development undergoes any ex-rights or ex-dividend events including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), the Conversion Price will be adjusted accordingly. No adjustments to the Conversion Price shall be made under any other circumstances.

A comparison of the Conversion Price against Oceanking Development's closing price on the last trading day, volume-weighted average price of 20 trading days, volume-weighted average price of 60 trading days, and volume-weighted average price of 120 trading days prior to trading suspension, is as follows:

<b>Item</b>	<b>Share price (RMB/share)</b>	<b>Premium of Conversion Price over historical price</b>
Closing price on the last trading day prior to trading suspension	15.29	-4.64%
Volume-weighted average price of 20 trading days prior to trading suspension	13.61	7.13%
Volume-weighted average price of 60 trading days prior to trading suspension	12.40	17.58%
Volume-weighted average price of 120 trading days prior to trading suspension	11.23	29.83%

*Note 1:* Data were obtained from Wind.

*Note 2:* The volume-weighted average price is calculated as the total trading value divided by the total trading volume of Oceanking Development's shares during the specified period.

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- ii. Conversion Price premium taking full reference to the premium levels of similar absorption and merger through share swap transactions in recent years

In the Absorption and Merger through Share Swap, the Conversion Price of Oceanking Development has been set at RMB14.58 per share, which represents a 29.83% premium to the volume-weighted average price of RMB11.23 per share over the 120 trading days preceding the Pricing Benchmark Date.

The absorption and merger of Oceanking Development by Zhejiang Expressway through share swap constitutes an absorption and merger of an A-share listed company by an H-share listed company. For Oceanking Development, the company being merged, the absorbing party is a non-A-share listed company. Therefore, when benchmarking against similar cases in recent years, comparable transactions involving absorption and merger of an A-share listed company by an H-share listed company and absorption and merger of an A-share listed company by an unlisted company were selected for analysis. Details of the premiums or discounts of comparable transactions over their market reference prices are as follows:

Merger type	Transaction description	Pricing benchmark date	Market reference price	Premium ratio of conversion price over market reference price
Absorption and merger of an A-share listed company by an H-share listed company	Absorption and merger of Pingzhuang Energy (000780.SZ) by China Longyuan Power (00916.HK)	January 18, 2021	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	10.00%
Absorption and merger of an A-share listed company by an H-share listed company	Absorption and merger of China Gezhouba (600068.SH) by China Energy Engineering (3996.HK)	October 28, 2020	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	45.00%
Absorption and merger of an A-share listed company by an H-share listed company	Absorption and merger of Sinotrans Air Transportation (600270.SH) by Sinotrans Limited (0598.HK)	March 1, 2018	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	22.00%
Absorption and merger of an A-share listed company by an H-share listed company	Absorption and merger of Taihang Cement (600553.SH) by BBMG Corporation (2009.HK)	June 5, 2010	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	7.04%
Absorption and merger of an A-share listed company by an H-share listed company	Absorption and merger of GAC Changfeng (600991.SH) by GAC Group (2238.HK)	March 21, 2011	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	15.02%

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<b>Merger type</b>	<b>Transaction description</b>	<b>Pricing benchmark date</b>	<b>Market reference price</b>	<b>Premium ratio of conversion price over market reference price</b>
Absorption and merger of an A-share listed company by an H-share listed company	Absorption and merger of Road & Bridge International (600263.SH) by China Communications Construction (1800.HK)	December 31, 2010	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	23.03%
Absorption and merger of an A-share listed company by a non-listed company	Absorption and merger of North China Expressway (000916.SZ) by China Merchants Expressway Network & Technology Holdings Co., Ltd.	June 15, 2017	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	25.40%
Absorption and merger of an A-share listed company by a non-listed company	Absorption and merger of Dahuanong (300186.SZ) by WENS Foodstuff Group Co., Ltd.	April 28, 2015	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	60.00%
Absorption and merger of an A-share listed company by a non-listed company	Absorption and merger of China Merchants Property (A) (000024.SZ) by China Merchants Shekou Industrial Zone Holdings Co., Ltd.	September 18, 2015	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	35.01%
Absorption and merger of an A-share listed company by a non-listed company	Absorption and merger of Hongyuan Securities (000562.SZ) by Shenwan Hongyuan Group Co Ltd.	July 26, 2014	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	20.00%
Absorption and merger of an A-share listed company by a non-listed company	Absorption and merger of Midea Electric Appliances (000527.SZ) by Midea Group Stock Limited	March 28, 2013	Volume-weighted average A-share price of 20 trading days preceding the pricing benchmark date	68.71%
<b>Maximum</b>				<b>68.71%</b>
<b>Third quartile</b>				<b>40.01%</b>
<b>Average</b>				<b>30.11%</b>
<b>Median</b>				<b>23.03%</b>
<b>First quartile</b>				<b>17.51%</b>
<b>Minimum</b>				<b>7.04%</b>

*Note:* Data were obtained from Wind and relevant listed companies' announcements.

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To ensure timeliness, the selection of comparable transactions for analysis was based on a 2010 cut-off, including only similar cases occurred thereafter. Cases involving absorption and merger of an A-share listed company by an H-share listed company occurred before 2010 – primarily in 2007 and 2008 – were excluded due to their outdated nature and the substantially different capital market conditions at the time, which render them less comparable. Based on searches through public channels, prior to 2010, notable cases of H-share listed companies absorbing and merging A-share listed companies through share swap to achieve “A+H” listings primarily included “absorption and merger of Shanghai Power Transmission (600627.SH) by Shanghai Electric (2727.HK)(which took place in 2008)”, “absorptions and mergers of Shandong Aluminum (600205.SH) and Lanzhou Aluminum (600296.SH) by Aluminum Corporation of China (2600.HK)(which took place in 2007)”, and “absorption and merger of Zhuzhou Torch (000549.SZ) by Weichai Power (2338.HK)(which took place in 2007)”. These cases were excluded from the comparable transaction scope because, in the context of the period prior to 2010, such transactions were primarily conducted to complete the share structure reform for the relevant A-share listed companies (i.e. before the A-share share structure reform, the equity of A-share listed companies was divided into publicly tradable shares and state-owned non-tradable shares, and the reform aimed to eliminate the separation of trading rights for A-share listed companies, achieve full circulation of shares, and align the interests of various classes of shareholders). These transactions differed from the Transaction and lacked comparability. Additionally, transactions involving non-listed companies absorbing and merging A-share listed companies through share swap primarily began from 2013 onwards. The aforementioned list of comparable transactions represents a comprehensive list based on the above criteria. Accordingly, the Board of Directors considers the selection of comparable transactions post-2010 to be reasonable.

The Conversion Price of RMB14.58 per share for Oceanking Development represents a premium of 29.83% over the volume-weighted average price during the 120 trading days preceding the Pricing Benchmark Date, which falls within the premium range observed in comparable transactions and is therefore reasonable.

The Absorption and Merger of Oceanking Development by Zhejiang Expressway through Share Swap constitutes an absorption and merger of an A-share listed company by an H-share listed company. Therefore, the comparative analysis using cases involving absorption and merger of an A-share listed company by a H-share listed company would be most relevant and comparable to the Transaction. Furthermore, from the perspective of the A-share market, the absorbing party is a non-A-share listed company irrespective of its H-share listing status. To increase the reliability of the comparison, the analysis has been expanded to also incorporate the cases involving absorption and merger of an A-share listed company by a non-listed company.

To ensure timeliness, the selection of comparable transactions for analysis was based on a 2010 cut-off, including only similar cases occurred thereafter. Cases involving absorption and merger of an A-share listed company by a H-share listed company occurred before 2010 –

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primarily in 2007 and 2008 – were excluded due to their outdated nature and the substantially different capital market conditions at the time, which render them less comparable. The above list of comparable transactions is a comprehensive list based on the above criteria.

### iii. Conversion Price vs valuations of comparable companies

Oceanking Development operates in the chlor-alkali chemical industry, a mature sector, and it has remained profitable during the reporting period (i.e., the years 2023 and 2024, and the period from January to September 2025), making the P/E valuation method highly relevant. Therefore, the P/E multiple is selected as a valuation multiple.

To fully ensure the comparability of reference companies, comparable companies were selected based on the following criteria:

- (a) A-share listed companies primarily engaged in chlor-alkali chemicals or PVC business; and
- (b) Excluding A-share listed companies with negative P/E ratios or no P/E ratio data for the last 12 months.

Based on these criteria, the following listed companies were selected as comparables for analysis:

Stock code	Company name	P/E ratio (x) for the last 12 months
601678.SH	Befar Group Co., Ltd.	38.09
600618.SH	Shanghai Chlor-Alkali Chemical Co., Ltd.	13.27
600273.SH	Zhejiang Jiahua Energy Chemical Industry Co., Ltd.	10.51
601568.SH	Shaanxi Beiyuan Chemical Industry Group Co., Ltd.	68.33
<b>Maximum</b>		<b>68.33</b>
<b>Minimum</b>		<b>10.51</b>
<b>Average</b>		<b>32.55</b>
<b>Median</b>		<b>25.68</b>

*Note 1:* Data were obtained from Wind.

*Note 2:* Last 12-month P/E ratio = Volume-weighted average price of shares over the 120 trading days prior to the Pricing Benchmark Date/Earnings per share attributable to shareholders of the parent for the last 12 months.

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In the Transaction, the Conversion Price of Oceanking Development is RMB14.58 per share, corresponding to a P/E multiple of 47.03x based on the earnings per share attributable to shareholders of the parent for the last 12 months. This P/E multiple is within the range of the P/E multiple of the comparable companies for the last 12 months, which is of reasonableness.

- iv. Conversion Price premium taking full reference of A-share market and peer price movements during trading suspension

From August 19, 2025 (the last trading day prior to trading suspension) to September 2, 2025 (the date of Oceanking Development's first board meeting for considering the Transaction), the broader A-share market, relevant sector indices, and the share prices of comparable companies all recorded certain fluctuations. During this period, the Shanghai Composite Index (000001.SH) rose by 3.51%, the WIND Basic Chemicals Index (882202.WI) increased by 2.49%, while the average and median change in share prices of comparable A-share companies were -1.64% and -2.79%, respectively. The Conversion Price premium rate for Oceanking Development in respect of the Transaction is higher than the fluctuation ranges of the indices and the comparable companies during the suspension period, fully covering the opportunity cost of holding Oceanking Development shares for investors.

Category	Company Name	Stock code	Closing price (RMB/share)/ closing index		Change
			Last trading day prior to the suspension August 19, 2025	Trading day preceding Pricing Benchmark Date September 2, 2025	
Comparable companies	Befar Group Co., Ltd.	601678.SH	4.36	4.17	-4.36%
	Shanghai Chlor-Alkali Chemical Co., Ltd.	600618.SH	10.33	10.68	3.39%
	Zhejiang Jiahua Energy Chemical Industry Co., Ltd.	600273.SH	8.80	8.54	-2.95%
	Shaanxi Beiyuan Chemical Industry Group Co., Ltd.	601568.SH	4.19	4.08	-2.63%
	<b>Average</b>				<b>-1.64%</b>
	<b>Median</b>				<b>-2.79%</b>
Indices	Shanghai Composite Index	000001.SH	3,727.29	3,858.13	3.51%
	WIND Basic Chemicals Index	882202.WI	6,806.85	6,976.47	2.49%

Note: Data were sourced from Wind.

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In summary, the Conversion Price of Oceanking Development was determined after fully considering the valuations of comparable companies and the share swap premium rate observed in comparable transactions. It factored in risks associated with stock price volatility and compensation for the opportunity cost incurred by Oceanking Development's shareholders during the trading suspension. The setting of the premium rate aligns with market practices and is considered reasonable. The Conversion Price represents a premium over Oceanking Development's historical share prices prior to trading suspension, and the selected premium rate is deemed fair.

### (3) Board of Directors' Assessment of the Consideration for the Transaction

In determining the Issue Price of A Shares of Zhejiang Expressway and the Conversion Price of Oceanking Development, various factors, including the overall business conditions, profitability and risk resilience of the Merging Parties, and valuations of comparable industry peers have been taken into account. The details are as follows:

#### i. Overall Business Conditions

##### (a) Business profile of Zhejiang Expressway

Zhejiang Expressway is the only publicly listed expressway company in Zhejiang Province, maintaining a core leading position within the industry. Zhejiang Expressway possesses high-quality expressway assets and is the largest expressway investment and operation enterprise in Zhejiang Province. The Group also engages in securities business through its controlled subsidiary, Zheshang Securities (stock code: 601878.SH).

The total mileage of expressways under the operation of Zhejiang Expressway has reached 1,142.62 kilometers, of which 1,061.00 kilometers are in Zhejiang Province, accounting for approximately 18.73% of the total expressway mileage in the province. Zhejiang Expressway's core road assets cover the core areas of Zhejiang Province with the most vibrant economic activities in the Yangtze River Delta. In 2024, Zhejiang Expressway ranked the first among listed expressway companies nationwide in terms of asset scale, toll revenue and profitability indicators. Its returns on net assets has remained above 12% for three consecutive years, solidifying its position as the core operator of expressways in Zhejiang Province. Zheshang Securities, a subsidiary of Zhejiang Expressway, is a comprehensive medium-sized securities company. Zheshang Securities was awarded the Grade A of Category A rating in the classification of securities in 2024 by the CSRC. Zheshang Futures was rated as an AA-grade futures company.

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In terms of expressway operation, the core assets of Zhejiang Expressway cover the most economically developed and densely populated core areas of Zhejiang Province, serving as a key link for inter-provincial logistics and inter-city commuting, and the traffic flow features inherent stability and resilience against economic cycles. Meanwhile, Zhejiang Expressway has enhanced the traffic capacity through the renovation and expansion of existing roads and extended concession periods. Coupled with the acquisition of high-quality road assets, the Company continues to refine its expressway network layout, further solidifying the scarcity and scale advantages of expressways.

In terms of the securities business, Zheshang Securities, as the leading local securities company in Zhejiang Province, possesses comprehensive competitiveness characterized by “deep regional presence + nationwide expansion + leadership across multiple business lines”. With over 70% of its revenue from the core market in Zhejiang, Zheshang Securities has ranked first in the province in terms of the size of bonds underwritten and has been among the top ten in the industry in terms of the national corporate bonds underwritten. Leveraging the economic vitality of the Yangtze River Delta and the strengths of the private sector, Zheshang Securities has cultivated a highly loyal and stable customer base. Through mergers and acquisitions, it has improved its license portfolio and established a dual-core business network covering the “Yangtze River Delta + Beijing-Tianjin-Hebei” regions. With over 200 offices effectively covering core economic zones in the PRC, and through obtaining key licenses such as the public fund management, Zheshang Securities firmly ranked in the upper-middle tier of the industry in terms of total assets and its comprehensive ranking continued to rise.

### (b) Business profile of Oceanking Development

Oceanking Development is a modern chemical enterprise with a solid foundation in chlor-alkali chemicals and a strategic focus on new chemical materials with the integration of production, operations and research and development. Oceanking Development is devoted to building a resource-efficient and environmentally friendly benchmark enterprise with certain influence and competitiveness in the industry. Oceanking Development is primarily engaged in the research and development, production, and sales of chloralkali related products. It adopts the salt water electrolysis process to produce caustic soda, and also produces chlorine gas and hydrogen gas as by-products. Based on this, it constructs three major product chains of alkali, chlorine, and hydrogen.

Oceanking Development’s caustic soda products boast top-ranking comprehensive energy consumption indicators in the industry. Oceanking Development has been honored as a benchmark enterprise with “Leading Energy Efficiency” by the China Petroleum and Chemical Industry Federation. With a solid foundation in research and development, Oceanking Development owns nearly 130 invention and utility model patents. In recent years, Oceanking Development has been recognized as one of the Top 500 Chemical Enterprises in China, one of

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the Top 500 Zhejiang Entrepreneurs (Enterprises) Nationwide, one of the Top 100 Fastest-Growing Enterprises in Zhejiang Province, as well as a model and superior enterprise nationwide in intellectual property.

In 2024, the comparison between Zhejiang Expressway and Oceanking Development is as follows:

Unit: RMB0'000

Items	Total assets (As at December 31, 2024)	Net assets	Revenue	Net profit
Zhejiang Expressway	21,750,253.46	7,404,033.79	1,833,415.38	717,908.46
Oceanking Development	327,058.41	193,143.13	289,912.47	19,109.58
Proportion of Oceanking Development compared to Zhejiang Expressway	1.50%	2.61%	15.81%	2.66%

ii. Profitability

(a) Zhejiang Expressway

The net profit margin and the weighted average return on net assets of Zhejiang Expressway for 2022, 2023, 2024 and the period from January to September 2025 are as follows:

Items	January to September 2025	2024	2023	2022
Net profit margin	42.68%	39.16%	38.66%	40.14%
Return on net assets (weighted average)	8.87%	12.65%	15.50%	17.05%

(b) Oceanking Development

The net profit margin and the weighted average return on net assets of Oceanking Development for 2023, 2024 and the period from January to September 2025 are as follows:

Items	January to September 2025	2024	2023
Net profit margin	2.57%	6.59%	11.80%
Return on net assets (weighted average)	2.66%	10.62%	14.39%

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In terms of total revenue and net profit, Zhejiang Expressway significantly outperforms Océanking Development. Zhejiang Expressway also demonstrates superior profitability, as evidenced by its net profit margin and return on net assets, which are markedly higher than those of Océanking Development.

### iii. Risk Resilience

#### (a) Zhejiang Expressway

Total assets, total liabilities and net assets of Zhejiang Expressway as at the end of 2022, 2023, 2024 and the period from January to September 2025 are as follows:

Unit: RMB0'000

Items	End of September, 2025	End of 2024	End of 2023	End of 2022
Total assets	28,768,470.13	21,750,253.46	20,809,832.02	19,117,073.90
Total liabilities	19,479,396.37	14,346,219.67	14,567,127.26	13,971,970.89
Net assets	9,289,073.76	7,404,033.79	6,242,704.76	5,145,103.01

Major debt servicing financial indicators of Zhejiang Expressway in 2022, 2023, 2024 and the period from January to September 2025 are as follows:

Financial indicators	End of September, 2025/January to September 2025	End of 2024/ 2024	End of 2023/ 2023	End of 2022/ 2022
Current ratio (x)	1.40	1.43	1.51	1.41
Asset-liability ratio (parent)	38.12%	39.60%	39.46%	45.11%
EBITDA (RMB0'000)	1,171,162.85	1,440,551.48	1,366,250.43	1,302,954.95
Interest coverage ratio (x)	7.60	6.15	4.78	4.75
Net cash flow per share generated from operating activities (RMB/share)	2.76	3.28	3.45	1.70

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(b) Oceanking Development

Total assets, total liabilities and net assets of Oceanking Development as at the end of 2023, 2024 and the period from January to September 2025 are as follows:

Unit: RMB0'000

Items	End of September, 2025	End of 2024	End of 2023
Total assets	330,660.87	327,058.41	297,075.76
Total liabilities	137,092.14	133,915.28	118,935.92
Net assets	193,568.74	193,143.13	178,139.84

Major debt servicing financial indicators of Oceanking Development in 2023, 2024 and the period from January to September 2025 are as follows:

Financial indicators	End of September, 2025/January to September 2025	End of 2024/ 2024	End of 2023/ 2023
Current ratio (x)	1.09	1.46	0.58
Asset-liability ratio (parent)	41.59%	41.08%	40.24%
EBITDA (RMB0'000)	20,003.36	38,185.37	39,766.78
Interest coverage ratio (x)	4.82	15.90	1,547.82
Net cash flow per share generated from operating activities (RMB/share)	0.50	-0.04	0.11

Based on the above comparison, Zhejiang Expressway is significantly higher than Oceanking Development in terms of total assets and net assets, representing stronger risk resistance capabilities. Meanwhile, in terms of core solvency indicators, despite a lower interest coverage ratio, which is mainly due to different business models of their industries, Zhejiang Expressway demonstrates stronger resistance capabilities than Oceanking Development in terms of current ratio, asset-liability ratio (parent) and net cash flow per share generated from operating activities.

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## LETTER FROM THE BOARD

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The Company believes that Oceanking Development's decreasing net profit margin and return on net assets will not have a material adverse impact on the Group after completion of the Transaction, and that the Transaction is in the overall interests of the Company and its shareholders and will deliver better and more sustainable returns to minority shareholders. The specific reasons are as follows:

- In 2024, Oceanking Development's total assets, net assets, and net profit were RMB3,271 million, RMB1,931 million and RMB191 million, respectively. Compared to the Zhejiang Expressway's total assets, net assets, and net profit, these figures represent a small proportion of 1.50%, 2.61%, and 2.66%, respectively. Therefore, the decline in Oceanking Development's net profit margin and return on net assets will have a limited impact on the Group's financial performance and will not cause any material adverse effect.
- However, Oceanking Development's listing on the A-share market holds significant strategic importance for Zhejiang Expressway. The primary purpose of the absorption and merger of Oceanking Development is to leverage supportive regulatory policies to achieve the Company's dual listing on both the "A+H" markets. As described in the section headed "2. Reasons for and Benefits of the Transaction," the Transaction carries positive significance for the Company's strategy and overall interests. Achieving a dual "A+H" listing will enhance the Company's brand influence and market competitiveness, effectively strengthen its investment and financing capabilities and provide a more solid and flexible capital foundation for future business expansion and mergers and acquisitions, thereby facilitating the Company's high-quality development and bringing more favorable and sustainable returns to minority shareholders.
- Furthermore, the decline in Oceanking Development's net profit margin and return on net assets is partly attributable to the cyclical nature of the chemical industry. Oceanking Development's core products include chlor-alkali, caustic soda and PVC (polyvinyl chloride). The supply of upstream raw materials and downstream demand for chlor-alkali products exhibit cyclical fluctuations. Basic chemical products like caustic soda exhibit strong regional characteristics. Oceanking Development's caustic soda products are mainly sold to the Xiaoshan and Shaoxing of Zhejiang Province and surrounding areas where dyeing and textile enterprises are concentrated. Over the past two years, as a hub for the dyeing and textile industry, these regions have demonstrated rigid demand for caustic soda, and there are limited price fluctuations. In contrast, PVC market prices lingered at low levels due to factors including sluggish downstream demand from sectors like real estate, inventory accumulation due to capacity expansion, and uncertainties surrounding trade protection policy adjustments in export markets. Overall, the steady growth of China's macro-economy provides momentum for the development of the chemical raw materials and chemical manufacturing industries, thereby creating a favorable economic environment for the

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## LETTER FROM THE BOARD

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core products of Oceanking Development. Moving forward, Oceanking Development will persistently adhere to the strategy of providing high-end, diversified, and differentiated products to consolidate its industry leadership.

#### iv. Valuations of Comparable Companies and Comparable Transactions in the Industry

##### (a) Zhejiang Expressway

For the proposed absorption and merger of Oceanking Development by Zhejiang Expressway through issuance of A shares, valuation comparisons should be made with listed companies which are comparable to Zhejiang Expressway in terms of total assets, total revenue, net assets attributable to owners of the parent and net profits attributable to owners of the parent to enhance comparability. Whether the comparable listed companies are dually listed on both A-share and H-share markets is also an important reference. Meanwhile, cross-comparison is also conducted using comparable transactions in the expressway industry.

With reference to (I) comparable companies: the table of the P/E ratios and the P/B ratios of comparable A-share listed companies in the expressway industry set out in the subsection “(1) Analysis of the reasonableness of the Issue Price of Zhejiang Expressway – i. Comparable company method – (b) Valuation process of comparable company method” in the preceding parts; and (II) comparable transactions: the table of valuations of major target assets in completed restructuring transactions of A-share listed companies acquiring target expressway assets set out in the subsection “(1) Analysis of the reasonableness of the Issue Price of Zhejiang Expressway – ii. Comparable transaction method – (a) Selection of comparable transactions” in the preceding parts, in 2024, the audited net asset per share of Zhejiang Expressway was RMB7.71 per share, with earnings per share of RMB0.9088 per share. The corresponding P/B and P/E ratios calculated using the Issue Price of A Shares of RMB13.5 per share under the Transaction are 1.75x and 14.86x, respectively. These ratios are within the ranges observed for both comparable listed companies and comparable transactions, aligning with the median values and indicating a reasonable pricing.

##### (b) Oceanking Development

Oceanking Development operates in the chlor-alkali chemical industry, a mature sector, and it has remained profitable during the reporting periods (namely, 2023, 2024 and the period from January to September 2025), making the P/E valuation method highly relevant. Therefore, the P/E multiple is selected as a valuation multiple. To fully ensure the comparability of reference companies, A-share listed companies primarily engaged in chlor-alkali chemicals or PVC business were selected for the Transaction. Such comparable listed companies are generally consistent with those selected for the initial listing of A shares of Oceanking Development in 2021.

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With reference to the table of comparable companies for Oceanking Development set out in the subsection “(2) Analysis of the reasonableness of the Conversion Price of Oceanking Development – iii. Conversion Price vs valuations of comparable companies” in the preceding parts of the circular, the Conversion Price of Oceanking Development for the Transaction is RMB14.58 per share, corresponding to a P/E multiple of 47.03x based on the earnings per share attributable to shareholders of the parent for the last 12 months. This P/E multiple is within the range of the P/E multiples of the comparable companies for the last 12 months. The P/E multiple is slightly above the average, primarily because, given certain macroeconomic uncertainties as well as uncertainties in the A-share market and industry development, the Conversion Shareholders becoming shareholders of the Surviving Company after the Transaction will bear additional risks such as stock price fluctuations. As such, in past transactions on absorption and merger through share swap, it has been a common market practice and is reasonable to incorporate a certain share swap premium on top of the benchmark price when determining the conversion price for shareholders of the companies being merged. This serves as risk compensation for the shareholders participating in the share swap, which aligns with market practices and is reasonable.

Therefore, based on the Pricing Benchmark Date, (i) the Issue Price of A shares of Zhejiang Expressway, namely RMB13.50 per share, represents a premium of approximately 119.01% over the closing price of H Shares of Zhejiang Expressway on the Hong Kong Stock Exchange of HK\$6.76 per share on September 2, 2025 (the exchange rate between HKD and RMB used is the RMB central parity rate of HKD1 to RMB0.91183 as announced by the People’s Bank of China on September 2, 2025); (ii) the Conversion Price of Oceanking Development, namely RMB14.58 per share, represents a discount of approximately 4.64% over the closing price of A Shares of Oceanking Development on the SSE of RMB15.29 per share on August 19, 2025 (according to the relevant requirements of the SSE, trading in A Shares of Oceanking Development was suspended at the opening of the market on 20 August, 2025 and resumed on September 3, 2025. The last trading day of A Shares of Oceanking Development on the SSE prior to the suspension for the Transaction was 19 August, 2025). The pricing rationale for the Issue Price of A Shares of Zhejiang Expressway and the Conversion Price of Oceanking Development aligns with their respective business sizes, profitability, risk resilience, and comparisons with comparable company transactions.

In summary, the Board is of the view that, Zhejiang Expressway demonstrates superior performance compared to Oceanking Development in terms of overall business conditions, profitability and risk resilience, and the Issue Price of A Shares of Zhejiang Expressway and the Conversion Price of Oceanking Development have fully taken the above factors into account. Moreover, when compared with the valuation levels of comparable companies in the industry on the A-share market, the Issue Price and the Conversion Price align with relevant market practices and are fair and reasonable. Both Zhejiang Expressway and Oceanking Development are listed companies whose shares are publicly traded and their share prices can reflect the fair market value of their equity. In view of this, the non-connected directors of the Board have fully considered the analysis and recommendations on the reasonableness of the transaction price

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provided to the Board by the third-party financial advisor engaged by the Company in accordance with the requirements of relevant Chinese laws and regulations, including the Administrative Measures for Major Asset Restructuring of Listed Companies and the Content and Format Guidelines for Information Disclosure by Companies Issuing Securities to the Public No. 26 – Major Asset Restructuring of Listed Companies, ensuring that the pricing of the Transaction is in the interests of both parties and Independent Shareholders.

Prior to the Transaction, Communications Group directly and indirectly holds a total of 67.69% of the Company's issued shares, making it the controlling shareholder of the Company. At the same time, Communications Group directly holds approximately 54.71% of the shares in Oceanking Development, making it the controlling shareholder of Oceanking Development. Before and after the completion of the Transaction, Communications Group has consistently held more than half of the Company's key shares. Its interests are closely aligned with the long-term development of the Company and are also consistent with the long-term interests of other minority shareholders. The Independent Board Committee of the Company, having considered the advice of the Independent Financial Adviser, has provided independent recommendations to all Independent Shareholders regarding the fairness and reasonableness of the Transaction and how Independent Shareholders should vote on the relevant resolutions for the Transaction. In accordance with the requirements of the Listing Rules, Communications Group and its associate, Universal Cosmos, will abstain from voting on the relevant resolutions to approve the Transaction at the EGM and the Class Meetings. The entire process mechanism, from formulation to decision-making, of the plan for the Transaction, has ensured that the rights and interests of minority shareholders are fully protected. From the perspective of objective shareholding changes, Communications Group's shareholding ratio in the Company is higher than its shareholding ratio in Oceanking Development. Given the fact that the issuance of shares by the Company under the Transaction will have a dilutive effect on Communications Group's stake in the Company, the interests of Communications Group are aligned with those of minority shareholders. Setting a reasonable transaction price will protect the interests of minority shareholders while serving the interests of the controlling shareholder. Therefore, there is neither motivation nor basis for the Company's controlling shareholder to harm the interests of minority shareholders through connected transactions.

#### ***6.4 Analysis of the fairness of the prices under the dissenting shareholder protection mechanisms***

To fully protect the interests of shareholders of Zhejiang Expressway, Zhejiang Expressway will grant its dissenting shareholders Put Option in accordance with the Company Law and the provisions of the existing Articles of Association of Zhejiang Expressway.

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The Put Option Provider for the Transaction is Universal Cosmos. After the Put Option Provider acquires the shares held by the dissenting shareholders at a fair price as requested by them, such dissenting shareholders shall no longer be entitled to claim the Put Option against Zhejiang Expressway and/or other shareholders who have cast valid affirmative votes on the relevant resolutions in relation to the plan for the Transaction. The Dissenting Shareholders of Zhejiang Expressway who exercise the Put Option shall receive, on the Put Option Exercise Date, a cash consideration from the Put Option Provider at the Put Option Price for each share of Zhejiang Expressway validly declared, while simultaneously transferring the corresponding shares to the Put Option Provider.

To fully protect the interests of shareholders of Oceanking Development, Oceanking Development will grant its dissenting shareholders Cash Option in accordance with the Company Law and the provisions of the existing articles of association of Oceanking Development.

The Cash Option Provider for the Transaction is Communications Group. After Cash Option Provider acquires the shares of Oceanking Development held by the dissenting shareholders as requested by them, such dissenting shareholders shall no longer be entitled to claim the Cash Option against Oceanking Development and/or other shareholders who cast effective assenting votes on the relevant resolutions of the plan for the Transaction.

On January 12, 2026, Oceanking Development convened the 31st meeting of the 2nd board of directors, at which the Cash Option price for the Dissenting Shareholders of Oceanking Development was considered and approved. The price was determined based on the closing price of the shares on the trading day immediately preceding the date of the 31st meeting of the 2nd board of directors of Oceanking Development (i.e January 9, 2026), namely RMB13.21 per share. Should Oceanking Development undergo any ex-dividend or ex-rights events including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date (i.e. the date of the announcement of the resolutions of the 27th meeting of the 2nd board of directors of Oceanking Development) to the Cash Option Exercise Date (both days inclusive), the Cash Option price shall be adjusted accordingly.

The Dissenting Shareholders of Oceanking Development who exercise the Cash Option shall receive, on the Cash Option Exercise Date, a cash consideration from the Cash Option Provider at the Cash Option price for each share of Oceanking Development validly declared, while simultaneously transferring the corresponding shares to the Cash Option Provider.

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## LETTER FROM THE BOARD

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The mechanisms concerning the Put Option for the Dissenting Shareholders of Zhejiang Expressway and the Cash Option for the Dissenting Shareholders of Oceanking Development comply with relevant regulations such as the Company Law and the Administrative Measures on Restructurings. An analysis of their reasonableness is as follows:

- (1) Analysis of the reasonableness of the Put Option mechanism for Dissenting Shareholders of Zhejiang Expressway

The Transaction involves the absorption and merger of Oceanking Development, A-share listed company, by Zhejiang Expressway, an H-share listed company. Therefore, comparable transactions where an H-share listed company absorbs and merges an A-share listed company are selected to analyze the reasonableness of the Put Option for the Dissenting Shareholders of Zhejiang Expressway.

No.	Transaction description	Pricing method for the put option of H-share dissenting shareholders of the absorbing and merging parties
1	Absorption and merger of Pingzhuang Energy (000780.SZ) by China Longyuan Power (00916.HK)	Dissenting shareholders having the right to request China Energy Investment Corporation to purchase their shares at a fair price
2	Absorption and merger of China Gezhouba (600068.SH) by China Energy Engineering (3996.HK)	Dissenting shareholders having the right to request China Energy Engineering Group to purchase their shares at a fair price
3	Absorption and merger of Sinotrans Air Transportation (600270.SH) by Sinotrans Limited (0598.HK)	Dissenting shareholders having the right to request Sinotrans Limited or other shareholders approving the merger to purchase their shares at a fair price
4	Absorption and merger of GAC Changfeng (600991.SH) by GAC Group (2238.HK)	Dissenting shareholders having the right to request GAC Group or other shareholders approving the merger to purchase their shares at a fair price
5	Absorption and merger of Road & Bridge International (600263.SH) by China Communications Construction (1800.HK)	Dissenting shareholders having the right to request China Communications Construction or other shareholders approving the merger to purchase their shares at a fair price
6	Absorption and merger of Taihang Cement (600553.SH) by BBMG Corporation (2009.HK)	Dissenting shareholders having the right to request BBMG Corporation or other shareholders approving the merger to purchase their shares at a fair price

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For the Transaction, the Put Option Provider, i.e. Universal Cosmos, will offer the Put Option to the Dissenting Shareholders of Zhejiang Expressway at a fair price. This mechanism is similar to those adopted in the comparable transactions as set out above, aligns with market practices, and reflects the principle of fairness toward H-share shareholders, and is therefore considered reasonable.

(2) Analysis of the reasonableness of the Cash Option price for Dissenting Shareholders of Oceanking Development

i. The Cash Option for Oceanking Development provides adequate protection to investors

In the Transaction, the Conversion Price of Oceanking Development has been set at RMB14.58 per share, which represents certain premium over the volume-weighted average price of RMB11.23 per share over the 120 trading days preceding the Pricing Benchmark Date. The Cash Option price for the Dissenting Shareholders of Oceanking Development is set at the closing price of Oceanking Development shares on the trading day immediately preceding the board meeting that approved the Cash Option price (i.e. January 9, 2026), i.e., RMB13.21 per share, which aligns with relevant practices in the A-share market.

By incorporating a premium into the Conversion Price, the interests of the shareholders of Oceanking Development can be effectively safeguarded. For shareholders who exercise the Cash Option as dissenting shareholders, the Cash Option price is equal to the closing price of Oceanking Development shares on the trading day immediately preceding the board meeting that approved the Cash Option price. This reflects the principle of fairness and provides adequate protection for these shareholders.

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- ii. The determination of Oceanking Development's Cash Option price aligns with market practices

In the Transaction, the Cash Option price for the Dissenting Shareholders of Oceanking Development was set with reference to comparable transactions. The company being absorbed and merged in the Transaction, Oceanking Development, is an A-share listed company. Therefore, comparable transactions where an A-share listed company was the absorbed and merged party were selected to analyze the reasonableness of the Cash Option price for dissenting shareholders in the Transaction:

No.	Transaction description	Cash option price of merged the party (RMB/share)	Conversion price of the merged party (RMB/share)	Closing price of the merged party's shares on the last trading day prior to trading suspension (RMB/share)	Premium (discount) of cash option price over conversion price	Premium (discount) of cash option price over shares' closing price on the last trading day prior to trading suspension
1	Absorption and merger of Pingzhuang Energy (000780.SZ) by China Longyuan Power (00916.HK)	3.50	3.85	3.61	-9.09%	-3.05%
2	Absorption and merger of China Gezhouba (600068.SH) by China Energy Engineering (3996.HK)	6.09	8.76	6.09	-30.48%	0.00%
3	Absorption and merger of Sinotrans Air Transportation (600270.SH) by Sinotrans Limited (0598.HK)	17.28	20.63	17.28	-16.24%	0.00%
4	Absorption and merger of GAC Changfeng (600991.SH) by GAC Group (2238.HK)	12.65	14.55	14.07	-13.06%	-10.09%
5	Absorption and merger of Road & Bridge International (600263.SH) by China Communications Construction (1800.HK)	12.31	14.53	11.96	-15.28%	2.93%

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No.	Transaction description	Cash option price of merged the party (RMB/share)	Conversion price of the merged party (RMB/share)	Closing price of the merged party's shares on the last trading day prior to trading suspension (RMB/share)	Premium (discount) of cash option price over conversion price	Premium (discount) of cash option price over shares' closing price on the last trading day prior to trading suspension
6	Absorption and merger of Taihang Cement (600553.SH) by BBMG Corporation (2009.HK)	10.65	10.80	10.65	-1.39%	0.00%
<b>Maximum</b>					<b>-1.39%</b>	<b>2.93%</b>
<b>Minimum</b>					<b>-30.48%</b>	<b>-10.09%</b>
<b>Average</b>					<b>-14.26%</b>	<b>-1.70%</b>
<b>Median</b>					<b>-14.17%</b>	<b>0.00%</b>

In all the comparable transactions listed above, the cash option prices for the absorbed and merged parties' dissenting shareholders were lower than their respective conversion prices, with average discount rates ranging from 1.39% to 30.48%. The premium/discount rate of the cash option price relative to the closing price on the last trading day before trading suspension ranged from -10.09% to 2.93%. In the Transaction, the Cash Option price for the Dissenting Shareholders of Oceanking Development carries a discount of 9.40% relative to the Conversion Price. This discount falls within the premium/discount range of the absorbed and merged parties' cash option prices relative to their conversion prices observed in the comparable transactions above. Therefore, the Cash Option price aligns with market practices.

- iii. The Cash Option price helps facilitate all shareholders in sharing the long-term benefits brought by the Company's future development

Upon completion of the Transaction, Zhejiang Expressway possesses superior profitability and shareholder returns compared to Oceanking Development. Setting the Cash Option price slightly below the Conversion Price is conducive to encouraging the shareholders of Oceanking Development to actively participate in the Share Swap. This enables them to benefit from future dividend income and potential share price appreciation resulting from Zhejiang Expressway's business development and performance growth following the merger.

Based on the above analysis, the pricing of the Cash Option for Oceanking Development in the Transaction conforms to market practices and is conducive to protecting the interests of all shareholders of both Merging Parties, and is reasonable.

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### **7. Arrangements for Assumption of Outstanding OceanKing Convertible Bonds**

With the Approval for the Registration of Convertible Corporate Bonds Issued by the Company to Unspecified Subscribers (CSRC Permit [2023] No. 2408)(《關於公司向不特定對象發行可轉換公司債券註冊的批覆》)(證監許可[2023]2408號) issued by the CSRC, OceanKing Development issued 6.6 million convertible corporate bonds to unspecified subscribers on December 29, 2023, each with a par value of RMB100, for a total issue amount of RMB660 million. Pursuant to the Self-Regulatory Decision Letter (Circular [2024] No. 8)(自律監管決定書[2024]8號文) issued by the SSE, the RMB660 million convertible corporate bonds of OceanKing Development were listed and traded on the SSE from January 17, 2024, with the bond abbreviation “OceanKing Convertible Bonds (鎮洋轉債)” and bond code “113681”. OceanKing Convertible Bonds are convertible into shares of OceanKing Development. In order to properly handle OceanKing Convertible Bonds (113681.SH) and facilitate the smooth progress of the Transaction, Zhejiang Expressway, OceanKing Development, and other relevant parties have, based on the actual circumstances of the Transaction, formulated the following arrangements for the assumption of the OceanKing Convertible Bonds after thorough negotiation:

Holders of the OceanKing Convertible Bonds, in addition to their rights to continue trading the OceanKing Convertible Bonds and exercising conversion rights (and subsequently participating in the Share Swap under the Transaction with the OceanKing Development shares obtained upon conversion, or opting to exercise the Cash Option) pursuant to the Prospectus of the OceanKing Convertible Bonds, may also, before and after the delisting of OceanKing Development’s A shares, choose to dispose of their OceanKing Convertible Bonds in one or more of the following manners:

- (1) The outstanding OceanKing Convertible Bonds will be assumed by Zhejiang Expressway and continue to be listed and traded as convertible corporate bonds. Upon listing of Zhejiang Expressway’s A Shares, the convertible bonds assumed by Zhejiang Expressway can be converted into A Shares of Zhejiang Expressway at the conversion price of RMB10.37 per share (such conversion price = conversion price of OceanKing Convertible Bonds into A Shares of OceanKing Development of RMB11.20 per share × Conversion Ratio of A Shares of OceanKing Development into A Shares of Zhejiang Expressway (i.e. 1:1.0800)) If OceanKing Development or Zhejiang Expressway undergoes ex-rights or ex-dividend events prior to the assumption that affect the conversion price of the OceanKing Convertible Bonds or the A share swap ratio between OceanKing Development and Zhejiang Expressway, the conversion price of the assumed OceanKing Convertible Bonds will be adjusted accordingly (the same below). Except for the conversion price, all other terms including the bond abbreviation, bond code, and key elements stipulated in the Prospectus of the OceanKing Convertible Bonds (such as bond term, coupon rate, conversion price adjustment mechanisms, downward revision provisions, redemption at maturity, conditional redemption arrangements, put option arrangements, and bondholder meeting rules) shall remain unchanged;

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- (2) During the declaration period for the Oceanking Convertible Bonds prior to the delisting of Oceanking Development (to be separately determined by Oceanking Development), holders may transfer all or part of their remaining Oceanking Convertible Bonds to Communications Group (the controlling shareholder of Oceanking Development), at a rights-inclusive price of RMB117.95 per bond linked to the Cash Option price for Dissenting Shareholders of Oceanking Development (rights-inclusive price = Cash Option price of RMB13.21 per share for Dissenting Shareholders of Oceanking Development ÷ conversion price of Oceanking Convertible Bonds of RMB11.20 per share × RMB100 per bond). The rights-inclusive price will be adjusted accordingly if the Cash Option price or the bond conversion price changes due to events such as ex-rights or ex-dividend occurrences prior to the transfer;
- (3) During the redemption period to be separately determined by Oceanking Development, holders may require Oceanking Development to redeem the Oceanking Convertible Bonds at their par value plus accrued interest;

*Note:* Please refer to the Prospectus of the Oceanking Convertible Bonds:

$$\text{Accrued interest} = \frac{\text{Total par value of the convertible bonds held by the bondholders} \times \text{coupon rate of the convertible bonds for current year}^7 \times \text{number of interest-bearing days}^8}{365}$$

For the avoidance of doubt, if Oceanking Development's share price reaches the conditional redemption price specified in the Prospectus of the Oceanking Convertible Bonds prior to the delisting of Oceanking Development, or if the outstanding balance of Oceanking Convertible Bonds falls below RMB30 million, Oceanking Development shall have the right to implement conditional redemption in accordance with the provisions of the Prospectus of the Oceanking Convertible Bonds.

The arrangements for the Oceanking Convertible Bonds constitute an integral part of the Transaction. Their formal implementation is subject to the completion of necessary internal decision-making procedures by Zhejiang Expressway and Oceanking Development in respect of the plan for the Transaction as well as the receipt of relevant regulatory approvals, authorizations or consents.

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<sup>7</sup> The coupon rates for the Oceanking Convertible Bonds are set as follows: 0.20% for the first year, 0.40% for the second year, 0.80% for the third year, 1.50% for the fourth year, 2.00% for the fifth year, and 2.50% for the sixth year. The Oceanking Convertible Bonds will be outstanding from December 29, 2023 to December 28, 2029, with interest payable annually on December 29 each year.

<sup>8</sup> Represents the actual calendar days from the previous interest payment date (inclusive) to the redemption date (exclusive).

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According to the requirements of the Prospectus of Oceanking Convertible Bonds and the Rules for Meetings of Holders of Convertible Corporate Bonds, the arrangements for assumption of the Oceanking Convertible Bonds have been considered and approved by the bondholders' meeting of the Oceanking Convertible Bonds on January 28, 2026. The resolution shall be binding on all holders of the Oceanking Convertible Bonds.

The Board of Directors will propose to the EGM and the Class Meetings to grant the Board of Directors a specific mandate to issue additional A Shares in connection with the Transaction, which has included consideration of the impact on the issuance of A Shares of the Company resulting from the assumption arrangements for the outstanding Oceanking Convertible Bonds.

### **8. Impact of the Transaction on the Surviving Company**

#### **8.1 Impact of the Transaction on the principal business of the Surviving Company**

Prior to the Transaction, the highway business of the Group was primarily focused on the investment, operation and management of highways, and with the well-developed regional economy, it enjoyed distinct regional advantages and a notable road network effect. As a key enterprise designated by the Zhejiang Provincial Government for investing in, developing and operating highways within the province, Zhejiang Expressway owned a number of important high-quality highway assets in Zhejiang. The securities business of the Group is operated by its subsidiary, Zheshang Securities. The subsidiary provides a full range of securities services, including securities brokerage, margin financing and securities lending, securities underwriting, asset management, consulting and securities trading services. As a comprehensive national securities company listed on the A-share market, Zheshang Securities (stock code: 601878.SH) is fully licensed across all major business segments, ranks among the top tiers in the industry across all major business segments, and has strong overall capacities and sufficient capital. Oceanking Development specializes in the research and development, production and sales of chlor-alkali-related products. Its product portfolio covers chlor-alkali products, MIBK-based products, PVC-based products, and high-purity hydrogen, among others.

Oceanking Development is a modern chemical enterprise with a solid foundation in chlor-alkali chemicals and a strategic focus on new chemical materials. Integrating production, operations and R&D into its business model, the company holds considerable influence and strong competitiveness within the industry. Oceanking Development boasts profound R&D expertise and actively aligns with the national innovation-driven development strategy. Guided by the principle of “building a resource-efficient and environmentally friendly benchmark enterprise”, it aims to shape the future of the chemical industry. By fostering the integration of technological innovation and industrial advancement, it endeavors to transform from an inorganic-focused chemical operation to a balanced industrial structure that equally emphasizes inorganic chemicals, organic chemicals and high-end new chemical materials. In 2024, Oceanking Development reported total assets, net assets and net profit of RMB3,271 million, RMB1,931 million and RMB191 million, respectively, accounting for approximately 1.50%, 2.61% and 2.66% of the total assets, net assets and net profit of Zhejiang Expressway, however,

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## LETTER FROM THE BOARD

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Oceanking Development's A-share listing status holds significant strategic value for Zhejiang Expressway, and selecting Oceanking Development as the absorbed and merged party under the regulatory-supported model (namely absorption and merger between companies under common control), represents the optimal solution. Through the Transaction, Zhejiang Expressway is able to establish an "A+H" dual listing platform and achieve leapfrog development. Compared to the H-share market, the A-share market generally offers higher valuation levels, which would help Zhejiang Expressway secure more favorable market pricing. Moreover, the A-share market provides advantages in terms of lower-cost equity or bond financing and greater flexibility.

Furthermore, on the business development front, building on its current leading position in the "chlor-alkali" industry, Oceanking Development will continue its strategy of product premiumization, diversification, and differentiation to reinforce its industry leadership. It will also plan and implement initiatives to cultivate and expand emerging industries, transforming toward high-end new chemical materials. By engaging in future-oriented sectors such as graphene materials and cutting-edge technological fields, it will continuously foster new quality productive forces. Going forward, the Merging Parties can leverage their respective strengths in real-world application scenarios and well-established terminal networks in the expressway and hydrogen production sectors to collaborate on areas such as new energy transportation infrastructure construction. The Group will enhance the integration of "transportation + energy," deepen green transportation solutions, and further strengthen the Group's overall competitiveness and green development capabilities.

The Surviving Company after the completion of the Transaction will continue to focus on highway operations as its core business. The Company will continue to monitor investments and mergers and acquisitions opportunities in the expressway sector, while maintaining communication with Communications Group. On the premise of being consistent with the Company's interests, the Company will consider investing in and acquiring high-quality highway assets (including but not limited to assets of subsidiaries of Communications Group) when opportunities arise in the future, so as to further enhance the Company's profitability.

Given the specialized nature of the business and the need to maintain normal operations, following the completion of the Transaction, the Group's corporate governance structure will remain based on the existing framework, with the current size of the Board of Directors maintained. Corporate governance practices will be carried out in strict compliance with the regulatory requirements of the Hong Kong Stock Exchange and the SSE. The Board of Directors will maintain the arrangement whereby independent non-executive directors account for at least one-third of its members, ensuring that the Board meets both diversity and professionalism requirements. Additionally, the position of employee director(s) will be established to facilitate the effective operation of the shareholders' meeting, the Board of Directors and its special committees. Moving forward, the Group will continue to systematically refine its corporate governance structure and Board governance mechanisms, ensuring compliance with the regulatory requirements of both the A-share and H-share markets while striving to pursue international best practices. Based on the operational, internal control and management needs of the listed company, the Company will dynamically optimize its corporate governance structure,

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## LETTER FROM THE BOARD

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establish and improve related corporate governance systems, and achieve effective alignment and integration of the rules of the A-share and H-share markets. Furthermore, the Company will continue to strengthen the core functions and diversity of the Board of Directors, optimize the composition of the Board of Directors, and empower the listed company for high-quality development.

### **8.2 Impact of the Transaction on the shareholding structure of the Surviving Company**

Prior to the Transaction, Communications Group was the controlling shareholder and de facto controller of both Zhejiang Expressway and Oceanking Development. Upon the completion of the Transaction, Communications Group will remain the controlling shareholder and de facto controller of the Surviving Company.

#### Scenario 1: Shareholding structure of the Surviving Company after the Transaction if none of the outstanding Oceanking Convertible Bonds are converted into shares

If none of the Oceanking Convertible Bonds outstanding as at September 30, 2025 are converted into shares, according to the plan for the Transaction, Communications Group will directly and indirectly hold a total of 4,348,415,547 shares of the Surviving Company upon completion of the Transaction, accounting for 66.74% of the total share capital of the Surviving Company, being the controlling shareholder and de facto controller of the Surviving Company.

The share capital structure of Zhejiang Expressway and the Surviving Company before and after the Transaction is as follows:

Name of shareholder	Prior to the Transaction		After the Transaction	
	Number of shares held (share)	Percentage of shareholding	Number of shares held (share)	Percentage of shareholding
Communications Group <sup>note (4)</sup>	4,014,778,800	66.49%	4,275,944,352	65.63%
Other existing shareholders of Oceanking Development	–	–	216,163,147	3.32%
<b>Total Domestic Shares (A Shares)</b>	<b>4,014,778,800</b>	<b>66.49%</b>	<b>4,492,107,499</b>	<b>68.95%</b>
Universal Cosmos	72,471,195	1.20%	72,471,195	1.11%
China Merchants Expressway <sup>note (5)</sup>	363,914,280	6.03%	363,914,280	5.59%
Public H Shareholders	1,586,950,367	26.28%	1,586,950,367	24.35%
<b>Total H Shares</b>	<b>2,023,335,842</b>	<b>33.51%</b>	<b>2,023,335,842</b>	<b>31.05%</b>
<b>Total share capital</b>	<b>6,038,114,642</b>	<b>100.00%</b>	<b>6,515,443,341</b>	<b>100.00%</b>

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## LETTER FROM THE BOARD

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*Notes:*

- (1) Percentage of shareholding refers to the proportion of the total share capital.
- (2) The number of shares held prior to the Transaction is based on the number of shares held as at September 30, 2025. The number of shares held after the Transaction is calculated on the basis of the balance of the outstanding Oceanbanking Convertible Bonds of RMB579.6830 million as at September 30, 2025 and the subsequent conversion of all such outstanding Oceanbanking Convertible Bonds without taking into account the impact of the exercise of the Put Option or the Cash Option.
- (3) The number of shares held by other existing shareholders of Oceanbanking Development after the Transaction will be determined based on the treatment method for fractional shares.
- (4) As at the Latest Practicable Date, Communications Group was held as to 90% by State-owned Assets Supervision and Administration Commission of Zhejiang Provincial People's Government (浙江省人民政府國有資產監督管理委員會)(the "Zhejiang SASAC") and as to 10% by Zhejiang Financial Development Co., Ltd. (浙江省財開集團有限公司)(the "Zhejiang Financial Development"), respectively. Zhejiang Financial Development is wholly owned by the Department of Finance of Zhejiang Province (浙江省財政廳). Communications Group directly and indirectly held 67.69% of the total issued shares of the Company, making it a core connected person of the Company.
- (5) China Merchants Expressway is the substantial shareholder of a significant subsidiary of the Company and thus constitutes a core connected person of the Company.
- (6) For the above changes in the share capital structure, it has not considered the impacts of the exercise of the Put Options and the Cash Options, the transfer of the Oceanbanking Convertible Bonds by their holders to Communications Group and its subsidiaries, any ex-dividend or ex-rights events on the Issue Price of Zhejiang Expressway and the Conversion Price of Oceanbanking Development as well as other factors.

**Scenario 2: Shareholding structure of the Surviving Company after the Transaction if all of the outstanding Oceanbanking Convertible Bonds are converted into shares**

As at September 30, 2025, the outstanding balance of Oceanbanking Convertible Bonds was RMB579.6830 million. If all such outstanding Oceanbanking Convertible Bonds are subsequently converted into shares, according to the plan for the Transaction, Communications Group will directly and indirectly hold a total of 4,348,415,547 shares of the Surviving Company upon completion of the Transaction, accounting for 66.17% of the total share capital of the Surviving Company, being the controlling shareholder and de facto controller of the Surviving Company.

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## LETTER FROM THE BOARD

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The share capital structure of Zhejiang Expressway and the Surviving Company before and after the Transaction is as follows:

Name of shareholder	Prior to the Transaction		After the Transaction	
	Number of shares held (share)	Percentage of shareholding	Number of shares held (share)	Percentage of shareholding
Communications Group <sup>note (4)</sup>	4,014,778,800	66.49%	4,275,944,352	65.07%
Conversion Shareholders of Oceanking Convertible Bonds	–	–	55,898,003	0.85%
Other existing shareholders of Oceanking Development	–	–	216,163,147	3.29%
<b>Total Domestic Shares (A Shares)</b>	<b>4,014,778,800</b>	<b>66.49%</b>	<b>4,548,005,502</b>	<b>69.21%</b>
Universal Cosmos	72,471,195	1.20%	72,471,195	1.10%
China Merchants Expressway <sup>note (5)</sup>	363,914,280	6.03%	363,914,280	5.54%
Public H Shareholders	1,586,950,367	26.28%	1,586,950,367	24.15%
<b>Total H Shares</b>	<b>2,023,335,842</b>	<b>33.51%</b>	<b>2,023,335,842</b>	<b>30.79%</b>
<b>Total share capital</b>	<b>6,038,114,642</b>	<b>100.00%</b>	<b>6,571,341,344</b>	<b>100.00%</b>

*Notes:* For the notes to the above table, please refer to the relevant notes under Scenario 1 above.

**Scenario 3: Shareholding structure of the Surviving Company after the Transaction if none of the outstanding Oceanking Convertible Bonds are converted into shares and both the Put Option and the Cash Option are exercised to the maximum extent**

If (i) none of the outstanding Oceanking Convertible Bonds as at September 30, 2025 are converted into shares; and (ii) both the Put Option and the Cash Option are exercised to the maximum extent (i.e., one-third of the H Shares held by the Independent Shareholders of Zhejiang Expressway exercise the Put Option, and such shares are acquired by Universal Cosmos; and one-third of the shares held by the Independent Shareholders of Oceanking Development exercise the Cash Option, and such shares are acquired by Communications Group), according to the plan for the Transaction, Communications Group will directly and indirectly hold a total of 5,070,758,146 shares of the Surviving Company upon completion of the Transaction, accounting for 77.83% of the total share capital of the Surviving Company, being the controlling shareholder and de facto controller of the Surviving Company.

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## LETTER FROM THE BOARD

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The share capital structure of Zhejiang Expressway and the Surviving Company before and after the Transaction are as follows:

Name of shareholder	Prior to the Transaction		After the Transaction	
	Number of shares held (share)	Percentage of shareholding	Number of shares held (share)	Percentage of shareholding
Communications Group <sup>note (3)</sup>	4,014,778,800	66.49%	4,347,998,735	66.73%
Other existing shareholders of Oceanking Development	–	–	144,108,764	2.21%
<b>Total Domestic Shares (A Shares)</b>	<b>4,014,778,800</b>	<b>66.49%</b>	<b>4,492,107,499</b>	<b>68.95%</b>
Universal Cosmos <sup>note (4)</sup>	72,471,195	1.20%	722,759,411	11.09%
China Merchants Expressway <sup>note (5)</sup>	363,914,280	6.03%	242,609,520	3.72%
Public H Shareholders	1,586,950,367	26.28%	1,057,966,911	16.24%
<b>Total H Shares</b>	<b>2,023,335,842</b>	<b>33.51%</b>	<b>2,023,335,842</b>	<b>31.05%</b>
<b>Total share capital</b>	<b>6,038,114,642</b>	<b>100.00%</b>	<b>6,515,443,341</b>	<b>100.00%</b>

*Notes:*

- (1) Percentage of shareholding refers to the proportion of the total share capital.
- (2) The number of shares held by other existing shareholders of Oceanking Development after the Transaction will be determined based on the treatment method for fractional shares.
- (3) As at the Latest Practicable Date, Communications Group was held as to 90% by the Zhejiang SASAC and as to 10% by Zhejiang Financial Development. Communications Group directly and indirectly held 67.69% of the total issued shares of the Company, making it a core connected person of the Company.

Scenario 3 assumes that (i) none of the outstanding Oceanking Convertible Bonds as at September 30, 2025 are converted; and (ii) the Cash Option is exercised to the maximum extent (i.e., one-third of the shares held by the Independent Shareholders of Oceanking Development exercise the Cash Option, and such shares are acquired by Communications Group). Consequently, upon completion of the Transaction, Communications Group will directly hold shares comprising (i) the Domestic Shares of Zhejiang Expressway held by it originally; (ii) the A Shares of Zhejiang Expressway issued at the Conversion Ratio in exchange for the A Shares of Oceanking Development held by it; and (iii) the A Shares of Zhejiang Expressway issued for exchange at the Conversion Ratio in the event that the Cash Option is exercised to the maximum extent.

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## LETTER FROM THE BOARD

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- (4) Scenario 3 assumes that (i) none of the Oceanking Convertible Bonds outstanding as at September 30, 2025 are converted; and (ii) the Put Option is exercised to the maximum extent (i.e., one-third of the H Shares held by the Independent Shareholders of Zhejiang Expressway exercise the Put Option, and such shares are acquired by Universal Cosmos). Consequently, upon completion of the Transaction, Universal Cosmos will directly hold shares comprising (i) the H Shares of Zhejiang Expressway held by it originally; and (ii) the H Shares of Zhejiang Expressway obtained in the event that the Put Option is exercised to the maximum extent.
- (5) China Merchants Expressway is the substantial shareholder of a significant subsidiary of the Company and thus constitutes a core connected person of the Company.
- (6) The exercise of the Put Option and the Cash Option to their maximum extent is based on following assumptions, including (i) all shareholders of Oceanking Development other than Communications Group and its associates attend the general meeting, with the conservative estimate that the relevant resolutions concerning the Transaction will be passed by a two-thirds majority vote; and (ii) China Merchants Expressway and the public H Shareholders of Zhejiang Expressway (i.e., all H Shareholders other than Communications Group and its associates) attend the H Shares Class Meeting of Zhejiang Expressway, with the conservative estimate that the relevant resolutions concerning the Transaction will be passed by a two-thirds majority vote.
- (7) For the above changes in the share capital structure, it has not considered the impacts of the transfer of the Oceanking Convertible Bonds by their holders to Communications Group and its subsidiaries, any ex-dividend or ex-rights events on the Issue Price of Zhejiang Expressway and the Conversion Price of Oceanking Development as well as other factors.

Scenario 4: Shareholding structure of the Surviving Company after the Transaction if all of the outstanding Oceanking Convertible Bonds are converted into shares and both the Put Option and the Cash Option are exercised to the maximum extent

As at September 30, 2025, the outstanding balance of Oceanking Convertible Bonds was RMB579.6830 million. If (i) all such outstanding Oceanking Convertible Bonds are subsequently converted into shares; and (ii) both the Put Option and the Cash Option are exercised to the maximum extent, according to the plan for the Transaction, Communications Group will directly and indirectly hold a total of 5,089,390,814 shares of the Surviving Company upon completion of the Transaction, accounting for 77.45% of the total share capital of the Surviving Company, being the controlling shareholder and de facto controller of the Surviving Company.

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## LETTER FROM THE BOARD

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The share capital structure of Zhejiang Expressway and the Surviving Company before and after the Transaction are as follows:

Name of shareholder	Prior to the Transaction		After the Transaction	
	Number of shares held (share)	Percentage of shareholding	Number of shares held (share)	Percentage of shareholding
Communications Group <sup>note (3)</sup>	4,014,778,800	66.49%	4,366,631,403	66.45%
Conversion Shareholders of Oceanking Convertible Bonds	–	–	40,246,562	0.61%
Other existing shareholders of Oceanking Development	–	–	141,127,538	2.15%
<b>Total Domestic Shares (A Shares)</b>	<b>4,014,778,800</b>	<b>66.49%</b>	<b>4,548,005,502</b>	<b>69.21%</b>
Universal Cosmos <sup>note (4)</sup>	72,471,195	1.20%	722,759,411	11.00%
China Merchants Expressway <sup>note (5)</sup>	363,914,280	6.03%	242,609,520	3.69%
Public H Shareholders	1,586,950,367	26.28%	1,057,966,911	16.10%
<b>Total H Shares</b>	<b>2,023,335,842</b>	<b>33.51%</b>	<b>2,023,335,842</b>	<b>30.79%</b>
<b>Total share capital</b>	<b>6,038,114,642</b>	<b>100.00%</b>	<b>6,571,341,344</b>	<b>100.00%</b>

Notes:

- (1) Percentage of shareholding refers to the proportion of the total share capital.
- (2) The number of shares held by other existing shareholders of Oceanking Development after the Transaction will be determined based on the treatment method for fractional shares.
- (3) As at the Latest Practicable Date, Communications Group was held as to 90% by the Zhejiang SASAC and as to 10% by Zhejiang Financial Development. Communications Group directly and indirectly held 67.69% of the total issued shares of the Company, making it a core connected person of the Company.

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## LETTER FROM THE BOARD

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Scenario 4 assumes that (i) all outstanding Oceanking Convertible Bonds as at September 30, 2025 are converted into shares; and (ii) the Cash Option is exercised to the maximum extent (i.e., one-third of the shares held by the Independent Shareholders of Oceanking Development exercise the Cash Option, and such shares are acquired by Communications Group). Consequently, upon completion of the Transaction, Communications Group will directly hold shares comprising (i) the Domestic Shares of Zhejiang Expressway held by it before the Transaction; (ii) the A Shares of Zhejiang Expressway issued at the Conversion Ratio in exchange for the A Shares of Oceanking Development held by it; and (iii) the A Shares of Zhejiang Expressway issued for exchange at the Conversion Ratio in the event that the Cash Option is exercised to the maximum extent.

- (4) Scenario 4 assumes that (i) all outstanding Oceanking Convertible Bonds as at September 30, 2025 are converted into shares; and (ii) the Put Option is exercised to the maximum extent (i.e., one-third of the H Shares held by the Independent Shareholders of Zhejiang Expressway exercise the Put Option, and such shares are acquired by Universal Cosmos). Consequently, upon completion of the Transaction, Universal Cosmos will directly hold shares comprising (i) the H Shares of Zhejiang Expressway held by it originally; and (ii) the H Shares of Zhejiang Expressway obtained in the event that the Put Option is exercised to the maximum extent.
- (5) China Merchants Expressway is the substantial shareholder of a significant subsidiary of the Company and thus constitutes a core connected person of the Company.
- (6) The exercise of the Put Option and the Cash Option to their maximum extent is based on several assumptions, including (i) all shareholders of Oceanking Development other than Communications Group and its associates attend the general meeting, with the conservative estimate that the relevant resolutions concerning the Transaction will be passed by a two-thirds majority vote; and (ii) China Merchants Expressway and the public H Shareholders of Zhejiang Expressway (i.e., all H Shareholders other than Communications Group and its associates) attend the H Shares Class Meeting of Zhejiang Expressway, with the conservative estimate that the relevant resolutions concerning the Transaction will be passed by a two-thirds majority vote.
- (7) For the above changes in the share capital structure, it has not considered the impacts of the transfer of the Oceanking Convertible Bonds by their holders to Communications Group and its subsidiaries, any ex-dividend or ex-rights events on the Issue Price of Zhejiang Expressway and the Conversion Price of Oceanking Development as well as other factors.

Upon completion of the Transaction, the Company is expected to comply with the public float requirements under the Listing Rules. The Company will ensure compliance with the public float requirements under the Listing Rules both before and after the completion of the Transaction.

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## LETTER FROM THE BOARD

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### ***8.3 Impact of the Transaction on the governance of the Company***

The absorbed and merged party in the Transaction is an A-share listed company under common control of Communications Group. With the support of the controlling shareholder, the Company can fully understand the actual operation and asset conditions of the transaction target in preliminary due diligence, thereby reducing transaction costs and mitigating the risks of information asymmetry. After the completion of the Transaction and based on similar management concepts and corporate cultures, both parties can reduce management conflicts and execution costs during the integration process, which will reduce difficulties in the governance of the Surviving Company after the integration and mitigate governance risks.

### ***9. Implications under the Listing Rules***

From the perspective of notifiable transactions under Chapter 14 of the Listing Rules, as the highest applicable percentage ratio for the Transaction calculated under Chapter 14 of the Listing Rules is higher than 5% but lower than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements. Further, pursuant to Rule 13.36 and Rule 19A.38 of the Listing Rules and the Articles of Association, the issuance of the new A Shares pursuant to the Transaction will be made pursuant to a specific mandate which requires approval by special resolution by a majority of not less than two-thirds of the votes cast by way of poll by the shareholders of the Company attending meetings at the General Meeting and Class Meetings.

From the perspective of connected transactions under Chapter 14A of the Listing Rules, as at the Latest Practicable Date, Communications Group directly held 4,014,778,800 Domestic Shares of the Company and indirectly held 72,471,195 H Shares of the Company through Universal Cosmos, one of its wholly-owned subsidiaries, thus holding a total of 67.69% of shares of the Company, making it the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules. As at the Latest Practicable Date, Communications Group directly held 54.71% of the shares of Oceanking Development, and Oceanking Development is a subsidiary of Communications Group and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

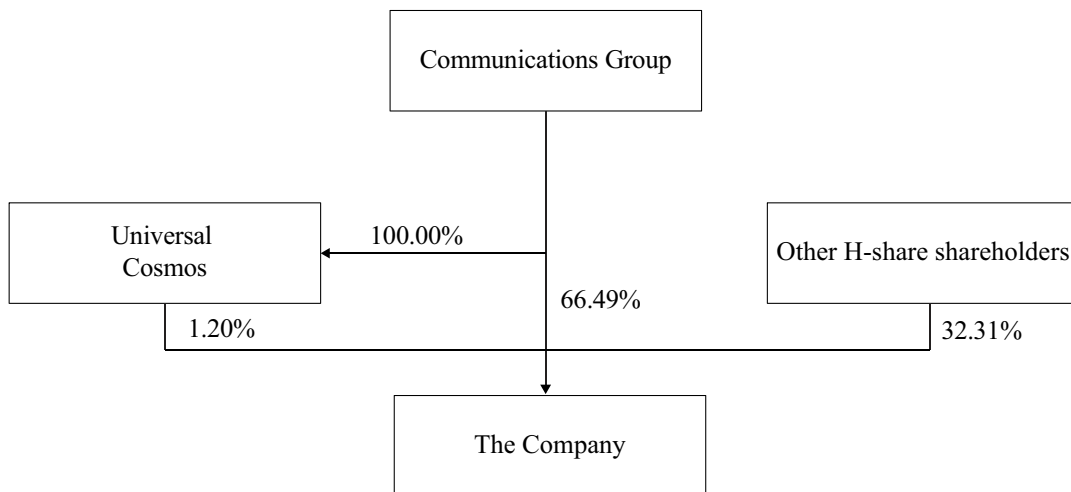
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### 10. General

#### (1) Information on the Company

The Company is a joint stock company established under the laws of the PRC with limited liability on March 1, 1997, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange. The Company is principally engaged in investing in, developing and operating high-grade roads in the PRC. The Group also carries on certain other businesses such as securities brokerage, investment banking, asset management, margin financing and securities lending through Zheshang Securities.

As at the Latest Practicable Date, the shareholding structure of the Company was as follows:

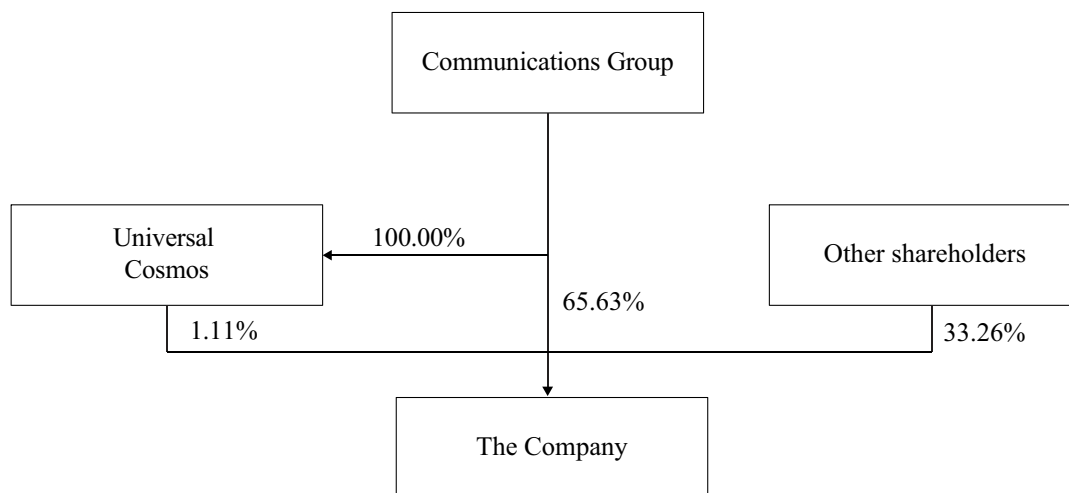


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## LETTER FROM THE BOARD

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Immediately following the completion of the Transaction (assuming no other shares will be issued after the Latest Practicable Date until the completion of the Transaction, and disregarding the impact of conversion of outstanding convertible bonds of Oceanking Development into shares, the Put Option or the Cash Option), the shareholding structure of the Company is expected to be as follows:



### **(2) Information on Communications Group**

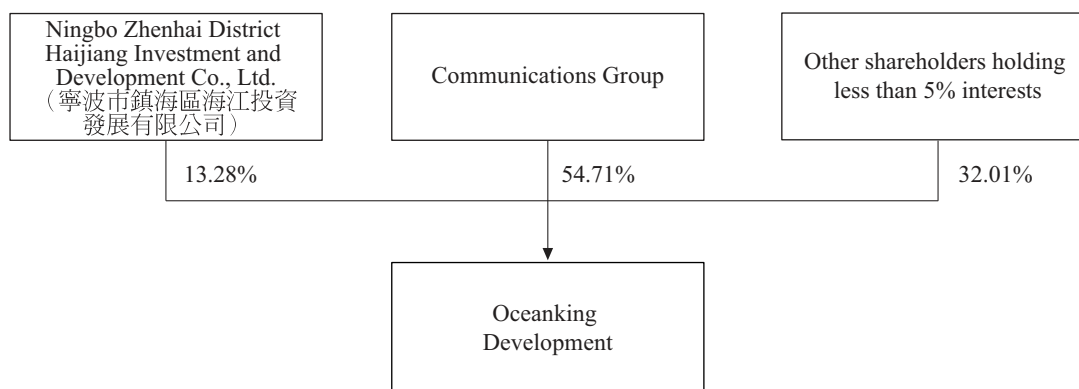
Communications Group is a state-owned enterprise established under the laws of the PRC. As the main platform for comprehensive transportation investment and financing and the main force in comprehensive transportation construction in Zhejiang Province, it coordinates and undertakes the investment and financing, construction, operation and management of transportation infrastructure including expressways, railroads, key cross-region mass transit railways and integrated transport hubs in Zhejiang Province, and actively participates in comprehensive transportation infrastructure projects led by cities and counties in Zhejiang Province.

### **(3) Information on Oceanking Development**

Oceanking Development is a joint stock limited company incorporated and validly existing under the laws of the PRC, the shares of which are listed and traded on the SSE with the stock code 603213.SH. Oceanking Development is primarily engaged in the research and development, production, and sales of chloralkali related products. It adopts the zero pole distance ionic membrane salt water electrolysis process encouraged by national industrial policies to produce caustic soda, and also produces chlorine gas and hydrogen gas as by-products. Based on this, it constructs three major product chains of alkali, chlorine, and hydrogen, including chlorine alkali products, MIBK-class products, PVC-class products and other products. As at the Latest Practicable Date, Communications Group directly holds approximately 54.71% of the shares of Oceanking Development, and is its controlling shareholder.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, the shareholding structure of Oceanking Development is as follows:



Based on the audited financial data prepared in accordance with Chinese accounting regulations as contained in published A-share 2023 annual report and 2024 annual report of Oceanking Development, the unaudited financial information for the six months ended June 30, 2025 as contained in the published A-share semi-annual report 2025 of Oceanking Development, and the unaudited financial information for the nine months ended September 30, 2025 as contained in the published A-share third quarterly report 2025 of Oceanking Development, the key financial indicators of Oceanking Development prepared in accordance with Chinese Accounting Standards for Business Enterprises are as follows:

Unit: RMB 0,000

	<b>As of December 31, 2023</b>	<b>As of December 31, 2024</b>	<b>As of September 30, 2025</b>
Total assets	297,075.76	327,058.41	330,660.87
Net assets attributable to shareholders	177,505.51	192,678.95	193,095.26
	<b>For the year ended December 31, 2023</b>	<b>For the year ended December 31, 2024</b>	<b>For the nine months ended September 30, 2025</b>
Revenue	211,463.88	289,912.47	197,278.37
Total profit (profit before taxation)	32,057.84	24,652.86	6,868.92
Net profit (profit after taxation)	24,954.70	19,109.58	5,077.11

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## LETTER FROM THE BOARD

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### WARNING

**The Transaction may or may not proceed or become unconditional or effective. There is no assurance that all the effectiveness conditions under the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements can be fulfilled. Investors and potential investors should exercise caution, and should not rely solely on the information published by the Company, when dealing in or contemplating dealing in the securities of the Company.**

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM and the Class Meetings for consideration and approval.

**(II) Resolution in Relation to Entering into of the Conditional Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. and its Supplemental Agreements**

To ensure the successful completion of the Transaction, the Company and Oceanking Development have entered into the conditional Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. and the Supplemental Agreements on September 2, 2025, January 12, 2026 and January 30, 2026, respectively, which clearly stipulate the key matters including the method of the Transaction, arrangement of the Transaction, the protection mechanism for Dissenting Shareholders of Zhejiang Expressway, the protection mechanism for Dissenting Shareholders of Oceanking Development, the disposal of claims and debts involved in the Transaction, arrangements for the Transition Period, the transfer or closing of related assets involved in the Transaction, arrangement for employees, arrangement for retained undistributed profits, formation and effectiveness of the agreements, amendment and termination of the agreements, liability for breach, governing laws and disputes resolution.

For the principal terms of the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements, please refer to the section headed “3. Plan for the Transaction” and the section headed “5. Key Terms of the Agreements Related to the Transaction” above.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM and the Class Meetings for consideration and approval.

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## LETTER FROM THE BOARD

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### **(III) Resolution in Relation to Price Stabilization Plan for A Shares of Zhejiang Expressway Co., Ltd.**

In order to maintain the price stability of A Shares of the Company after the Transaction and protect the legitimate rights and interests of investors, the Company has formulated the Price Stabilization Plan for A Shares of Zhejiang Expressway Co., Ltd. (the “**Price Stabilization Plan for A Shares**”) in accordance with the Securities Law, the Opinions of the China Securities Regulatory Commission on Further Advancing the Reform of the New Share Issuance System (《中國證監會關於進一步推進新股發行體制改革的意見》), and other relevant laws, regulations and normative documents. The plan includes conditions for triggering A Share price stabilization measures, specific measures and implementation procedures for stabilizing the A Share price, circumstances under which such stabilization measures may be terminated, and related restrictive measures. The plan is subject to consideration and approval at the general meeting of the Company and shall become effective from the date of listing of A Shares of the Company on the Main Board of the SSE, with a validity period of three years (i.e., 36 months).

For details of the Price Stabilization Plan for A Shares, please refer to Appendix I to this circular.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM for consideration and approval.

### **(IV) Resolution in Relation to the Shareholder Dividend Return Plan for the Three Years Following the Transaction**

In order to further standardize and improve the Company’s profit distribution policy, establish a scientific, sustainable, stable and transparent dividend distribution decision-making and supervision mechanism, and actively reward investors, the Company has formulated the shareholder dividend return plan for the three financial years commencing from the year (inclusive) in which the Transaction is completed and the Company’s A Shares issued for the Transaction and existing Domestic Shares are listed and traded on the Main Board of the SSE in accordance with the provisions and requirements of the Company Law, the Securities Law, the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operations (《上海證券交易所上市公司自律監管指引第1號–規範運作》), the Regulatory Guidelines No. 3 – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號–上市公司現金分紅》), and the Articles of Association of the Company, and taking into account factors such as the Company’s profitability, operation and development plans, shareholder returns and external financing environment. The return plan is subject to consideration and approval at the general meeting of the Company and shall become effective from the date of listing of A Shares of the Company on the Main Board of the SSE.

For details of the Shareholder Dividend Return Plan for the Three Years Following the Transaction, please refer to Appendix II to this circular.

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## LETTER FROM THE BOARD

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The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM for consideration and approval.

**(V) Resolution in Relation to the Dilution of Immediate Returns from the Transaction and the Proposed Remedial Measures**

In accordance with the provisions of the Opinions of the General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110)(《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》國辦發[2013]110號)) and the Guiding Opinions on Matters Related to the Dilution of Immediate Returns in Initial Public Offerings, Refinancing and Major Asset Restructurings (CSRC Announcement [2015] No. 31)(《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》中國證券監督管理委員會公告[2015]31號)), the Company conducted a careful, prudent and objective analysis of the dilution impact of the Transaction on the immediate returns. As the Surviving Company following the Transaction, Zhejiang Expressway will follow and implement relevant principles and measures to further enhance its operation and management capabilities. In order to protect the interests of investors, prevent the risk of dilution of immediate returns, and enhance the Company's ability to deliver returns to the shareholders, the controlling shareholder and actual controller, Directors, and senior management of Zhejiang Expressway have respectively made commitments to ensure the effective implementation of the measures by the Surviving Company to mitigate the dilution of immediate returns.

For details regarding the dilution of immediate returns from the Transaction and the proposed remedial measures, please refer to Appendix III to this circular.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM for consideration and approval.

**(VI) Resolution in Relation to Abolishment of the Supervisory Committee and Amendments to the Articles of Association**

Reference is made to the announcement of the Company dated January 12, 2026 in relation to, among other things, the proposed abolishment of the supervisory committee and amendments to the Articles of Association. In order to implement the provisions of the Company Law and other laws and regulations, further strengthen corporate compliance development of the Company, and enhance corporate governance standards of the Company, the Board has considered and approved the proposed amendments to the existing Articles of Association of the Company (the “**Proposed Amendments**”). The amendments primarily include: (1) to abolish the supervisory committee, the statutory duties of which under the Company Law will be performed by the audit committee of the Company, and establish the position of employee representative director as required by the Company Law; and (2) to make necessary amendments to other provisions of the existing Articles of Association pursuant to the Company Law and based on the Company's actual circumstances.

For details regarding the amendments to Articles of Association due to abolishment of the supervisory committee, please refer to Appendix IV to this circular.

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## LETTER FROM THE BOARD

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The Company has obtained the letters from its legal advisers confirming that the above-mentioned Proposed Amendments conform with the requirements of the Listing Rules, where applicable, and the laws of the PRC.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM for consideration and approval.

The above matters shall take effect upon approval at the EGM. Prior to the consideration and approval of the matters at the EGM, the supervisory committee of the Company will still perform its supervisory duties and safeguard the interests of the Company and all shareholders of the Company in strict compliance with the requirements of laws and regulations such as the Company Law and the Securities Law. Upon consideration and approval at the EGM, the supervisory committee of the Company will cease to perform its duties, and the supervisors of the Company shall automatically be relieved of their positions. The Rules of Procedure of the Supervisory Committee shall be repealed accordingly, and provisions concerning the supervisory committee and supervisors in the Company's various rules shall no longer apply.

### **(VII) Resolution in Relation to the Formulation of the Articles of Association (Draft) and its Appendices to Be Applied upon Listing of A Shares of the Company**

References are made to the announcements of the Company dated August 19, 2025, September 2, 2025 and January 12, 2026, in relation to proposed Absorption and Merger of Oceanking Development through Share Swap and Issuance of A Shares under specific mandate by the Company as well as proposed abolishment of the Supervisory Committee and amendments to the Articles of Association (the “**Previous Amendments to the Articles of Association**”). In order to follow the requirements of the SSE on the standard operation of A-share listed companies, meet the needs of the Company after the listing of its A Shares, implement the provisions of the Company Law, the Securities Law, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and other laws, regulations and normative documents, further strengthen corporate compliance development of the Company, and enhance corporate governance standards of the Company, the Board of Directors of the Company has, on the basis of the Previous Amendments to the Articles of Association (subject to consideration and approval by the shareholders of the Company at the general meeting for taking effect) and the Rules of Procedure for the Board of Directors of Zhejiang Expressway Co., Ltd. (Amended Version) considered and approved at the 20th meeting of the 10th Board of Directors of the Company, considered and approved the Articles of Association of Zhejiang Expressway Co., Ltd. (Draft) (the “**Articles of Association (Draft)**”) and its appendices, the Rules of Procedure for the Shareholders' Meeting of Zhejiang Expressway Co., Ltd. (Draft) (the “**Rules of Procedure for Shareholders' Meeting (Draft)**”) and the Rules of Procedure for the Board of Directors of Zhejiang Expressway Co., Ltd. (Draft), which will be applied from the date of listing of A Shares of the Company on the Main Board of the Shanghai Stock Exchange.

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## LETTER FROM THE BOARD

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For details regarding the Articles of Association (Draft) and its appendices to be applied upon listing of A Shares of the Company, please refer to Appendix V to this circular. For the figures not yet confirmed in Article 3, Article 6 and Article 20 of the Articles of Association (Draft), they will be finally confirmed and supplemented based on subsequent issuance.

The Company has obtained the letters from its legal advisers confirming that the above-mentioned proposed amendments conform with the requirements of the Listing Rules, where applicable, and the laws of the PRC.

The Articles of Association (Draft) and its appendices, upon being considered and approved at the general meeting and the class meetings of the Company, shall come into effect from the date on which the A Shares issued by the Company are listed on the Shanghai Stock Exchange.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM and Class Meetings for consideration and approval.

**(VIII) Resolution in Relation to Proposed Grant of Specific Mandate to the Board of Directors at the General Meeting and Class Meetings to Issue New A Shares**

Given that the Transaction involves the issuance of new A Shares by the Company to all shareholders of Oceanking Development in exchange for the A Shares of Oceanking Development held by them at the Conversion Ratio, the Board of Directors proposes to the General Meeting and the Class Meetings to grant the Board of Directors an unconditional specific mandate to determine and implement the issuance of no more than 533,226,702 A Shares of the Company as needed by the Transaction if the Transaction is finalized, and to fully handle any and all matters necessary, beneficial, or appropriate for the issuance of such new A Shares, including but not limited to adjusting the price and number of A Shares to be issued in accordance with relevant laws, regulations, or the provision or requirements of regulatory authorities, and specifically arranging for the issuance (including but not limited to issuing share certificates and affixing the Company's securities seal on the share certificates), registration and transfer of relevant shares, listing of the A Shares on the SSE, amendments to the Articles of Association and the change in the registered capital of the Company.

The above specific mandate shall be valid for twelve months from the date of approval at the general meeting and the class meetings of the Company.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM and Class Meetings for consideration and approval.

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## LETTER FROM THE BOARD

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**(IX) Resolution in Relation to Proposed Authorization to the Board of Directors and its Authorized Persons at the General Meeting to Handle Matters Related to the Transaction in their Absolute Discretion**

To ensure the timely and smooth progress of matters related to the Transaction, and in accordance with the provisions of the Articles of Association, the Board of Directors proposes to authorize the Board of Directors and its authorized persons at the EGM and the Class Meeting to handle all matters related to the Transaction. The specific scope of authorization is as follows:

1. To have full authority, within the scope of the resolutions passed at the EGM and the Class Meetings, to formulate and amend the specific plan for the Transaction, or to amend and supplement the transaction documents related to the Transaction, in accordance with applicable laws and regulations, market conditions, or the requirements of relevant approval authorities and regulatory bodies (except for matters that are required to be voted on afresh at the general meeting under relevant laws, regulations, normative documents or the Articles of Association);
2. To execute, amend, supplement, submit, file and implement all agreements and other related legal documents pertaining to the Transaction (including the waiver of matters specified in the agreements related to the Transaction); to prepare, sign, execute, amend, submit and complete all documents related to the Transaction (including but not limited to the agreements and submission documents involved in the Transaction), and to make appropriate supplements or adjustments to the submission documents as required by relevant regulatory or approval authorities; to handle all matters concerning information disclosure related to the Transaction; to make corresponding adjustments to the Conversion Price and Conversion Ratio due to ex-rights or ex-dividend events occurring between the announcement date of Board resolution and the Share Swap Implementation Date, or as required by relevant laws, regulations or regulatory authorities, and to complete the relevant procedures;
3. To undertake all formalities related to the Transaction and required for completion of the Transaction, including but not limited to reviews, registrations, filings, approval, consent and notifications;
4. To engage the financial advisor, independent financial advisor, legal counsels, auditors, valuers and other intermediaries required for the Transaction; and to authorize such intermediaries (including the financial advisor and its legal counsels, independent financial advisor, the legal counsels of the Company, auditors, and valuers) to assist or act on behalf of the Company in handling all specific matters related to the Transaction. This includes but not limited to, communicating with relevant domestic and overseas regulatory authorities (including state-owned assets supervision and administration authorities, the CSRC, the Hong Kong Securities and Futures Commission, the Hong Kong Stock Exchange, the SSE and other regulatory

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## LETTER FROM THE BOARD

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institutions) and submitting relevant applications on the behalf of the Company, and to ratify any such formalities and communications that had been carried out with the relevant domestic and overseas regulatory authorities and institutions prior to the date of approval of this resolution.

5. To conduct the specific matters related to the issuance, registration, transfer and listing of the relevant shares on the SSE; assist in handling the delisting matters of Oceanking Development involved in the Transaction.
6. To handle matters related to the arrangement of Oceanking Convertible Bonds (including but not limited to succession, transfer, redemption, etc.) and other related matters concerning the protection of creditors' interests in the Transaction.
7. To determine and announce the implementation plan on the Put Options for dissenting shareholders of the Company during the Absorption and Merger through Share Swap involved in the Transaction.
8. To handle the transfer, handover and change procedures for assets, liabilities, businesses, qualifications, personnel, contracts, and all other rights and obligations involved in the Transaction.
9. To handle all other specific matters related to the Transaction.
10. To authorize the Board of Directors, subject to and conditional upon the authorizations conferred by this resolution and unless otherwise restricted by relevant laws, regulations, normative documents and the Articles of Association, to further delegate such authorization to Chairman of the Board, executive directors, or the management of the Company for execution.

The above authorizations shall be valid for twelve months from the date of approval at the general meeting and class meetings of the Company.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as a special resolution at the EGM and the Class Meetings for consideration and approval.

**(X) Resolution in Relation to Confirmation on Compliance of the Transaction with the Relevant Requirements of the Administrative Measures for the Registration of Initial Public Offering**

After reviewing against the conditions for initial public offering and listing as set out in the Administrative Measures for the Registration of Initial Public Offerings (《首次公開發行股票註冊管理辦法》)(the “**IPO Registration Measures**”), the Company and the Transaction comply with the relevant provisions of the IPO Registration Measures.

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## LETTER FROM THE BOARD

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The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

**(XI) Resolution in Relation to the Report on Absorption and Merger of Zhejiang Oceanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and the Related-party Transaction (Draft) and its Summary**

For the purpose of the Transaction, the Company and Oceanking Development have prepared the Report on Absorption and Merger of Zhejiang Oceanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction (Draft) and its summary.

For further details regarding the Report on Absorption and Merger of Zhejiang Oceanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction (Draft) and its summary, please refer to the Overseas Regulatory Announcement published by the Company on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) of Hong Kong Exchanges and Clearing Limited on January 30, 2026.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

**(XII) Resolution in Relation to Approval of the Audit Reports Related to the Transaction**

For the purpose of the Transaction, the Company engaged Pan-China Certified Public Accountants (Special General Partnership) to conduct audit in respect of the financial statements of Zhejiang Expressway and its subsidiaries in accordance with Chinese Auditing Standards for Certified Public Accountants. Such financial statements include the consolidated balance sheets and balance sheets as at the end of 2022, 2023 and 2024, and as at the end of September 2025, as well as the consolidated income statements and income statements, consolidated cash flow statements and cash flow statements, consolidated statements of changes in shareholders' equity and statements of changes in shareholders' equity, for the years 2022, 2023 and 2024, and for the period from January to September 2025, together with related notes thereto. Pan-China Certified Public Accountants (Special General Partnership) issued standard unqualified audit report (Tianjian Shen [2026] No. 53)(天健審[2026]53號) and audit report (Tianjian Shen [2026] No. 58)(天健審[2026]58號) in respect of the aforementioned financial statements.

For further details of the audit reports related to the Transaction, please refer to the Overseas Regulatory Announcement published by the Company on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) of Hong Kong Exchanges and Clearing Limited on January 30, 2026.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

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## LETTER FROM THE BOARD

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### **(XIII) Resolution in Relation to Confirmation of the Valuation Reports Related to the Transaction**

For the purpose of the Transaction, the Board of Directors of the Company engaged CITIC Securities Company Limited (the “**CITIC Securities**”) and Huatai United Securities Co., Ltd. (the “**Huatai United Securities**”) to serve as the financial advisor and valuer for the Transaction. In compliance with the requirements of relevant laws and regulations, CITIC Securities and Huatai United Securities have respectively prepared the Valuation Report of CITIC Securities Company Limited on Absorption and Merger of Zhejiang Océanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction and the Valuation Report of Huatai United Securities Co., Ltd. on the Absorption and Merger of Zhejiang Océanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction.

For further details regarding the valuation reports related to the Transaction, please refer to the Overseas Regulatory Announcement published by the Company on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) of Hong Kong Exchanges and Clearing Limited on January 30, 2026.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

### **(XIV) Resolution in Relation to the Independence of the Valuers, the Reasonableness of Valuation Assumptions, the Relevance of Valuation Approach to the Valuation Purpose, and the Fairness of the Valuation-based Pricing**

In accordance with the requirements of relevant laws, regulations and normative documents, including the Administrative Measures for Material Asset Restructuring of Listed Companies (Revised in May 2025) 《上市公司重大資產重組管理辦法(2025年5月修訂)》 and the Standards on the Contents and Formats of Information Disclosures by Companies Publicly Offering Securities No. 26 –Material Asset Restructuring of Listed Companies 《公開發行證券的公司信息披露內容與格式準則第26號–上市公司重大資產重組》, CITIC Securities and Huatai United Securities have respectively issued the Valuation Report of CITIC Securities Company Limited on Absorption and Merger of Zhejiang Océanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction and the Valuation Report of Huatai United Securities Co., Ltd. on the Absorption and Merger of Zhejiang Océanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction. The Board of Directors of Zhejiang Expressway is of the opinion that:

1. Zhejiang Expressway engaged CITIC Securities and Huatai United Securities as the financial advisor and valuer for the Transaction. Save for business engagements, CITIC Securities, Huatai United Securities and their respective valuation personnel have no other connected relationship, nor any actual or potential interest or conflict, with Zhejiang Expressway or Océanking Development, and are therefore independent.

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## LETTER FROM THE BOARD

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2. The valuation assumptions and constraints set forth in the Valuation Report of CITIC Securities Company Limited on Absorption and Merger of Zhejiang Oceanbank Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction and the Valuation Report of Huatai United Securities Co., Ltd. on the Absorption and Merger of Zhejiang Oceanbank Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction are based on relevant laws, regulations and provisions of the PRC, follow the prevailing market practices or standards, reflect the actual circumstances of the valuation subject, and no facts contradicting the valuation assumptions have been identified. Therefore, the valuation assumptions are reasonable.
3. The purpose of the valuation is to provide a reference for the Board of Directors in assessing the fairness and reasonableness of the pricing in the Transaction. The scope of assets actually valued by the valuers aligns with the scope of assets commissioned for valuation. Using the analysis methods consistent with market practices and the actual circumstances of the Transaction, the valuers have analyzed the reasonableness of the price in the Transaction. The valuation was conducted in compliance with relevant laws, regulations and industry standards of the PRC, and follows the principles of independence, objectivity, fairness and scientific rigor, the valuation approach is reasonable, and the valuation results objectively and fairly reflect the actual condition of the valuation subject as at the Valuation Benchmark Date. The valuation approach is appropriate for the valuation purpose in terms of relevance.
4. The valuation-based pricing for the Transaction is fair and reasonable, and there are no circumstances that may prejudice the interests of Zhejiang Expressway or the legitimate rights and interests of its shareholders, particularly minority shareholders. In summary, the valuers engaged for the Transaction are independent, the valuation assumptions are reasonable, the valuation approach is appropriate for the valuation purpose in terms of relevance, the valuation conclusions are reasonable, and the valuation-based pricing is fair.

For further details of the independence of the valuers, the reasonableness of valuation assumptions, the relevance of valuation approach to the valuation purpose, and the fairness of the valuation-based pricing, please refer to the Overseas Regulatory Announcement published by the Company on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) of Hong Kong Exchanges and Clearing Limited on January 30, 2026.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

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## LETTER FROM THE BOARD

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### **(XV) Resolution in Relation to the Internal Control Self-Assessment Report of the Company**

In accordance with the requirements of relevant laws, regulations and normative documents, including the Company Law, the Basic Standards for Enterprise Internal Control (《企業內部控制基本規範》), and the Guidelines for the Governance of Listed Companies (《上市公司治理準則》), the Board has conducted a comprehensive and in-depth review of the Company's internal control system, carefully assessed the implementation of internal control regulations, and the execution of internal supervision and internal auditing as at September 30, 2025, and prepared the Internal Control Self-Assessment Report of Zhejiang Expressway Co., Ltd. The Board of Directors of Zhejiang Expressway is of the opinion that, the Company has performed a self-assessment of the design and operation effectiveness of its internal control as at September 30, 2025, in compliance with the Basic Standards for Enterprise Internal Control and other applicable laws and regulations. The Company has taken deliberate steps to address the internal control deficiencies. During the reporting period (i.e., the years 2022, 2023 and 2024, and the period from January to September 2025), the Company has established a sound and effective internal control system for the businesses and matters covered within the scope of the assessment, which provides reasonable assurance for achieving internal control objectives and has met the Company's internal control goals. No significant changes in internal control that would materially affect the assessment conclusions have occurred between the assessment reference date and the issuance date of the Internal Control Self-Assessment Report.

For further details of the Internal Control Self-Assessment Report of the Company, please refer to the Overseas Regulatory Announcement published by the Company on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) of Hong Kong Exchanges and Clearing Limited on January 30, 2026.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

### **(XVI) Resolution in Relation to the Relevant Undertakings and Binding Measures to be Issued by Zhejiang Expressway for the Transaction**

In accordance with the Opinions of the China Securities Regulatory Commission on Further Advancing the Reform of the New Share Issuance System 《中國證監會關於進一步推進新股發行體制改革的意見》 (CSRC Announcement [2013] No. 42) and other relevant regulations, the Company proposes to issue relevant undertakings and binding measures for the Transaction, including a letter of undertaking regarding the truthfulness, accuracy and completeness of the information provided, and a statement on compliance with laws and integrity, etc.

For further details of the relevant undertakings and binding measures to be issued by Zhejiang Expressway for the Transaction, please refer to the Overseas Regulatory Announcement published by the Company on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) of Hong Kong Exchanges and Clearing Limited on January 30, 2026.

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## LETTER FROM THE BOARD

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The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

### **(XVII) Resolution in Relation to the Confirmation of Related-party Transactions for the Reporting Period**

For the purpose of the Transaction, the Company is required to review and confirm the related-party transactions for the reporting period (i.e., the years 2022, 2023 and 2024, and the period from January to September 2025) under the Company Law of the People's Republic of China, the Measures for the Administration of Information Disclosure of Listed Companies (《上市公司信息披露管理办法》) issued by the CSRS and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. The related-party transactions of the Company for the reporting period (i.e., the years 2022, 2023 and 2024, and the period from January to September 2025) were all based on the needs of the normal operating activities and business development of the Company, and followed a fair and reasonable pricing policy. The prices of the related-party transactions were determined with reference to the market prices. Such transactions were conducted in strict compliance with the decision-making authority and approval procedures stipulated in the relevant laws and regulations, the Articles of Association and other regulations of the Company, which were in line with the interests of the Company as a whole and did not prejudice the legitimate rights and interests of the Company and other shareholders.

The above resolution has been considered and approved by the Board of Directors and is hereby submitted as an ordinary resolution at the EGM for consideration and approval.

### **III. THE EGM AND CLASS MEETINGS**

The EGM, the H Shares Class Meeting and the Domestic Shares Class Meeting will be held at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the PRC on March 20, 2026 at 10:00 a.m., on March 20, 2026 at 12:00 noon (or immediately after the conclusion or adjournment of the EGM) and on March 20, 2026 at 12:30 p.m. (or immediately after the conclusion or adjournment of the H Shares Class Meeting), respectively. The notices convening the EGM, the H Shares Class Meeting and the Domestic Shares Class Meeting are set out on pages 359 to 363, 364 to 367 and 368 to 370 of this circular, respectively.

Whether or not you intend to attend the EGM, the H Shares Class Meeting and/or the Domestic Shares Class Meeting in person, you are requested to complete and return the accompanying proxy form(s) in accordance with the instructions printed thereon. In case of H Shareholders, the proxy form should be lodged with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM and/or the H Shares Class Meeting (or any adjournment thereof). In case of Domestic Shareholders, the proxy form should be lodged with the Company's principal place of business in the PRC at Room 501, No. 2 Mingzhu International Business Center, 199 Wuxing Road,

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## LETTER FROM THE BOARD

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Shangcheng District, Hangzhou City, Zhejiang Province, the PRC, not less than 24 hours before the time for holding the EGM and/or Domestic Shares Class Meeting (or any adjournment thereof). Completion and delivery of the proxy form(s) will not preclude you from attending and voting in person at the meeting(s) or any adjournment thereof should you so wish.

Pursuant to the requirements of Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM and the Class Meetings shall be taken by the way of poll.

Pursuant to the Rules 2.15 and 14A.36 of the Listing Rules, where a transaction or arrangement is subject to shareholders' approval under the provisions of the Listing Rules, any shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting. Accordingly, as at the Latest Practicable Date, Communications Group, the controlling shareholder of the Company (holding 4,014,778,800 Domestic Shares of the Company, representing 66.49% of the total issued shares of the Company), together with its associate, Universal Cosmos (holding 72,471,195 H Shares, representing 1.20% of the total issued shares of the Company), collectively held 67.69% of the total issued shares of the Company and are required to abstain from voting on the resolution approving the Transaction at the EGM and the Class Meetings, including the followings: (1) resolution in relation to the Plan for Absorption and Merger of Oceanking Development through Share Swap by Zhejiang Expressway (including sub-resolutions to be voted separately); (2) resolution in relation to entering into of the conditional Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. and its Supplemental Agreements; (3) resolution in relation to Price Stabilization Plan for A Shares of Zhejiang Expressway Co., Ltd.; (4) resolution in relation to the Shareholder Dividend Return Plan for the Three Years Following the Transaction; (5) resolution in relation to the dilution of immediate returns from the Transaction and the proposed remedial measures; (6) resolution in relation to proposed grant of specific mandate to the Board of Directors at the General Meeting and Class Meetings to issue new A Shares; (7) resolution in relation to proposed authorization to the Board of Directors and its authorized persons at the General Meeting to handle matters related to the Transaction in their absolute discretion; (8) resolution in relation to confirmation on compliance of the Transaction with the relevant requirements of the Administrative Measures for the Registration of Initial Public Offering; (9) resolution in relation to the Report on Absorption and Merger of Zhejiang Oceanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and Related-party Transaction (Draft) and its summary; (10) resolution in relation to approval of the audit reports related to the Transaction; (11) resolution in relation to confirmation of the valuation reports related to the Transaction; (12) resolution in relation to the independence of the valuers, the reasonableness of valuation assumptions, the relevance of valuation approach to the valuation purpose, and the fairness of the valuation-based pricing; (13) resolution in relation to the Internal Control Self-Assessment Report of the Company; (14) resolution in relation to the relevant undertakings and binding measures to be issued by Zhejiang Expressway for the Transaction; and (15) resolution in relation to the confirmation of related-party transactions for the reporting period. Besides, as at the Latest Practicable Date, China

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## LETTER FROM THE BOARD

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Merchants Expressway (holding 363,914,280 H Shares of the Company, representing 6.03% of the total issued shares of the Company) has a material interest in certain related-party transactions under the resolution in relation to the confirmation of related-party transactions for the reporting period and thus is required to abstain from voting at the EGM on the resolution in relation to the confirmation of related-party transactions for the reporting period. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no other shareholders or their associates are required to abstain from voting on the resolutions proposed at the EGM and the Class Meetings.

#### **IV. 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.

#### **V. RECOMMENDATIONS**

The Directors consider that all resolutions set out in the notice of EGM and notice of the Class Meetings for consideration and approval by Shareholders are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of the resolutions in respect thereof to be proposed in the notice of the EGM and notice of the Class Meetings.

For and on behalf of the Board  
**Zhejiang Expressway Co., Ltd.**  
**YUAN Yingjie**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 0576)

February 5, 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION – ABSORPTION  
AND MERGER OF OCEANKING DEVELOPMENT THROUGH SHARE SWAP AND  
ISSUANCE OF A SHARES UNDER SPECIFIC MANDATE**

We refer to the circular of the Company dated February 5, 2026 to the Shareholders (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise you as to whether the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements are fair and reasonable, and whether the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Gram Capital Limited (the “**Independent Financial Adviser**”) has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of the advice from the Independent Financial Adviser are set out in its letter of advice on pages 97 to 127 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 10 to 95 of the Circular and the additional information set out in the appendices to the Circular.

Having considered the terms of the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements, and the advice from the Independent Financial Adviser and in particular the principal factors and reasons considered by the Independent Financial Adviser as set out in its letter of advice, we are of the view that, even though the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements were not entered into in the ordinary and usual course of the business of Company, the terms and conditions of the Agreement on Absorption and Merger through Share Swap and its Supplemental Agreements and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the relevant resolution set out in the notices of the EGM and the Class Meetings.

Yours faithfully,

**Independent Board Committee**

**Mr. PEI Ker-Wei**  
*Independent non-executive  
Director*

**Ms. LEE Wai Tsang, Rosa**  
*Independent non-executive  
Director*

**Mr. YU Mingyuan**  
*Independent non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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



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

5 February 2026

To: *The independent board committee and the independent shareholders  
of Zhejiang Expressway Co., Ltd.*

Dear Sir/Madam,

### **DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION – ABSORPTION AND MERGER OF OCEANKING DEVELOPMENT THROUGH SHARE SWAP AND ISSUANCE OF A SHARES UNDER SPECIFIC MANDATE**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transaction, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 5 February 2026 issued by the Company to its shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 2 September 2025, 12 January 2026 and 30 January 2026, the Company entered into the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements with Oceanking Development, pursuant to which Zhejiang Expressway will absorb and merge Oceanking Development by issuing A Shares, with Zhejiang Expressway as the absorbing and merging party and Oceanking Development as the absorbed and merged party. Accordingly, Zhejiang Expressway will issue A Shares to all Conversion Shareholders of Oceanking Development in exchange for the shares of Oceanking Development held by such shareholders. The Issue Price of A Shares of Zhejiang Expressway is RMB13.50 per share. The Conversion Price of Oceanking Development is RMB14.58 per share. The Conversion Ratio for the Merger is 1:1.0800, meaning that each A Share of Oceanking Development held by a Conversion Shareholder of Oceanking Development can be exchanged for 1.0800 A Shares to be issued by Zhejiang Expressway. Upon completion of the Absorption and Merger through Share Swap, Oceanking Development will be delisted and its legal person status will be deregistered. As the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Surviving Company, Zhejiang Expressway and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, contracts, qualifications, employees, and all other rights and obligations of Oceanking Development. The A Shares to be issued by Zhejiang Expressway for the Absorption and Merger, and the existing Domestic Shares of Zhejiang Expressway will be applied for listing and trading on the Main Board of SSE.

To fully protect the interests of shareholders of Zhejiang Expressway, Zhejiang Expressway will grant its dissenting shareholders Put Options in accordance with the Company Law and the provisions of the existing Articles of Association of Zhejiang Expressway. The Put Option Provider for the Transaction is Universal Cosmos (a wholly-owned subsidiary of Communications Group). At the General Meeting and relevant Class Meetings of Zhejiang Expressway convened to consider the Transaction, shareholders of Zhejiang Expressway who cast valid dissenting votes on all resolutions related to the plan for the Transaction, and each of sub-resolutions voted separately, as well as the resolutions regarding entering into of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements, shall have the right to request the Put Option Provider to purchase shares of Zhejiang Expressway held by them at a fair price.

With reference to the Board Letter, the Transaction constitutes a discloseable transaction and connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

The Independent Board Committee comprising Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. YU Mingyuan (being all independent non-executive directors of the Company) has been formed to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms and are fair and reasonable; (ii) whether the Transaction is in the interests of the Company and its shareholders as a whole and in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transaction at the EGM and the Class Meetings. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **INDEPENDENCE**

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

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### BASIS OF OUR OPINION

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

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the 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 the Circular or any statement therein misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Communications Group, Oceanking Development or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or its shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

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

#### 1. Background of the Transaction

##### 1.1 Information of the Group

With reference to the Board Letter, the Company is a joint stock company established under the laws of the PRC with limited liability on 1 March 1997, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange. The Company is principally engaged in investing in, developing and operating high-grade roads in the PRC. The Group also carries on certain other businesses such as securities brokerage, investment banking, asset management, margin financing and securities lending through Zheshang Securities.

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "**Company 2024 Annual Report**") and the six months ended 30 June 2025 (with comparative figures) as extracted from the Company's interim report for the six months ended 30 June 2025 (the "**Company 2025 Interim Report**"):

	For the six months ended 30 June 2025 (“1H2025”) RMB'000 (unaudited)	For the six months ended 30 June 2024 (“1H2024”) RMB'000 (unaudited)	Changes from 1H2024 to 1H2025 %	For the year ended 31 December 2024 (“FY2024”) RMB'000 (audited)	For the year ended 31 December 2023 (“FY2023”) RMB'000 (audited)	Changes from FY2023 to FY2024 %
Revenue	8,685,457	8,367,599	3.80	18,064,824	16,965,024	6.48
– Toll operation	5,132,493	5,112,572	0.39	10,662,346	10,423,833	2.29
– Securities operation	3,182,990	2,805,936	13.44	6,182,506	6,372,289	(2.98)
– Others	369,974	449,091	(17.62)	1,219,972	168,902	622.30
Gross profit	3,441,162	3,686,434	(6.65)	7,252,464	7,199,339	0.74
Profit attributable to owners of the Company	2,787,482	2,680,010	4.01	5,501,588	5,223,679	5.32

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial performance for FY2023 vs FY2024*

As illustrated in the above table, the Group's revenue increased from approximately RMB16.97 billion for FY2023 to approximately RMB18.06 billion for FY2024, representing an increase of approximately 6.48%. With reference to the Company 2024 Annual Report and as confirmed by the Directors, such increase was mainly attributable to (i) increase in revenue generated from the toll operation segment as a result of increase in overall traffic volume; and (ii) increase in revenue generated from others segment which was mainly derived from construction services provided.

As illustrated in the above table, the Group's gross profit remained stable for FY2024 as compared to that for FY2023 and the profit attributable to owners of the Company increased by approximately 5.32% from approximately RMB5.22 billion for FY2023 to approximately RMB5.50 billion for FY2024. With reference to the Company 2024 Annual Report and as confirmed by the Directors, such increase in the profit attributable to owners of the Company was mainly attributable to the reduced financing costs.

### *Financial performance for 1H2024 vs 1H2025*

As illustrated in the above table, the Group's revenue increased from approximately RMB8.37 billion for 1H2024 to approximately RMB8.69 billion for 1H2025, representing an increase of approximately 3.80%. With reference to the Company 2025 Interim Report and as confirmed by the Directors, such increase was mainly attributable to (i) slight increase in revenue generated from the toll operation segment as a result of increase in overall traffic volume; and (ii) increase in revenue generated from the securities operation segment as primarily driven by increased market activities which boosted trading volumes and brokerage commissions.

The profit attributable to owners of the Company increased by approximately 4.01% from approximately RMB2.68 billion for 1H2024 to approximately RMB2.79 billion for 1H2025. With reference to the Company 2025 Interim Report and as confirmed by the Directors, such increase was mainly attributable to decrease in the Group's finance costs and increase in profit from the securities business segment driven by increased market activities and the consolidation of Guodu Securities Co., Ltd. following the Group's acquisition of its equity interest.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***1.2 Information of Communications Group***

With reference to the Board Letter, Communications Group is a state-owned enterprise established under the laws of the PRC. As the main platform for comprehensive transportation investment and financing and the main force in comprehensive transportation construction in Zhejiang Province, it coordinates and undertakes the investment and financing, construction, operation and management of transportation infrastructure including expressways, railroads, key cross-region mass transit railways and integrated transport hubs in Zhejiang Province, and actively participates in comprehensive transportation infrastructure projects led by cities and counties in Zhejiang Province.

### ***1.3 Information of Oeanking Development***

With reference to the Board Letter, Oeanking Development is a joint stock limited company incorporated and validly existing under the laws of the PRC, the shares of which are listed and traded on the SSE with the stock code 603213.SH. Oeanking Development is primarily engaged in the research and development, production, and sales of chloralkali related products. It adopts the zero pole distance ionic membrane salt water electrolysis process encouraged by national industrial policies to produce caustic soda, and also produces chlorine gas and hydrogen gas as by-products. Based on this, it constructs three major product chains of alkali, chlorine, and hydrogen, including chlorine alkali products, MIBK-class products, PVC-class products and other products. As at the Latest Practicable Date, Communications Group directly holds approximately 54.71% of the shares of Oeanking Development, and is its controlling shareholder.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Set out below are the consolidated financial information of Oceanking Development for the two years ended 31 December 2024 as extracted from Oceanking Development’s annual report for FY2024 (the “**Oceanking 2024 Annual Report**”) and for the nine months ended 30 September 2025 (with comparative figures) as extracted from Oceanking Development’s third quarterly report for the nine months ended 30 September 2025:

	For the nine months ended 30 September 2025 (“3Q2025”) RMB’000 (unaudited)	For the nine months ended 30 September 2024 (“3Q2024”) RMB’000 (unaudited)	For the year ended 31 December 2024 RMB’000 (audited)	For the year ended 31 December 2023 RMB’000 (audited)
Revenue	1,972,784	2,012,218	2,899,125	2,114,639
Profit attributable to shareholders of the company	50,675	149,342	191,083	248,832

### *Financial performance for FY2023 vs FY2024*

As illustrated in the above table, the Oceanking Development’s consolidated revenue increased from approximately RMB2,115 million for FY2023 to approximately RMB2,899 million for FY2024, representing an increase of approximately 37.10%. With reference to the Oceanking 2024 Annual Report and as confirmed by the Directors, such increase was mainly attributable to commencement of production and sales of PVC products.

As illustrated in the above table, profit attributable to shareholders of Oceanking Development decreased from approximately RMB249 million for FY2023 to approximately RMB191 million for FY2024, representing a decrease of approximately 23.21%. With reference to the Oceanking 2024 Annual Report and as confirmed by the Directors, such decrease was mainly attributable to decrease in Oceanking Development’s gross profit as a result of decreased product prices (as affected by the impact of decelerated macro-economic growth on industrial enterprises); and increase in Oceanking Development’s interest expenses derived from its convertible bonds issued on 29 December 2023.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial performance for 3Q2024 vs 3Q2025*

As illustrated in the above table, the Oceanking Development's consolidated revenue decreased from approximately RMB2,012 million for 3Q2024 to approximately RMB1,973 million for 3Q2025, representing a decrease of approximately 1.96%.

As illustrated in the above table, Oceanking Development's profit attributable to shareholders of the company decreased from approximately RMB149 million for 3Q2024 to approximately RMB51 million for 3Q2025, representing a decrease of approximately 66.07%. As advised by the Directors, such decrease was mainly attributable to the decrease in the gross profit of sales of chlor-alkali related products led by decrease in product prices (caused by weak downstream demand and significant supply pressure). Nevertheless, the Directors expect improvement of downstream demand and contraction in supply in the upcoming cycle, which may improve product prices.

### *Industry overview*

With reference to Oceanking 2024 Annual Report, Oceanking Development's major products include chlor-alkali products such as caustic soda, liquid chlorine, chlorinated paraffin, sodium hypochlorite; methyl isobutyl ketone; and PVC products.

As advised by the Directors, Oceanking Development's chlor-alkali related products could be applied to various industries such as printing and dyeing, alumina production, papermaking, water treatment and other light industries. According to an article published by 中國氯鹼網 (China Chlor-Alkali Online\*) (<http://www.ccaon.com/>) ("CCAON") (CCAON was established in 2001 which was led by the China Chlor-Alkali Industry Association. China Chlor-Alkali Industry Association was established in 1981 with its registration and administration overseen by the Ministry of Civil Affairs of the PRC) on 26 January 2026: (i) The production volume of caustic soda (being one of Oceanking Development's major products) in the PRC reached approximately 46.5 million tons for 2025, representing an year-on-year increase of approximately 5%; (ii) For 2025, production volume of alumina, paper & paper board, cloth (all being downstream products of caustic soda) in the PRC increased by approximately 8.0%, 2.8% and 2.9% respectively. According to the statistics published on CCAON, the PRC export volume of caustic soda increased significantly by approximately 119% from approximately 1.48 million tons in 2021 to approximately 3.25 million tons in 2022. Subsequently, it dropped to approximately 2.49 million tons in 2023 and rebounded to

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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approximately 3.07 million tons in 2024. The PRC export volume of caustic soda increased to approximately 3.73 million tons for the eleven months ended 30 November 2025, exceeding the export volume in 2022 and 2024.

The Directors also advised us that Oceanking Development's PVC products could be applied to various downstream industries such as property development and infrastructure construction, medical sector and consumer goods market. Recent downturn in the PRC property development industry affected the demand of Oceanking Development's PVC products. Oceanking Development may shift its business focus to other downstream industries such as medical sector and consumer goods market. According to an article published by CCAON on 22 January 2026, the PRC export market for PVC is experiencing an overall upward trend recently. As influenced by the cancellation of export value added tax refund for certain PVC products with effect from 1 April 2026, overseas purchasers placed more advance orders to secure supplies. This stimulated the PRC export market for PVC.

### **1.4 Reasons for and benefits of the Transaction**

With reference to the Board Letter, to enter into the Transaction, the Board has mainly considered the following factors:

- (i) Capitalise on opportunities arising from the restructuring policies to enhance corporate competitiveness and further reap the benefits from the leading economic development of the Yangtze River Delta region*

On 24 September 2024, the CSRC issued the Opinions on Deepening the Reform of Mergers and Acquisitions and Reorganizations Market for Listed Companies (《關於深化上市公司併購重組市場改革的意見》), proposing to further enhance the resource allocation functions of mergers and acquisitions (M&A) and restructuring, give fully play to the main channel role of the capital market for corporate M&A and restructuring, support absorptions and mergers between listed companies under common control, and promote resource integration. The regulatory policy updates have created favorable opportunities for the Transaction. Zhejiang Expressway seizes the opportunity and plans to achieve "A+H" dual-listing through the Absorption and Merger, thereby further enhancing the quality of the listed company. This move also serves as a proactive response to the CSRC's multi-faceted measures to revitalize the M&A and restructuring market. Through the Absorption and Merger and the "A+H" dual listing, Zhejiang Expressway will be able to strengthen its brand influence in both domestic and international capital markets, enhance its competitiveness, propel the Group's continuous development, and further benefit from the integrated development of the regional economy. Furthermore, from the

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perspective of A-share listing approaches, the Company's achievement of A-share listing through the plan for Absorption and Merger is the optimal solution selected after comprehensive consideration of factors such as cost and efficiency, regulatory requirements and application procedures for A-share listing.

Building a country with a strong transportation network is China's development vision, and the Yangtze River Delta is one of China's key strategic regions. The Plan for Higher-Quality Integrated Development of Transportation in the Yangtze River Delta Region (《長江三角洲地區交通運輸更高質量一體化發展規劃》) issued by the National Development and Reform Commission sets out the goal of building a multi-level comprehensive transportation network featuring efficient external connectivity and sound internal connection – with rail transit as the backbone, highway networks as the foundation, water transport and civil aviation as support, and Shanghai, Nanjing, Hangzhou, Hefei, Ningbo and other cities as key nodes. In addition, according to the government work report of Zhejiang Province, in recent years, significant progress has been made in the integrated development of the Yangtze River Delta and the “Four Major Initiatives” (四大建設). The national strategy for the integrated development of the Yangtze River Delta has been accelerated. The expressways operated by the Group connect several major economic zones within the Yangtze River Delta. As the integrated development of the Yangtze River Delta deepens, regional economic ties and population mobility will further intensify, which will facilitate the steady growth of the Group's traffic volume and toll revenue. As the only listed expressway company in Zhejiang Province, Zhejiang Expressway will take advantage of the integrated development of the Yangtze River Delta and Zhejiang Province's high-quality construction of a demonstration zone for common prosperity, and actively seize the development opportunities arising from the implementation of the strategy by expanding smart transportation and promoting service upgrades, thereby driving the profit growth and long-term value enhancement of the Group.

*(ii) Enhance investment and financing capabilities to support the corporate's long-term development*

Upon the completion of the Transaction, Zhejiang Expressway, as the Surviving Company, will become listed on both the A-share and H-share markets, which will enable the Company to benefit from the valuation premium of the A-share market and enhance its overall valuation. Meanwhile, it will provide the Company with both domestic and international platforms equivalent to its listed peers, thereby enhancing its competitiveness in the capital market. The A-share market, being the Company's home market, features active investment and financing activities and a high level of investor familiarity with the Company's business, while the H-share market offers a high degree of

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internationalization and diverse funding channels. Against this backdrop, the formation of an “A+H” dual-platform capital operation system will enable the Company to flexibly leverage the differentiated advantages of both capital markets, further strengthen its investment and financing channels, strengthen its investment and financing capabilities while increasing operational flexibility in this regard and reducing financing costs. Consequently, it will help achieve the goal of optimizing the Company’s capital structure and enhancing its risk resistance capacity. The establishment of this dual platform will also enhance the Company’s brand influence and market competitiveness, and provide a more solid and flexible capital support for its future business expansion and mergers and acquisitions, thereby supporting the Company’s high-quality development.

*(iii) Facilitate protecting the interests of shareholders of the Merging Parties and improving investment returns for minority shareholders*

Upon completion of the Transaction, Zhejiang Expressway, as the Surviving Company, will become listed on both the A-share and H-share markets. This will necessitate compliance with the regulatory frameworks of both markets, which is expected to further elevate the Company’s corporate governance standards, enhance information transparency, and facilitate greater participation of minority shareholders in the Company’s corporate governance. As a leading enterprise in expressway investment, operation and management in the industry, Zhejiang Expressway has a large asset base and strong profitability, along with notable geographical advantages and stable financial performance. The achievement of “A+H” dual-listing through the Absorption and Merger will place all shareholders on an equal footing as holders of publicly traded shares with fully aligned interests, help the Company focus on value creation, and enhance its capital operation efficiency, thus bringing more favorable and sustainable returns to minority shareholders.

We noticed the difference between the principal businesses of Zhejiang Expressway and Oceanking Development. We also noted from the Board Letter that the main objective of the merger by absorption of Oceanking Development is to leverage relevant regulatory policy support to achieve the Company’s dual listing on “A+H” markets, thereby strengthening investment and financing channels, optimizing the shareholder structure, further enhancing governance standards and facilitating the long-term development of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Despite that Oceanking Development's consolidated total assets and net assets as at 31 December 2024 and net profit for FY2024 accounted for approximately 1.5%, 2.6% and 2.7% of those of Zhejiang Expressway respectively, the Directors advised us that Oceanking Development's A-share listing status holds significant strategic value for the Company, and selecting Oceanking Development as the absorbed party under the regulatory-supported model (namely absorption and merger between companies under common control), represents the optimal solution. Through the Transaction, the Company is able to establish a "A+H" dual listing platform and achieve leapfrog development. Compared to the Hong Kong market, the A-share market generally offers higher valuation levels, which would help the Company to secure more favourable market pricing. Moreover, the A-share market provides advantages in terms of lower-cost equity or bond financing and greater flexibility, which is in line with the Company's long-term development strategy.

As illustrated under the section headed "1.3 Information of Oceanking Development" above:

- (i) Oceanking Development was profitable and recorded profit attributable to shareholders of Oceanking Development for FY2023, FY2024 and 3Q2025. The merger by absorption of Oceanking Development may enhance the Group's profitability; and
- (ii) although there is no significant growth indicator for the chlor-alkali/PVC products, such products are essential for various industries and their demand may grow alongside with future development of the PRC's economy.

Given the above, we consider Oceanking Development to be a justifiable merger target for achieving the Company's main objective of the Transaction as aforementioned.

In light of the above, in particular, (i) through the Transaction, the Company could capitalise on opportunities arising from the restructuring policies to enhance corporate competitiveness and further reap the benefits from the leading economic development of the Yangtze River Delta region; (ii) the Transaction will help to enhance the Company's investment and financing capabilities to support its corporate's long-term development; (iii) the Transaction will facilitate protecting the interests of shareholders of the Merging Parties and improving investment returns for minority shareholder; (iv) the Transaction may enhance the Group's profitability; and (v) Oceanking Development is a justifiable merger target for achieving the Company's main objective of the Transaction, we consider that although the Transaction is not conducted in the ordinary and usual course of business of the Group, the Transaction is in the interests of the Company and its shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Principal terms of the Transaction

Set out below are the principal terms of the Transaction, for further details of the Transaction, please refer to the section headed “3. Plan for the Transaction” of the Board Letter.

#### ***2.1 The Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements***

On 2 September 2025, 12 January 2026 and 30 January 2026, the Company entered into the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements with Oceanking Development, pursuant to which Zhejiang Expressway will absorb and merge Oceanking Development by issuing A Shares, with Zhejiang Expressway as the absorbing and merging party and Oceanking Development as the absorbed and merged party. Accordingly, Zhejiang Expressway will issue A Shares to all Conversion Shareholders of Oceanking Development in exchange for the shares of Oceanking Development held by such shareholders.

The Transaction involves Issuance of new A Shares by the Company to all Conversion Shareholders of Oceanking Development in exchange for A Shares of Oceanking Development held by such shareholders at the Conversion Ratio. The Board proposes to the EGM and Class Meetings to grant the Board an unconditional specific mandate, if the Transaction is finalised, to decide on and implement the Issuance of new A Shares of the Company, as required for the Transaction, and to fully handle any and all matters necessary, beneficial, or appropriate for the issuance of A Shares. The above specific mandate will be approved as part of the approval of the Transaction.

Upon completion of the Absorption and Merger through Share Swap, Oceanking Development will be delisted and its legal person status will be deregistered. As the Surviving Company, Zhejiang Expressway and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, contracts, qualifications, employees, and all other rights and obligations of Oceanking Development. The A Shares to be issued by Zhejiang Expressway for the Absorption and Merger through Share Swap, and the A Shares to be converted from existing Domestic Shares of Zhejiang Expressway will be applied for listing and trading on the Main Board of SSE.

For the Oceanking Convertible Bonds issued by Oceanking Development prior to the Transaction and still outstanding, Oceanking Development will convene a bondholder meeting, in accordance with relevant laws and regulations, the prospectus and the rules of the bondholder meeting, and fulfill relevant obligations according to the resolutions of the bondholder meeting. Zhejiang Expressway and Oceanking Development will comply with the notification and announcement procedures for

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creditors in accordance with relevant laws and regulations, and will, based on the demands raised by their respective creditors within the statutory period, either on their own or procure a third party to prepay the debts to their respective creditors in advance or provide them with alternative guarantees. If, within the aforementioned statutory period, relevant creditors do not claim early repayment or demand guarantees from the Merging Parties, the corresponding outstanding debts will be assumed by the Surviving Company after the completion of the Absorption and Merger through Share Swap.

### *Cash Dividend Arrangement*

Subject to the completion of the Transaction, to establish a reasonable, sustained and stable dividend distribution and return mechanism for investors and protect the interests of minority shareholders, Zhejiang Expressway intends to formulate a shareholder dividend return plan following completion of the Transaction in accordance with the relevant requirements of the Company Law (《公司法》), Securities Law (《證券法》), Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》), Guideline No. 1 of the Shanghai Stock Exchange for Self-Regulation Rules for Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Articles of Association. Such plan shall include the followings: for the three financial years commencing from the year (inclusive) in which the Transaction is completed, and the Company's A Shares issued for the Transaction and the existing Domestic Shares are listed and traded on the main board of the Shanghai Stock Exchange, and subject to the relevant provisions on cash dividends stipulated in laws, regulations and regulatory rules and provided that there is no material adverse factors or force majeure, the Surviving Company shall distribute profits in cash each year in an amount of not less than RMB0.4100 per share (including both A Shares and H Shares). In the event of ex-rights events such as distribution of stock dividends, conversion of capital reserve into share capital, or rights issue, the above cash dividend shall be adjusted accordingly to reflect the ex-rights.

### *Parties to the Transaction*

The absorbing and merging party in the Absorption and Merger through Share Swap is Zhejiang Expressway, and the absorbed and merged party is Oceanking Development.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Class and par value of shares to be issued for the Share Swap*

The RMB-denominated ordinary shares (A Shares) of Zhejiang Expressway to be issued by Zhejiang Expressway for the purpose of the Absorption and Merger through Share Swap have a par value of RMB1 per share.

### *Share Swap participants and the Record Date for Merger Implementation*

The targets of the Share Swap are all shareholders of Oceanking Development whose name appears on the shareholders' register of Oceanking Development at the close of business of the Record Date for Merger Implementation. As at the Record Date for Merger Implementation, shares of Oceanking Development held by shareholders of Oceanking Development who have not declared, partially declared, are not entitled to declare, or have invalidly declared the exercise of the Cash Option, as well as shares of Oceanking Development held by the Cash Option Provider due to provision of the Cash Option, will all be converted into A Shares to be issued by Zhejiang Expressway for the Absorption and Merger through Share Swap at the Conversion Ratio.

The boards of directors of the Merging Parties will announce the Record Date for Merger Implementation separately after the consent for registration is obtained from the CSRC with respect to the Merger.

### *Number of shares to be issued for Share Swap*

As at 30 September 2025, the total share capital of Oceanking Development was 441,971,017 shares, and the outstanding balance of Oceanking Convertible Bonds was RMB579,683,000. Assuming all outstanding convertible bonds of Oceanking Development are converted into shares subsequently, and based on the aforementioned Conversion Ratio, the maximum number of shares to be issued by Zhejiang Expressway for the Transaction shall not exceed 533,226,702 shares. The actual number of shares to be issued will be determined based on the registration documents for the Transaction issued by the CSRC and the final number of Oceanking Development shares participating in the Share Swap.

If either of the Merging Parties undergoes any ex-rights and ex-dividend events including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue, from the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), the above number of shares to be issued for the Share Swap will be adjusted accordingly.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Listing and trading of A Shares of Zhejiang Expressway*

Upon completion of the Absorption and Merger through Share Swap, the A Shares to be issued by Zhejiang Expressway for the Absorption and Merger through Share Swap and A Shares to be converted from the existing Domestic Shares of Zhejiang Expressway will be applied for listing and trading on the Main Board of SSE.

### **2.2 The Issue Price of A Shares of Zhejiang Expressway**

The Issue Price of A Shares of Zhejiang Expressway is RMB13.50 per share, representing (i) a premium of approximately 119.01% over the closing price of HK\$6.76 per H Share of Zhejiang Expressway on the Hong Kong Stock Exchange on 2 September 2025; and (ii) a premium of approximately 101.44% over the closing price of HK\$7.52 per H share of Zhejiang Expressway on the Hong Kong Stock Exchange on the Latest Practicable Date.

If Zhejiang Expressway undergoes any ex-rights or ex-dividend events, including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), the aforementioned Issue Price shall be adjusted accordingly (the formula is as follows). No further adjustments to the Issue Price shall be made under any other circumstances.

$$P1 = (P0 - D + A \times K) / (1 + K + N)$$

Where P0 represents the Issue Price before adjustment; N represents the number of bonus shares or share capital converted from capital reserve for every share; K represents the number of newly issued shares or rights issue shares for every share; A represents the price per share for newly issued shares or rights issue shares; D represents the dividend per share; P1 represents the Issue Price after adjustment

For details on the pricing basis of the Issue Price of the A Shares of Zhejiang Expressway, please refer to the section headed “6. Analysis on the Reasonableness of the Transaction” of the Board Letter.

### **2.3 The Conversion Price of Oceanking Development**

The Conversion Price for Oceanking Development is RMB14.58 per share, representing a discount of approximately 4.64% to the closing price of RMB15.29 per A Share of Oceanking Development on the SSE on 19 August 2025 (being the last trading day of A Shares of Oceanking Development on the SSE prior to the halt for the Transaction).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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If Oceanking Development undergoes any ex-rights or ex-dividend events, including but not limited to distribution of cash dividends, stock dividends, conversion of capital reserve into share capital, or rights issue from the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), the aforementioned Conversion Price will be adjusted accordingly (the formula is as follows). No further adjustments to the Conversion Price shall be made under any other circumstances.

$$P1 = (P0 - D + A \times K) / (1 + K + N)$$

Where P0 represents the issue price before adjustment; N represents the number of bonus shares or share capital converted from capital reserve for every share; K represents the number of newly issued shares or rights issue shares for every share; A represents the price per share for newly issued shares or rights issue shares; D represents the dividend per share; P1 represents the issue price after adjustment.

For details on the pricing basis of the Conversion Price of Oceanking Development, please refer to the section headed “6. Analysis on the Reasonableness of the Transaction” of the Board Letter.

The Issue Price of A Shares of Zhejiang Expressway and the Conversion Price of Oceanking Development are determined based on the principle of taking into account the interests of shareholders of the Merging Parties, after comprehensive consideration of the overall business conditions, profitability, resistance capabilities of the Merging Parties, valuation levels of comparable companies and comparable transactions in the industry and other factors.

### **2.4 Conversion Ratio**

The Conversion Ratio shall be calculated according to the following formula: Conversion Ratio = Conversion Price of Oceanking Development/Issue Price of A Shares of Zhejiang Expressway (the calculation result shall be rounded to four decimal places). The Conversion Ratio for the Merger is 1:1.0800, meaning that each A share of Oceanking Development held by the Conversion Shareholders of Oceanking Development can be exchanged for 1.0800 A Shares to be issued by Zhejiang Expressway.

From the Pricing Benchmark Date to the Share Swap Implementation Date (both days inclusive), unless any of the Merging Parties undergoes ex-rights or ex-dividend events including but not limited to distribution of cash dividends or stock dividends, conversion of capital reserve into share capital, or rights issue, or if any circumstance occurs in which Issue Price or Conversion Price is required to be adjusted in accordance with relevant laws and regulations, or as required by regulatory authorities, the Conversion Ratio shall not be adjusted under any other circumstances.

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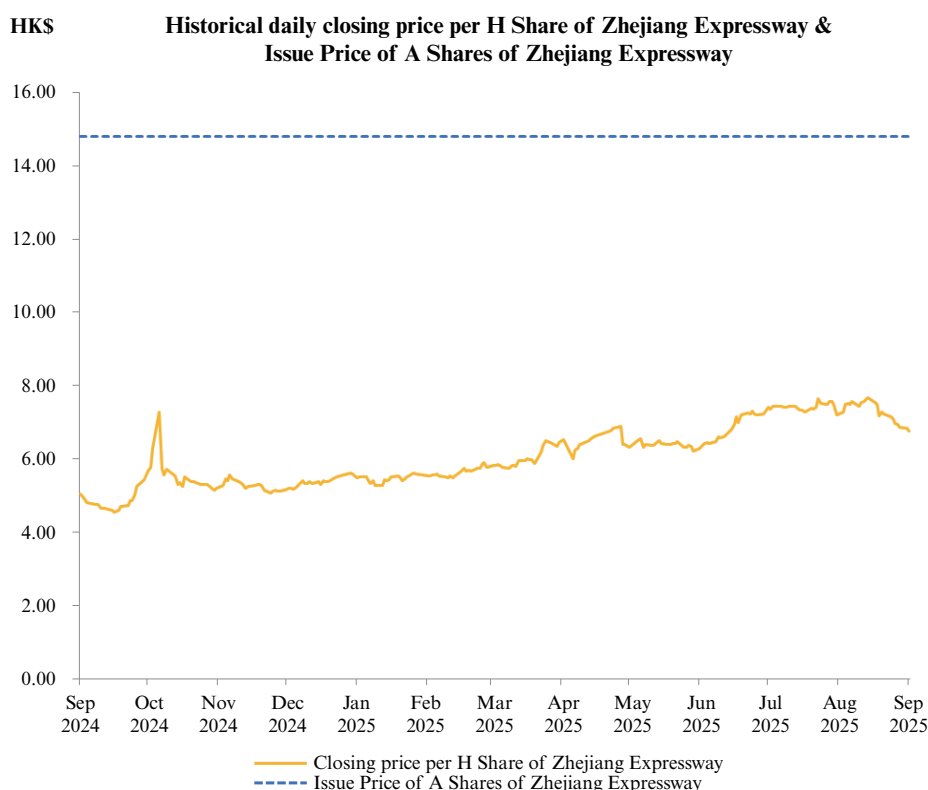
## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2.5 Analysis on the Issue Price of A Shares of Zhejiang Expressway

#### Trading price of the H Shares of Zhejiang Expressway

We reviewed the daily closing price of the H shares of Zhejiang Expressway as quoted on the Hong Kong Stock Exchange from 2 September 2024 up to and including 2 September 2025 (the “**Shares Review Period**”), being a period of one year prior to and including the date of the Agreement on Absorption and Merger through Share Swap. The comparison of daily closing prices of the H Shares of Zhejiang Expressway and the Issue Price of A Shares of Zhejiang Expressway (i.e. RMB13.50, equivalent to approximately HK\$14.81 based on the RMB central parity rate of HK\$1 to RMB0.91183 as announced by the People’s Bank of China on 2 September 2025) is illustrated as follows:



Source: The Hong Kong Stock Exchange’s website

During the Shares Review Period, the highest and lowest closing prices of the H Shares of Zhejiang Expressway as quoted on the Hong Kong Stock Exchange were HK\$7.68 recorded on 15 August 2025 and HK\$4.56 recorded on 17 September 2024 respectively.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Issue Price of A Shares of Zhejiang Expressway is higher than the closing prices of the H Shares of Zhejiang Expressway during the entire Shares Review Period. The Issue Price of A Shares of Zhejiang Expressway represents (i) a premium of approximately 119.01% over the closing price of the H Shares of Zhejiang Expressway of HK\$6.76 on 2 September 2025, being the date of the Agreement on Absorption and Merger through Share Swap; and (ii) a premium of approximately 92.78% over the highest closing price of the H Shares of Zhejiang Expressway of HK\$7.68 during the Shares Review Period.

### *Trading multiples analyses*

In order to further assess the fairness and reasonableness of the Issue Price of A Shares of Zhejiang Expressway, we performed two commonly adopted trading multiple analyses, namely, price-to-earnings ratio (“**PER**”) and price-to-book ratio (“**PBR**”). Given that (i) Zhejiang Expressway recorded profit attributable to owners of the company for FY2023, FY2024 and 1H2025 and the PER could reflect the relationship between pricing and earnings of the subject company; and (ii) significance of assets (e.g. property, plant and equipment, expressway operating rights and/or related assets) to companies engaged in highway operation and related businesses, we consider both PER and PBR are appropriate trading multiples for this analysis.

In performing our PER and PBR analyses, we searched for companies (i) which are categorised under the sector “CITIC Industry Classification – Transportation – Highway & Railway – Highway” of the Wind Financial Terminal; (ii) with their A shares listed on SSE or Shenzhen Stock Exchange; (iii) which are engaged in highway operation and related businesses in the PRC, being businesses comparable to Zhejiang Expressway’s principal business (Zhejiang Expressway generated approximately 59% of its revenue from toll operation for FY2024 and 1H2025); and (iv) derived more than 50% of their revenue from such businesses in aggregate for their latest financial year. We found 15 comparable companies (the “**ZE Comparable Companies**”) listed below which met the aforesaid criteria and they are exhaustive.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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Company name (Stock Code)	Principal business	PER (Note 1)	PBR (Note 2)
Guangdong Provincial Expressway Development Co. Ltd. (000429.SZ & 200429.SZ)	Principally engaged in highway transportation industry.	15.79 (Note 3)	2.35 (Note 3)
China Merchants Expressway Network & Technology Holdings Co., Ltd. (001965.SZ)	Principally engaged in highway toll operation and transportation technology services.	13.43	1.01
Anhui Expressway Company Limited (995.HK & 600012.SH)	Principally engaged in highway construction and toll operation.	14.72	2.06
Shandong Hi-speed Company Limited (600350.SH)	Principally engaged in highway toll operation, construction services and sales of goods.	13.96	1.09
Jiangsu Expressway Company Limited (177.HK & 600377.SH)	Principally engaged in highway construction, toll operation, related supporting services and electricity sales.	13.69	1.69
Shenzhen Expressway Corporation Limited (548.HK & 600548.SH)	Principally engaged in highway toll operation and solid waste resource utilization and processing.	23.40	1.00
Sichuan Expressway Company Limited (107.HK & 601107.SH)	Principally engaged in highway toll, sales of goods and construction services.	11.76	0.88
Shanxi Hi-speed Group Co., Ltd. (000755.SZ)	Principally engaged in highway toll operation.	15.30	1.35
Dongguan Development (Holdings) Co., Ltd. (000828.SZ)	Principally engaged in highway toll operation.	12.75	1.21
Henan Zhongyuan Expressway Co., Ltd. (600020.SH)	Principally engaged in highway toll operation.	11.44	0.66
Fujian Expressway Development Company Co., Ltd. (600033.SH)	Principally engaged in highway toll operation.	12.41	0.79
Hubei Chutian Smart Communication Co., Ltd. (600035.SH)	Principally engaged in highway toll operation, transportation IT research and transportation energy services.	8.64	0.76
Jiangxi Ganyue Expressway Co., Ltd. (600269.SH)	Principally engaged in highway toll operation, oil products and transportation technology services.	9.20	0.62
Guangxi Wuzhou Communications Co., Ltd. (600368.SH)	Principally engaged in highway toll operation and commercial logistics.	9.84	0.99
Jilin Expressway Co., Ltd. (601518.SH)	Principally engaged in highway toll operation and mechanical and electrical engineering business.	9.89	0.98
<b>Maximum</b>		<b>23.40</b>	<b>2.35</b>
<b>Minimum</b>		<b>8.64</b>	<b>0.62</b>
<b>Average</b>		<b>13.08</b>	<b>1.16</b>
<b>Zhejiang Expressway (Note 4)</b>		<b>14.82</b>	<b>1.76</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Notes:*

1. The PERs of the ZE Comparable Companies were calculated based on their respective published annual financial information for FY2024 and their respective closing prices as quoted on SSE/Shenzhen Stock Exchange and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap.
2. The PBRs of the ZE Comparable Companies were calculated based on their respective published interim financial information for 1H2025 and their respective closing prices as quoted on SSE/Shenzhen Stock Exchange and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap.
3. The PER of Guangdong Provincial Expressway Development Co. Ltd. (000429.SZ & 200429.SZ) is calculated based on its published annual financial information for FY2024, the closing price of A Shares as quoted on Shenzhen Stock Exchange and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap; while the PBR of Guangdong Provincial Expressway Development Co. Ltd. (000429.SZ & 200429.SZ) is calculated based on its published interim financial information for 1H2025, the closing price of A Shares as quoted on Shenzhen Stock Exchange and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap.
4. The implied PER is based on the Issue price of A Shares of Zhejiang Expressway, the profit attributable to owners of Zhejiang Expressway for FY2024 and total issued shares of Zhejiang Expressway as at the date of the Agreement on Absorption and Merger through Share Swap; while the implied PBR is based on the Issue Price of A Shares of Zhejiang Expressway, the unaudited equity attributable to owners of Zhejiang Expressway as at 30 June 2025 and total issued shares of Zhejiang Expressway as at the date of the Agreement on Absorption and Merger through Share Swap.

From the table above, the PERs of the ZE Comparable Companies ranged from approximately 8.64 times to 23.40 times, with an average of approximately 13.08 times; while PBRs of the ZE Comparable Companies ranged from approximately 0.62 times to 2.35 times, with an average of approximately 1.16 times.

The implied PER and implied PBR of the Issue Price of A Shares of Zhejiang Expressway are within the range of the said PER range and PBR range of the ZE Comparable Companies respectively. We are of the view that the Issue Price of A Shares of Zhejiang Expressway is not under-priced as compared to the ZE Comparable Companies from PER/PBR perspective.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

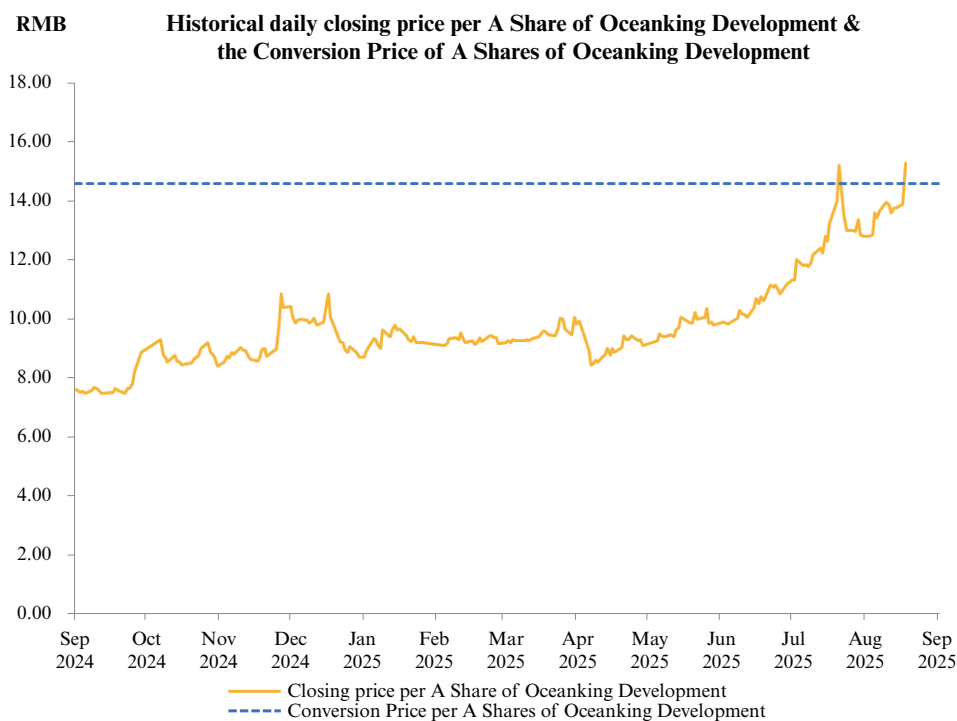
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Having also considered that the Issue Price of A Shares of Zhejiang Expressway represents (i) a premium of approximately 119.01% over the closing price of the H Shares of Zhejiang Expressway of HK\$6.76 on 2 September 2025, being the date of the Agreement on Absorption and Merger through Share Swap; and (ii) a premium of approximately 92.78% over the highest closing price of the H Shares of Zhejiang Expressway of HK\$7.68 during the Shares Review Period, we are of the view that the Issue Price of A Shares of Zhejiang Expressway is fair and reasonable.

### 2.6 Analysis on the of A Shares of Oceanking Development

#### *Trading price of A Shares of Oceanking Development*

We reviewed the daily closing price of A Shares of Oceanking Development as quoted on the SSE from 2 September 2024 up to and including 2 September 2025 (i.e. the Shares Review Period), being a period of one year prior to and including the date of the Agreement on Absorption and Merger through Share Swap. The comparison of daily closing prices of A Shares of Oceanking Development and the Conversion Price of A Shares of Oceanking Development (i.e. RMB14.58) is illustrated as follows:



Source: The Wind Financial Terminal

Note: Trading in A Shares of Oceanking Development was halted with effect from 20 August 2025 and resumed on 3 September 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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During the Shares Review Period, the highest and lowest closing prices of A Shares of Oceanking Development as quoted on the SSE were RMB15.29 recorded on 19 August 2025 and RMB7.47 recorded on 6 September 2024 and 23 September 2024. The Conversion Price of A Shares of Oceanking Development is within the above highest and lowest closing prices range.

The Conversion Price of A Shares of Oceanking Development is above the daily closing price of A Shares of Oceanking Development for most of the time during the Share Review Period. The Conversion Price of A Shares of Oceanking Development represents a discount of approximately 4.64% to the closing price of A Shares of Oceanking Development of RMB15.29 on 19 August 2025, being the last trading day prior to the date of the Agreement on Absorption and Merger through Share Swap.

### *Trading multiples analyses*

In order to further assess the fairness and reasonableness of the Conversion Price of A Shares of Oceanking Development, we performed two commonly adopted trading multiple analyses, namely, PER and PBR. Given that (i) Oceanking Development recorded profit attributable to owners of the company for FY2023, FY2024 and 3Q2025 and the PER could reflect the relationship between pricing and earnings of the subject company; and (ii) significance of assets (e.g. property, plant and equipment) to companies engaged in production and sales of chlor-alkali/PVC related products, we consider both PER and PBR are appropriate trading multiples for this analysis.

In performing our PER and PBR analyses, we searched for companies (i) which are categorised under the sector “CITIC Industry Classification – Basic Chemicals – Chemical Raw Materials – Chlor-alkali” of the Wind Financial Terminal; (ii) with their A shares listed on SSE or Shenzhen Stock Exchange; (iii) which are engaged in production and sales of chlor-alkali/PVC related products in the PRC, being businesses comparable to Oceanking Development’s principal business (Oceanking Development generated approximately 88% and 90% of its revenue from sales of chlor-alkali/PVC related products in the PRC for FY2024 and 1H2025 respectively); and (iv) derived more than 50% of their revenue from such businesses in aggregate for their latest financial year. We found 9 comparable companies (the “**OD Comparable Companies**”) listed below which met the aforesaid criteria and they are exhaustive.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Company name (Stock Code)	Principal business	PER (Note 1)	PBR (Note 2)
Befar Group Co., Ltd. (601678.SH)	Principally engaged in chlor-alkali chemical industry including production of caustic soda and epoxypropane.	39.12	0.75
Shanghai Chlor-Alkali Chemical Co., Ltd. (600618.SH & 900908.SH)	Principally engaged in industrial production including caustic soda, PVC and chlorine products.	15.69 (Note 3)	1.39 (Note 3)
Shaanxi Beiyuan Chemical Industry Group Co., Ltd. (601568.SH)	Principally engaged in production and sales in chemical raw materials including PVC and caustic soda.	70.20	1.42
Xinjiang Zhongtai Chemical Co., Ltd. (002092.SZ)	Principally engaged in chlor-alkali chemical industry including PVC.	N/A (Note 4)	0.58
Xinjiang Tianye Co., Ltd. (600075.SH)	Principally engaged in chlor-alkali chemical industry including PVC and caustic soda.	111.52	0.82
Anhui Hwasu Co., Ltd. (600935.SH)	Principally engaged in the production and sales of chlor-alkali chemical products, including PVC and caustic soda.	N/A (Note 4)	1.51
Sichuan Xinjinlu Group Co., Ltd. (000510.SZ)	Principally engaged in chemical industry including production sales of PVC, caustic soda and alkali products.	N/A (Note 4)	2.80
Weifang Yaxing Chemical Co., Ltd. (600319.SH)	Principally engaged in chemical industry including production of chlorinated polyethylene, chlor-alkali and hydrogen peroxide.	N/A (Note 4)	7.18
Ningxia Younglight Chemicals Co., Ltd. (000635.SZ)	Principally engaged in chemical industry including the production of PVC, caustic soda and emulsion PVC.	N/A (Note 4)	3.60
<b>Maximum</b>		<b>111.52</b>	<b>7.18</b>
<b>Minimum</b>		<b>15.69</b>	<b>0.58</b>
<b>Average</b>		<b>59.13</b>	<b>2.23</b>
<b>Oceanking Development (Note 5)</b>		<b>33.72</b>	<b>3.46</b>

*Notes:*

- The PERs of the OD Comparable Companies were calculated based on their respective published annual financial information for FY2024 and their respective closing prices as quoted on SSE/Shenzhen Stock Exchange and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap.
- The PBRs of the OD Comparable Companies were calculated based on their respective published interim financial information for 1H2025 and their respective closing prices as quoted on SSE/Shenzhen Stock Exchange and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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3. The PER of Shanghai Chlor-Alkali Chemical Co., Ltd. (600618.SH & 900908.SH) is calculated based on its published annual financial information for FY2024, the closing price of A Shares as quoted on SSE and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap; while the PBR of Shanghai Chlor-Alkali Chemical Co., Ltd. (600618.SH & 900908.SH) is calculated based on its published interim financial information for 1H2025, the closing price of A Shares as quoted on SSE and total issued shares as at the date of the Agreement on Absorption and Merger through Share Swap.
4. As the subject companies were loss-making for FY2024 according to the respective published annual financial information for FY2024, the PER analysis is not applicable for such companies.
5. The implied PER is based on the Conversion Price of A Shares of Oceanking Development, the profit attributable to shareholders of Oceanking Development for FY2024 and total issued shares of Oceanking Development as at the date of the Agreement on Absorption and Merger through Share Swap; while the implied PBR is based on the Conversion Price of A Shares of Oceanking Development, the equity attributable to shareholders of Oceanking Development as at 30 June 2025 and total issued shares of Oceanking Development as at the date of the Agreement on Absorption and Merger through Share Swap.

From the table above, the PERs of the OD Comparable Companies ranged from approximately 15.69 times to 111.52 times, with an average of approximately 59.13 times; while PBRs of the OD Comparable Companies ranged from approximately 0.58 times to 7.18 times, with an average of approximately 2.23 times.

The implied PER and implied PBR of the Conversion Price of A Shares of Oceanking Development are within the range of the said PER range (despite its wide range with only four comparable companies with positive PERs, it reflects an objective market condition), and PBR range of the OD Comparable Companies respectively. We are of the view that the Conversion Price of A Shares of Oceanking Development is not over-priced as compared to the OD Comparable Companies from PER/PBR perspective.

Having also considered that the Conversion Price of A Shares of Oceanking Development is within the above highest and lowest closing prices range of A Shares of Oceanking Development during the Shares Review Period (despite that it is above the daily closing price of A Shares of Oceanking Development for most of the time during the Share Review Period), we are of the view that the Conversion Price of A Shares of Oceanking Development is fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***2.7 Protection mechanism for the Dissenting Shareholders of Zhejiang Expressway***

To fully protect the interests of shareholders of Zhejiang Expressway, Zhejiang Expressway will grant its dissenting shareholders Put Options in accordance with the Company Law and the provisions of the existing Articles of Association of Zhejiang Expressway.

The Put Option Provider for the Transaction is Universal Cosmos (a wholly-owned subsidiary of Communications Group).

At the EGM and relevant Class Meetings of Zhejiang Expressway convened to consider the Transaction, shareholders of Zhejiang Expressway who cast valid dissenting votes on all resolutions related to the plan for the Transaction, and each of sub-resolutions voted separately, as well as the resolutions regarding entering into of the Agreement on Absorption and Merger through Share Swap and the Supplemental Agreements, shall have the right to request the Put Option Provider to purchase shares of Zhejiang Expressway held by them at a fair price.

After the acquisition of the shares held by dissenting shareholders at a fair price as requested by the dissenting shareholders, such dissenting shareholders shall no longer be entitled to claim the Put Option against Zhejiang Expressway and/or other shareholders who have cast valid affirmative votes on the resolutions relating to the plan for the Transaction.

Any Dissenting Shareholder of Zhejiang Expressway who exercises the Put Option is entitled to, for each share of Zhejiang Expressway validly declared, receive cash consideration paid by the Put Option Provider at the Put Option Price on the Put Option Exercise Date, and simultaneously transfer the corresponding shares to the Put Option Provider. The Put Option Provider shall, on the Put Option Exercise Date, acquire all shares of Zhejiang Expressway for which Dissenting Shareholders of Zhejiang Expressway exercise the Put Option, and shall pay the corresponding cash consideration.

The detailed arrangements for the Put Option (including but not limited to the Put Option Exercise Date, the declaration, settlement and closing of the Put Option, etc.) will be determined by Zhejiang Expressway and the Put Option Providers through negotiation and will be disclosed in accordance with the requirements of the laws, regulations and the Hong Kong Stock Exchange in a timely manner.

For further details of the protection mechanism for the Dissenting Shareholders of Zhejiang Expressway, please refer to the section headed “Protection mechanism for the Dissenting Shareholders of Zhejiang Expressway” of the Board Letter.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In addition to the transactions as set out under the sub-section headed “(1) Analysis of the reasonableness of the Put Option mechanism for Dissenting Shareholders of Zhejiang Expressway” of the Board Letter, which contain protection mechanisms similar to the protection mechanism for the Dissenting Shareholders of Zhejiang Expressway, we also searched for completed merger by absorption transactions conducted by Hong Kong listed companies which involve issuance of the absorbing and merging party’s new A shares (to be applied for A shares listing in the PRC) in exchange for the shares of absorbed and merged party, and require the absorbing and merging party’s shareholders’ approval, as initially announced by Hong Kong listed companies from 2 September 2020 to 2 September 2025 (being the date of the Agreement on Absorption and Merger). To the best of our knowledge and as far as we are aware of, we found two transactions which met the said criteria and they are exhaustive as far as we are aware of. Set out below are our findings below:

- (i) Discloseable transaction and connected transaction in relation to absorption and merger of Inner Mongolia Pingzhuang Energy Co., Ltd. through share swap as initially announced by 龍源電力集團股份有限公司 (China Longyuan Power Group Corporation Limited\*) (Stock code: 916.HK & 001289.SZ) (“**Longyuan**”) on 15 January 2021 – With protection mechanism for dissenting shareholders comprising put options for dissenting shareholders of Longyuan (being the absorbing and merging party) provided by the controlling shareholder of Longyuan as put option provider.
- (ii) Very substantial acquisition and connected transaction in relation to the absorption and merger of 中國葛洲壩集團股份有限公司 (China Gezhouba Group Stock Company Limited\*) as initially announced by 中國能源建設股份有限公司 (China Energy Engineering Corporation Limited\*) (Stock code: 3996.HK & 601868.SH) (“**CNNC**”) on 27 October 2020 – With protection mechanism for dissenting shareholders comprising the put options for dissenting shareholders of CNNC (being the absorbing and merging party) provided by the controlling shareholder of CNNC as put option provider.

Having considered the above and that the Put Option provides an exit alternative for Dissenting Shareholders of Zhejiang Expressway with Universal Cosmos being the Put Option Provider, we are of the view that that the aforesaid Put Option would safeguard the interest of the Dissenting Shareholders of Zhejiang Expressway without utilising the Company’s internal resources. Accordingly, we consider such protection mechanism to be justifiable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***2.8 Protection mechanism for the Dissenting Shareholders of Oceanking Development***

In order to fully safeguard the interests of the shareholders of Oceanking Development, pursuant to the requirements of the Company Law and the existing articles of association of Oceanking Development, Oceanking Development will grant its dissenting shareholders the Cash Options.

The Cash Option Provider for the Transaction is Communications Group. At the general meeting of Oceanking Development convened to consider the Transaction, any shareholder of Oceanking Development who cast valid dissenting votes on the resolutions regarding the plan for the Transaction and each of the sub-resolutions voted separately, as well as resolutions regarding entering into of the Agreements on Absorption and Merger through Share Swap and the Supplemental Agreements, shall have the right to request the Cash Option Provider to purchase the shares of Oceanking Development held by them.

After the acquisition of the shares of Oceanking Development held by the dissenting shareholders as requested by the dissenting shareholders, such dissenting shareholders shall no longer be entitled to claim the Cash Option against Oceanking Development and/or other shareholders who have cast valid affirmative votes on the resolutions relating to the plan for the Transaction.

For further details of the protection mechanism for the Dissenting Shareholders of Oceanking Development, please refer to the section headed “Protection mechanism for the Dissenting Shareholders of Oceanking Development” of the Board Letter.

The protection mechanism for the Dissenting Shareholders of Oceanking Development was incorporated to facilitate and form of the Transaction. As the Cash Option Provider for the Transaction is Communications Group, the Company is not required to utilise its internal resources under the protection mechanism for the Dissenting Shareholders of Oceanking Development. Accordingly, we consider such protection mechanism to be justifiable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***2.9 Arrangement for lock-up period of shares***

Regarding the shares of Zhejiang Expressway that are issued before the Transaction and held directly and indirectly by Communications Group (excluding H shares) and A Shares of Zhejiang Expressway to be obtained by Communications Group through the Transaction (i.e. the Shares of Zhejiang Expressway Held), Communications Group undertakes as follows:

1. Within 36 months from the date when the A Shares of Zhejiang Expressway are listed and traded, Communications Group shall not transfer or entrust others to manage the Shares of Zhejiang Expressway Held nor have such shares repurchased by Zhejiang Expressway. Within six months after the listing of A Shares of Zhejiang Expressway, if the closing prices of A Shares of Zhejiang Expressway are lower than the Issue Price for 20 consecutive trading days, or the closing price at the end of six months after the listing is lower than the Issue Price, Communications Group undertakes that the lock-up period of the Shares of Zhejiang Expressway Held shall be automatically extended for six months.
2. If relevant laws, regulations and normative documents or securities regulatory authorities such as the CSRC impose other requirements for the lock-up period of shares, the Company agrees to make adjustment to the lock-up period of Shares of Zhejiang Expressway Held accordingly.
3. Zhejiang Expressway undertakes to bear and compensate for all losses caused to Zhejiang Expressway and its controlled enterprises due to any breach of the above undertakings or any violation of relevant laws, regulations and normative documents.
4. If any of the following circumstances occurs after one year from the date of listing of the A Shares of Zhejiang Expressway, Communications Group may, upon application by Communications Group and with approval by SSE, be exempted from complying with the undertaking in the above paragraph 1: (I) the transferor and transferee have an actual control relationship, or both are controlled by the same controller, and the transferee undertakes to continue complying with the above undertakings; (II) other circumstances as determined by SSE.

We are of the view that the said lock-up period arrangement could demonstrate Communications Group's confidence in Zhejiang Expressway and enhance stability of the A Shares of Zhejiang Expressway, hence, it is in the interests of the Company and its shareholders.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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After considering the principal terms of the Transaction as set out above, we are of the view that the terms of the Transaction are on normal commercial terms and are fair and reasonable.

### **3. Possible dilution effect on the shareholding interests of the existing public Shareholders**

With reference to the shareholding table in the section headed “8.2 Impact of the Transaction on the shareholding structure of the Surviving Company” of the Board Letter, the shareholding interests of the public H Shareholders would be diluted by (i) approximately 1.92 percentage point after the Transaction if none of the outstanding Oceanking Convertible Bonds are converted into shares; and (ii) approximately 2.13 percentage point after the Transaction if all of the outstanding Oceanking Convertible Bonds are converted into shares. In this regard, taking into account (i) the reasons for and benefits of the Transaction as aforementioned; and (ii) the terms of the Transaction being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the public H Shareholders after the Transaction is justifiable.

### **4. Possible financial effects of the Transaction**

With reference to the Board Letter, upon completion of the Absorption and Merger through Share Swap, Oceanking Development will be delisted and its legal person status will be deregistered. As the Surviving Company, Zhejiang Expressway and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, contracts, qualifications, employees, and all other rights and obligations of Oceanking Development. Zhejiang Expressway will apply for listing and trading of A Shares to be issued by Zhejiang Expressway for the Absorption and Merger and its existing Domestic Shares on the Main Board of SSE.

Details of the key financial indicators of Zhejiang Expressway and the Surviving Company, prepared in accordance with Chinese Accounting Standards for Business Enterprises, both before and after the Transaction, are set out under the section headed “8.3 Impact of the Transaction on the financial position of the Company” of the Board Letter.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms and are fair and reasonable; and (ii) although the Transaction is not conducted in the ordinary and usual course of business of the Group, the Transaction is in the interests of the Company and its shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM and the Class Meetings to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

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

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

**Price Stabilization Plan for A Shares of Zhejiang Expressway Co., Ltd.**

Zhejiang Expressway Co., Ltd. (hereinafter referred to as “**Zhejiang Expressway**” or “**Company**”) proposes to issue A shares to all shareholders of Zhejiang Oceanking Development Co., Ltd. (hereinafter referred to as “**Oceanking Development**”) for the absorption and merger of Oceanking Development by way of share swap (hereinafter referred to as “**the Transaction**”). Upon completion of the Transaction, Oceanking Development will be delisted and its legal person status will be deregistered. Zhejiang Expressway (as the Surviving Company) and/or its designated subsidiaries will succeed to or assume all assets, liabilities, businesses, contracts, qualifications, employees, and all other rights and obligations of Oceanking Development. Zhejiang Expressway will apply for listing and trading of A shares to be issued by Zhejiang Expressway for the Transaction and its existing domestic shares on the SSE Main Board.

In order to maintain the price stability of the Company’s A shares after the Transaction and protect the legitimate rights and interests of investors, the Board of Directors of the Company has formulated the Price Stabilization Plan for A Shares in accordance with the Securities Law of the People’s Republic of China, the Opinions of the China Securities Regulatory Commission on Further Advancing the Reform of the New Share Issuance System (《中國證監會關於進一步推進新股發行體制改革的意見》), and other relevant laws, regulations and normative documents. The particulars of which are as follows:

**I. Conditions for Triggering Share Price Stabilization Measures**

Within three years (36 months) from the date of listing and trading of the Company’s A shares, if the closing price of the Company’s A Shares remains below the latest audited net asset value per share for 20 consecutive trading days due to reasons other than force majeure or malicious speculation by third parties (the 20th trading day is the “Trigger Date”; where changes in the Company’s net assets or total number of shares occur after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, additional share issuances, right issues, etc., the net asset value per share shall be adjusted accordingly; and the same applies below), the Company, the controlling shareholder, or the directors (excluding independent non-executive directors and directors who do not receive remuneration from the Company, the same meaning applies below) and senior management shall initiate measures for stabilizing the share price, provided that such measures comply with relevant laws, regulations, normative documents, and the listing rules of the places where the Company’s shares are listed, and the Company’s shareholding distribution satisfies listing requirements.

## II. Specific Measures and Implementation Procedures for Stabilization of Share Price

### ***1. Measures to be taken by the Company***

The Board of Directors of the Company shall formulate and announce a share repurchase plan within 20 trading days following the Trigger Date. The repurchase plan shall include information such as the purpose and method of the repurchase; the repurchase price or price range, pricing principles, the class and quantity of shares to be repurchased, and the proportion to the total share capital, the total amount of funds to be used for the repurchase and their source; and the changes in the share capital structure of the Company after the repurchase. The repurchase price shall in principle not exceed the latest audited net asset value per share of the Company (In the event of any equity distributions, conversion of capital reserve into share capital, rights issues or similar events occurring after the audit reference date, ex-rights and ex-dividend adjustments shall be applied), and the total amount for the repurchase shall not be less than RMB50 million.

### ***2. Measures to be taken by the controlling shareholder***

If the Board of Directors of the Company fails to announce the aforementioned share repurchase plan within the specified timeframe, or if the said plan is not approved at the shareholders' (general) meeting for any reason, the obligation of the controlling shareholder to increase its shareholding in the Company shall be triggered. Within 20 trading days from the date on which the aforementioned triggering conditions for its shareholding increase are met, the controlling shareholder shall notify the Company in writing of a specific plan for increasing its shareholding in the Company, which shall be announced by the Company. The plan for shareholding increase shall include information such as the purpose and method of the shareholding increase, the funds and its source for the share shareholding, the class and quantity of shareholding increase, the proportion to the total share capital, the price or price range, pricing principles and the implementation timeline. The price for increasing the shareholding shall in principle not exceed the latest audited net asset value per share of the Company (In the event of any equity distributions, conversion of capital reserve into share capital, rights issues or similar events occurring after the audit reference date, ex-rights and ex-dividend adjustments shall be applied), and the total amount planned for the shareholding increase shall not be less than RMB50 million.

### ***3. Measures to be taken by directors and senior management***

If the controlling shareholder fails to announce the aforementioned specific plan for shareholding increase within the specified timeframe or explicitly states that it has no such plan, the obligation of the relevant directors and senior management to increase their shareholding in the Company shall be triggered. Subject to all relevant laws and regulations, the incumbent directors and senior management shall formulate specific measures and implementation plan for stabilizing the share price within 10 trading days from the date on which the aforementioned triggering conditions for their shareholding

increase are met, which will be announced by the Company. The relevant directors and senior management will stabilize the share price by purchasing the Company's shares on the secondary market through centralized bidding. The purchase price shall not exceed the latest audited net asset value per share of the Company (In the event of any equity distributions, conversion of capital reserve into share capital, rights issues or similar events occurring after the audit reference date, ex-rights and ex-dividend adjustments shall be applied). However, if within five trading days after the Company discloses its purchase plan, its share price no longer meets the conditions for initiating share price stabilization measures, the aforementioned share purchase plan may be discontinued. Each such director and senior management shall, in a single transaction for shareholding increase, purchase an amount no less than 10% of his or her after-tax remuneration received from the Company during the previous financial year in which he or she held the position.

#### **4. *Miscellaneous***

- (1) Once the conditions for initiating share price stabilization measures are triggered, if the closing price of the Company's A shares is not lower than the latest audited net asset value per share for five consecutive trading days, the followings shall apply: if a share price stabilization plan has not yet been announced, the obligation to mandatorily initiate stabilization measures shall be deemed waived, and no share price stabilization plan needs to be announced; if a share price stabilization plan has already been announced, the stabilization measures shall be deemed implemented, the corresponding commitment shall be deemed fulfilled and the share price stabilization plan shall be terminated. The obligation to mandatorily initiate share price stabilization measures is limited to once per financial year.
- (2) When fulfilling their respective obligations to increase shareholdings or repurchase shares, the controlling shareholder, the Company, directors and senior management shall comply with all applicable information disclosure requirements under relevant laws, regulations, normative documents, and the listing rules of the stock exchange where the Company's shares are listed, as well as relevant regulations concerning the supervision and administration of state-owned assets.
- (3) During the validity period of this plan, any directors and senior management newly appointed by the Company shall be bound by the obligations stipulated herein for directors and senior management. They shall also fulfil, to the same standard, any other commitment obligations previously made by the Company's directors and senior management when the Company's A shares are listed. Any candidate proposed for appointment as a director or senior management must provide prior written consent to undertake the aforementioned commitments and obligations before their formal nomination.

**III. Circumstances for Termination of Share Price Stabilization Measures**

1. The closing price of the Company's A shares is higher than the net asset value per share for 5 consecutive trading days.
2. Further repurchase or increase of holdings in the Company's A shares will render the shareholding distribution of the Company non-compliant with the listing requirements.

**IV. Related Constraining Measures**

1. If the Company has announced an A share repurchase plan but fails to execute it due to subjective reasons, the Company shall bear corresponding liabilities in accordance with relevant laws, regulations, normative documents, the listing rules of places where its shares are listed, and the requirements of regulatory authorities.
2. Once the conditions for initiating share price stabilization measures are met, if the controlling shareholder fails to propose a shareholding increase plan and/or fails to implement such a plan and does not fulfill its obligation for shareholding increase, the Company shall have the right to withhold or reduce such amount of cash dividends payable to the controlling shareholder equivalent to the total amount that should have been required for the controlling shareholder to fulfill its obligation for shareholding increase until such obligations are fulfilled by the controlling shareholder.
3. Once the conditions for initiating share price stabilization measures are met, if any director or senior management fails to fulfill their obligation to timely formulate share price stabilization measures and complete the requisite internal decision-making procedures, the director or senior management shall be suspended from receiving remuneration or allowances from the Company until he/she has duly fulfilled the relevant responsibilities
4. If, in accordance with the provisions of relevant laws, regulations, normative documents, and the listing rules of the place where the Company's shares are listed, and the requirements of the regulatory authorities, the controlling shareholder, the Company, the directors and senior management are unable to fulfil their obligations to increase their shareholdings or repurchase A shares within a specified period, the relevant responsible parties may be exempted from the aforesaid obligation to increase shareholding or repurchase shares. However, they shall actively pursue alternative measures to stabilize the A share price.

**V. Validity Period of the Plan**

This plan, upon being considered and approved at the shareholders' (general) meeting of the Company, shall be effective for a period of three years, commencing from the date of the listing of the Company's A shares on the Main Board of the SSE.

**Zhejiang Expressway Co., Ltd.**  
**Shareholder Dividend Return Plan for the Three Years**  
**Following the Issuance of A Shares and the Absorption and**  
**Merger of Zhejiang Ocean King Development Co., Ltd. through Share Swap**

In order to clarify the shareholder dividend returns for the three years following the listing of the A shares of Zhejiang Expressway Co., Ltd. (the “**Company**”), enhance the transparency and operability of dividend distribution decisions, actively reward investors, guide investors to establish a philosophy of long-term and rational investment, and protect the legitimate rights and interests of investors, this plan is formulated, upon giving full consideration to the actual situation of the Company, and in accordance with the relevant provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號–上市公司現金分紅》), Guideline No. 1 of the Shanghai Stock Exchange for Self-Regulation Rules for Listed Companies –Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》), and the Articles of Association of Zhejiang Expressway Co., Ltd. (the “**Articles of Association**”), the particulars of which are as follows:

**I. Key Considerations in Formulating the Plan**

The Company has comprehensively considered shareholders’ return requirements and expectations, the Company’s strategic development plans, its actual stage of development, as well as factors such as its financial and cash flow positions, the cost of capital in the market and the external financing environment, and it has sought to establish a continuous, stable and positive return planning and mechanism for investors, so as to ensure the continuity and stability of the profit distribution policy.

**II. Fundamental Principles for Formulating the Plan**

- (1) The Company shall proactively engage and communicate with independent directors as well as minority shareholders through various channels, giving full consideration to their opinions and requests.
- (2) The Company shall maintain the continuity and stability of its profit distribution policy, and when distributing profits, the Company shall fully consider reasonable returns to investors while also taking into account the Company’s actual operational needs and long-term strategic development goals.
- (3) The Company shall strictly implement profit distributions in accordance with the provisions of relevant laws, regulations and the Articles of Association, thereby establishing a stronger safeguard for investor dividend returns.

**III. Shareholder Dividend Return Plan for the Three Years Following the Listing of A Shares of the Company*****(1) Fundamental principles for the Company's profit distribution policy***

The fundamental principles for the Company's profit distribution policy are to align with the interests of the shareholders of the Company, the overall strategic objectives and long-term financial plans, maintain continuity and stability, and comply with the provisions of relevant laws and regulations.

***(2) Forms of distribution***

The Company may distribute profits in the form of cash, shares, a combination of cash and shares, or any other method permitted by laws and regulations, with cash dividends being the preferred form of profit distribution.

***(3) Conditions and ratio for cash dividend distribution***

The Company will, in principle, distribute cash dividends on an annual basis, provided that the annual distributable profit is positive; the Company maintains sufficient cash reserves so that the distribution will not adversely impact its subsequent normal operations and development; the financial condition is sound; and the auditor has issued an unqualified audit opinion on the annual financial report of the Company.

When the profit distribution principle is followed, and the conditions for cash dividend distribution are met, the total cumulative cash dividends distributed by the Company over the most recent three years shall not be less than 30% of the average annual distributable profit achieved during the same period. Furthermore, for the three years commencing from the year (inclusive) in which the Transaction is completed, and subject to the relevant provisions on cash dividends stipulated in laws, regulations and regulatory rules and provided that there is no material adverse factors or force majeure, the annual cash dividend shall not be less than RMB0.41 per share. Should ex-rights events such as distribution of stock dividends, conversion of capital reserves into share capital and right issues occur, the aforementioned cash dividend amount shall be adjusted accordingly on an ex-rights basis. The above cash dividend per share represents approximately 44.7% of basic earnings per share of the Company for 2024.

Subject to the full payment of cash dividends, the Company may distribute profits in the form of additional stock dividends. When the Company adopts stock dividends for profit distribution, such distribution shall be based on genuine and reasonable factors, including the Company's growth prospects and the potential dilution of net asset value per share. In no event shall any profit distribution exceed the amount of retained distributable profits, and the profit distribution policy must not violate the provisions of relevant laws and regulations of the PRC.

***(4) Adjustment of the profit distribution policy***

Should the Company need to adjust the shareholder return plan due to significant changes in the external operating environment or its own operating conditions, it shall, with the aim of protecting the interests of shareholders and the overall interests of the Company, formulate a new profit distribution policy after research and deliberation, and submit the same for consideration and approval at the shareholders' meeting of the Company.

**IV. Effectiveness Mechanism of the Plan**

The plan, upon being considered and approved at the shareholders' meeting, shall take effect from the date of the listing of the A shares of the Company on the SSE Main Board. Matters not covered herein shall be handled in accordance with the provisions of relevant laws, regulations, normative documents, and the Articles of Association.

## Zhejiang Expressway Co., Ltd.

Board of Directors' Statement on the Dilution of Immediate Returns  
from the Transaction and the Proposed Remedial Measures

In accordance with the provisions of the Opinions of the General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110)(《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》國辦發[2013]110號)) and the Guiding Opinions on Matters Related to the Dilution of Immediate Returns in Initial Public Offerings, Refinancing and Material Asset Restructurings (CSRC Announcement [2015] No. 31)(《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》中國證券監督管理委員會公告[2015]31號)), Zhejiang Expressway Co., Ltd. (the “**Company**” or “**Zhejiang Expressway**”) has conducted a careful, prudent and objective analysis of the dilution impact of the Transaction on the immediate returns. The specific details are outlined below:

**1. Impact of the Transaction on Earnings Per Share**

The changes in earnings per share of each of Zhejiang Expressway and Oceanking Development before and after the completion of the Transaction are as follows:

Unit: RMB/share

Company	Item	January – September 2025		Year 2024	
		Before the Merger	After the Merger	Before the Merger	After the Merger
Zhejiang Expressway	Basic earnings per share	0.70	0.65	0.91	0.87
Oceanking Development	Basic earnings per share	0.12	0.70	0.44	0.94

*Note:* The earnings per share presented above are calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (Revision in 2010)(《公開發行證券公司信息披露編報規則第9號–淨資產收益率和每股收益的計算與披露(2010年修訂)》) issued by the CSRC. The basic earnings per share of Oceanking Development after the Merger is calculated based on the Conversion Ratio of 1:1.0800 for the Merger to the basic earnings per share of Zhejiang Expressway.

Upon completion of the Transaction, the basic earnings per share of Zhejiang Expressway will be slightly diluted, while the basic earnings per share of Oceanking Development will be significantly increased.

## **2. Remedial Measures to Prevent the Dilution of Immediate Returns Arising from the Transaction**

In order to protect the interests of investors, prevent the risk of dilution of immediate returns, and enhance value delivered to its shareholders, Zhejiang Expressway, as the Surviving Company, will follow and adopt the following principles and measures to further enhance its operation and management capabilities to address potential dilution of immediate returns. It should be noted, however, that the adoption of these remedial measures does not constitute a guarantee of Zhejiang Expressway's future profitability.

### ***(1) Strengthening internal management and cost control of the Surviving Company***

Zhejiang Expressway will further reinforce its internal management to improve operational and administrative efficiency, and further enhance cost control by implementing comprehensive oversight of all operating, administrative and financial costs across business operations and management processes.

### ***(2) Improving corporate governance to provide institutional safeguards for the development of the Surviving Company***

Zhejiang Expressway has established a robust corporate governance structure to regulate its operation. The Company establishes and maintains well-functioning and independent operational mechanisms for its shareholders' (general) meeting, board of directors, and management. It has set up efficient and streamlined independently-functioning organizational units with well-defined job responsibilities, which are designed to align with the Surviving Company's operational needs. Within this structure, powers and responsibilities across functional departments are clearly delineated to ensure mutual oversight. The Surviving Company will thereby possess a rationally designed and efficient organizational framework. A transparent division of duties and robust checks and balances among the shareholders' (general) meeting, the board of directors, and management will form a comprehensive and effective framework for corporate governance and operational management. Zhejiang Expressway will strictly comply with the Company Law (《公司法》), the Securities Law (《證券法》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》), and other relevant laws, regulations, and normative documents, continually enhance its governance structure, and effectively protect the interests of all investors, particularly minority investors, thereby providing a solid institutional foundation for the development of the Surviving Company.

**(3) Further improving the profit distribution policy and strengthening the investor return mechanism**

Zhejiang Expressway will remain committed to balancing the provision of reasonable returns to shareholders with the sustainable development of the Surviving Company, and will accordingly formulate a consistent, stable, and scientifically-grounded dividend distribution policy. In accordance with the Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引3 號-上市公司現金分紅》) issued by the CSRC, Zhejiang Expressway will continually revise and refine its Articles of Association and develop corresponding shareholder return plans. The profit distribution policy of the Surviving Company will emphasize delivering reasonable returns to investors, particularly the minority investors, and it will take into account the feedback from investors and independent directors, effectively safeguarding the lawful rights of its shareholders to investment income and embodying the Surviving Company's long-term development philosophy of actively rewarding its shareholders.

As the Surviving Company following the Transaction, Zhejiang Expressway will adopt and adhere to relevant principles and measures to further enhance its operational and managerial capabilities and address the risk of dilution of immediate returns. The controlling shareholder, actual controller, directors, and senior management of Zhejiang Expressway have respectively given their undertakings to ensure the effective implementation of the remedial measures by the Surviving Company to mitigate the dilution of immediate returns, as detailed below:

(1) Undertakings given by the directors and senior management of Zhejiang Expressway are as follows:

- “1. I hereby undertake to faithfully and diligently perform my duties, safeguarding the lawful rights and interests of Zhejiang Expressway and all its shareholders.
2. I hereby undertake not to confer benefits upon any other entity or individual without compensation or on unfair terms, nor to harm the interests of our company by any other means.
3. I hereby undertake to exercise restraint in consumption related to my official duties.
4. I hereby undertake not to utilize the assets of Zhejiang Expressway for any investment or consumption activities unrelated to the performance of my official duties.

5. I hereby undertake that any compensation policy established by the board of directors will be linked to the implementation of Zhejiang Expressway's measures for mitigating the dilution of returns.
  6. I hereby undertake that, should Zhejiang Expressway propose to adopt any equity incentive arrangements, the vesting conditions to be announced for such equity incentives will be linked to the implementation of its measures for mitigating the dilution of returns.
  7. Should the CSRC, the SSE, or other relevant regulatory authorities issue new rules concerning dilution mitigation measures or related commitments during the period from the date hereof until completion of the Transaction, and should these undertakings fail to satisfy such new rules, I undertake to provide supplementary commitments in accordance therewith.
  8. I hereby undertake to fully comply with the measures formulated by Zhejiang Expressway to mitigate the dilution of returns and to honor all related commitments I have made in this regard. In the event that a breach of these undertakings and results in losses to Zhejiang Expressway or its investors, I assume compensation liability to Zhejiang Expressway or its investors.”
- (2) Undertakings given by Communications Group, the controlling shareholder of Zhejiang Expressway are as follows:
- “1. The company will not exceed its authority to interfere in the operation and management activities of Zhejiang Expressway, nor will it appropriate any benefits of Zhejiang Expressway.
  2. Should the CSRC, the SSE, or other relevant regulatory authorities issue new rules concerning dilution mitigation measures or related commitments during the period from the date hereof until completion of the Transaction by Zhejiang Expressway, and should these undertakings fail to satisfy such new rules, the company undertakes to provide supplementary commitments in accordance therewith.
  3. The company acknowledges that, in the event of a breach or failure to fulfill these undertakings, it may be subject to penalties or other disciplinary sanctions by the CSRC, the SSE, or other relevant regulatory authorities in accordance with their applicable rules and regulations.”

### Comparison Table of Amendments to the Articles of Association (Abolishment of the Supervisory Committee)

No.	Before amendment	After amendment
1	<p>Article 1 The Articles of Association of Zhejiang Expressway Co., LTD. (hereafter referred to as the “Company”) (hereafter referred to as the “Articles of Association” or “these Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (hereafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereafter referred to as the “Securities Law”), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Listing Rules”) and other relevant laws, regulations and provisions for the purposes of safeguarding the legitimate rights and interests of the Company, its shareholders and creditors as well as regulating the organization and conducts of the Company.</p>	<p>Article 1 The Articles of Association of Zhejiang Expressway Co., LTD. (hereafter referred to as the “Company”) (hereafter referred to as the “Articles of Association” or “these Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (hereafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereafter referred to as the “Securities Law”), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Listing Rules”) and other relevant laws, regulations and provisions for the purposes of safeguarding the legitimate rights and interests of the Company, its shareholders, <b>employees</b> and creditors as well as regulating the organization and conducts of the Company.</p>
2	<p>Article 2 The Company was established by way of promotion on February 24, 1997 with the approval of the State Commission for Restructuring the Economic System under the document Ti Gai Sheng [1997] No.18 and was registered with the <b>Administrative Bureau for Industry and Commerce</b> of Zhejiang Province and obtained its business license on March 1, 1997, the business license number is 14294209-5. Pursuant to the approval document 2000 Wai Jing Mao Zi Yi Han Zi No.521, MOFTEC approved the transformation of the Company into a foreign investment joint stock company with limited liability. The Company’s Unified Social Credit Identifier number is: 91330000142942095H.</p>	<p>Article 2 The Company was established by way of promotion on February 24, 1997 with the approval of the State Commission for Restructuring the Economic System under the document Ti Gai Sheng [1997] No.18 and was registered with the <del>Administrative Bureau for Industry and Commerce</del> <b>Administration for Market Regulation</b> of Zhejiang Province and obtained its business license on March 1, 1997, the business license number is 14294209-5. Pursuant to the approval document 2000 Wai Jing Mao Zi Yi Han Zi No.521, MOFTEC approved the transformation of the Company into a foreign investment joint stock company with limited liability. The Company’s Unified Social Credit Identifier number is: 91330000142942095H.</p>

No.	Before amendment	After amendment
3	<p>Article 6 <b>The chairman of the board of directors</b> shall be the legal representative of the Company.</p>	<p>Article 6 <del>The chairman of the board of directors</del><b><u>The director who represents the Company in executing its affairs</u></b> shall be the legal representative of the Company <b><u>and shall be elected by the board of directors.</u></b></p> <p><b><u>If the director serving as the legal representative resigns, he/she shall be deemed to have concurrently resigned as the legal representative.</u></b></p> <p><b><u>In the event that the legal representative resigns, the Company shall determine a new legal representative within thirty days therefrom.</u></b></p>
4	<p>Article 9 These Articles of Association shall be binding on the Company, its shareholders, directors, <b>supervisors</b>, managers and other senior managerial officers. All persons mentioned above shall have rights to claim relating to the affairs of the Company in accordance with these Articles of Association.</p> <p>In accordance with these Articles of Association, shareholders may institute legal proceedings against the Company; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against directors, <b>supervisors</b>, managers and other senior managerial officers of the Company; the Company may institute legal proceedings against shareholders, directors, <b>supervisors</b>, managers and other senior managerial officers of the Company.</p> <p>The manager, deputy manager, <b>chief financial officer</b> and secretary of the board of directors of the Company are the senior managerial officers of the Company.</p>	<p>Article 9 These Articles of Association shall be binding on the Company, its shareholders, directors, <del>supervisors</del>, managers and other senior managerial officers. All persons mentioned above shall have rights to claim relating to the affairs of the Company in accordance with these Articles of Association.</p> <p>In accordance with these Articles of Association, shareholders may institute legal proceedings against the Company; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against directors, <del>supervisors</del>, managers and other senior managerial officers of the Company; the Company may institute legal proceedings against shareholders, directors, <del>supervisors</del>, managers and other senior managerial officers of the Company.</p> <p>The manager, deputy manager, <b>head of finance (referred to as “chief financial officer” in the Company)</b> and secretary of the board of directors of the Company are the senior managerial officers of the Company.</p>

No.	Before amendment	After amendment
5	<p>Article 10 <b>The entire capital of the Company is divided into shares of equal par value.</b> Shareholders' liabilities to the Company shall be limited to their respective shareholdings in the Company whereas the Company's liabilities shall be limited to the total amount of its <b>assets</b>.</p>	<p>Article 10 <del>The entire capital of the Company is divided into shares of equal par value.</del> Shareholders' liabilities to the Company shall be limited to their respective shareholdings in the Company whereas the Company's liabilities shall be limited to the total amount of its <del>assets</del> <b>properties</b>.</p>
6	<p>Article 11 The Company may invest in other enterprises; <b>however, unless otherwise provided by law, it may not become the investor jointly and severally liable for the debts of the enterprise invested.</b></p>	<p>Article 11 The Company may invest in other enterprises. <b><u>Where any law stipulates that the Company shall not act as an investor who bears joint and several liability for the debts of the invested enterprise, such provisions shall apply;</u></b> <del>however, unless otherwise provided by law, it may not become the investor jointly and severally liable for the debts of the enterprise invested.</del></p>
7	<p>Article 15 The issuance of shares of the Company shall be subject to the open, fair and just principles, and each share in the same class <b>shall</b> rank pari passu.</p> <p>Shares issued at the same time in the same class <b>shall be equal in price and shall be</b> subject to the same conditions. The price paid by <b>any organization or individual</b> for each share shall be the same.</p>	<p>Article 15 The issuance of shares of the Company shall be subject to the open, fair and just principles, and each share in the same class <del>shall</del> <u>rank</u> pari passu.</p> <p>Shares issued at the same time in the same class <del>shall be equal in</del> <b>are of the same</b> price and <del>shall be</del> subject to the same conditions. The price paid by <del>any organization or individual</del> <b>subscriber(s)</b> for each share shall be the same.</p>

No.	Before amendment	After amendment
8	<p>Article 18 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic invested shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign invested shares. Foreign invested shares which are listed outside the PRC are known as overseas listed foreign invested shares.</p> <p>Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than Renminbi, which are recognized by the State's foreign exchange supervisory department and which may be used for payment of shares to the Company.</p> <p>Shareholders of the domestic invested shares of the Company may have their domestic unlisted shares converted into overseas listed shares and have them listed and circulated on overseas stock exchanges, but shall comply with the relevant regulations of the CSRC and entrust the Company to do the filing with the CSRC. The transferred or converted shares shall be listed and traded on overseas stock exchanges and shall comply with the regulatory procedures, rules and requirements of overseas stock markets. A <b>shareholders' general meeting</b> or class meeting is not required for listing and trading of the transferred shares on an overseas stock exchange or for the conversion of domestic invested shares into foreign invested shares and their listing and trading on an overseas stock exchange. Upon conversion of domestic invested shares into foreign invested shares listed overseas, the shares will be regarded as the same class of shares as the original foreign invested shares listed overseas.</p>	<p>Article 18 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic invested shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign invested shares. Foreign invested shares which are listed outside the PRC are known as overseas listed foreign invested shares.</p> <p>Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than Renminbi, which are recognized by the State's foreign exchange supervisory department and which may be used for payment of shares to the Company.</p> <p>Shareholders of the domestic invested shares of the Company may have their domestic unlisted shares converted into overseas listed shares and have them listed and circulated on overseas stock exchanges, but shall comply with the relevant regulations of the CSRC and entrust the Company to do the filing with the CSRC. The transferred or converted shares shall be listed and traded on overseas stock exchanges and shall comply with the regulatory procedures, rules and requirements of overseas stock markets. A <del>shareholders' general meeting</del> <b>shareholders' meeting</b> or class meeting is not required for listing and trading of the transferred shares on an overseas stock exchange or for the conversion of domestic invested shares into foreign invested shares and their listing and trading on an overseas stock exchange. Upon conversion of domestic invested shares into foreign invested shares listed overseas, the shares will be regarded as the same class of shares as the original foreign invested shares listed overseas.</p>

No.	Before amendment	After amendment
9	<p>Article 20 The exclusive promoter of the Company is: Zhejiang Provincial High Class Highway Investment Company Limited (浙江省高等級公路投資有限公司) (according to the document “Zhe Zheng Fa [2001] No. 42”, it was subsequently reorganized as Zhejiang Communications Investment Group Co., Ltd. (浙江省交通投資集團有限公司)), and subscribed the amount of 2,909,260,000 shares upon the establishment of the Company, the promoter made a capital contribution from their net assets and the capital contribution has been in place.</p>	<p>Article 20 The exclusive promoter of the Company is: Zhejiang Provincial High Class Highway Investment Company Limited (浙江省高等級公路投資有限公司) (according to the document “Zhe Zheng Fa [2001] No. 42”, it was subsequently reorganized as Zhejiang Communications Investment Group Co., Ltd. (浙江省交通投資集團有限公司)), and subscribed the amount of 2,909,260,000 shares <b>with par value of Renminbi one per share</b>, upon the establishment of the Company, the promoter made a capital contribution from their net assets and the capital contribution has been in place.</p>
10	<p>Article 22 The Company or its subsidiaries shall not provide any assistance in the form of gifts, advances, guarantee, <b>compensation or loans</b> and etc. <b>to any person who purchases or plans to purchase the shares of the Company. The above-mentioned person who purchases the shares of the Company includes person who directly or indirectly assumes obligations due to the purchase of shares.</b></p>	<p>Article 22 The Company or its subsidiaries <b><u>(including the Company’s affiliated enterprises)</u></b> shall not provide any <b><u>financial</u></b> assistance in the form of gifts, advances, guarantee, <del>compensation or loans</del> <b><u>borrowings</u></b> and etc. <b><u>for any person to acquire shares of the Company or its parent company, save for the implementation of the Company’s employee share ownership plan</u></b> to any person who purchases or plans to purchase the shares of the Company. The above-mentioned person who purchases the shares of the Company includes person who directly or indirectly assumes obligations due to the purchase of shares.</p> <p><b><u>For the interests of the Company, the Company may provide financial assistance for any person to acquire shares of the Company or its parent company, subject to the approval of a resolution passed by the shareholders’ meeting or a resolution made by the board of directors pursuant to the authorization conferred by these Articles of Association or the shareholders’ meeting; provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital of the Company. Any resolution of the board of directors in this regard shall be passed by two-thirds or more of all the directors.</u></b></p>

No.	Before amendment	After amendment
11	<p>Article 23 According to its operational and development requirements, the Company may, pursuant to the laws and regulations and with the approval by resolution at the <b>shareholders' general meeting</b>, increase its capital by the following methods:</p> <ol style="list-style-type: none"> <li>(1) <b>public</b> issuance of shares;</li> <li>(2) <b>non-public</b> issuance of shares;</li> <li>(3) issuance of bonus shares to existing shareholders;</li> <li>(4) capitalization of reserve fund;</li> <li>(5) other means <b>stipulated in</b> the laws, administrative regulations and <b>approved by</b> the CSRC.</li> </ol>	<p>Article 23 According to its operational and development requirements, the Company may, pursuant to the laws and regulations and with the approval by resolution at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>, increase its capital by the following methods:</p> <ol style="list-style-type: none"> <li>(1) <del>public</del> issuance of shares <u>to non-specific investors</u>;</li> <li>(2) <del>non-public</del> issuance of shares <u>to specific investors</u>;</li> <li>(3) issuance of bonus shares to existing shareholders;</li> <li>(4) capitalization of reserve fund;</li> <li>(5) other means <b>as prescribed by</b> <del>stipulated in</del> the laws, administrative regulations and <del>approved by</del> the CSRC.</li> </ol>

No.	Before amendment	After amendment
12	<p>Article 25 When the Company reduces its registered capital, the Company <b>shall</b> prepare a balance sheet and an inventory of assets.</p> <p>The Company <b>shall</b> notify its creditors within 10 days from the date on which the resolution for the reduction of capital has been passed and shall publish a notice in a newspaper within 30 days thereof. The creditors who have received such notice shall, within 30 days thereafter, and those creditors who have not received such notice shall, within 45 days from the date the notice is published, be entitled to require the Company to repay the debt or to provide corresponding guarantees for the debt.</p> <p><b>The registered capital of the Company after the reduction of capital shall not fall below the minimum amount required by law.</b></p>	<p>Article 25 When the Company reduces its registered capital, the Company <del>shall</del><b>will</b> prepare a balance sheet and an inventory of assets.</p> <p>The Company <del>shall</del><b>will</b> notify its creditors within 10 days from the date on which the resolution for the reduction of capital has been passed <b>at shareholders' meeting or on the National Enterprise Credit Information Publicity System</b> within 30 days thereof. The creditors who have received such notice shall, within 30 days thereafter, and those creditors who have not received such notice shall, within 45 days from the date the notice is published, be entitled to require the Company to repay the debt or to provide corresponding guarantees for the debt.</p> <p><b><u>Where the Company reduces its registered capital, the reduction amount of the capital contribution or the shares for the shareholders shall be in proportion to their respective shareholdings accordingly, except as otherwise stipulated by applicable laws or these Articles of Association. The registered capital of the Company after the reduction of capital shall not fall below the minimum amount required by law.</u></b></p>
13	<p>Article 26 The Company shall not repurchase its own shares, except in any of the following circumstances:</p> <p>(1) reduction of the <b>issued share capital and</b> registered capital of the Company;</p> <p>(2) merger with other companies which hold shares of the Company;</p>	<p>Article 26 The Company shall not repurchase its own shares, except in any of the following circumstances:</p> <p>(1) reduction of the <del>issued share capital and</del> registered capital of the Company;</p> <p>(2) merger with other companies which hold shares of the Company;</p>

No.	Before amendment	After amendment
	<p>(3) using shares for employee shareholding plans or for equity incentives;</p> <p>(4) purchasing the shares held by shareholders who have voted against the resolutions on the merger or division of the Company at a <b>shareholders' general meeting</b> upon their request;</p> <p>(5) using the shares for conversion of convertible corporate bonds issued by the Company;</p> <p>(6) necessary acts by the Company to maintain its value and protect the interests of the shareholders.</p> <p>If the Company repurchases shares for the circumstances set out in the first paragraph of this Article, it shall <b>obtain approval by</b> resolution of <b>the shareholders at the general meeting</b>.</p>	<p>(3) using shares for employee shareholding plans or for equity incentives;</p> <p>(4) purchasing the shares held by shareholders who have voted against the resolutions on the merger or division of the Company at a <u>shareholders' general meeting</u> <b>shareholders' meeting</b> upon their request;</p> <p>(5) using the shares for conversion of convertible corporate bonds issued by the Company;</p> <p>(6) necessary acts by the Company to maintain its value and protect the interests of the shareholders.</p> <p>If the Company repurchases shares for the circumstances set out in <u>subparagraphs (1) and (2) of</u> the first paragraph of this Article, it shall <del>obtain approval by</del> <b>be subject to a resolution of the shareholders at the general meeting</b> <del>shareholders' meeting</del>. <b><u>If the Company repurchases shares for the circumstances set out in subparagraphs (3), (5) and (6) of the first paragraph of this Article, such repurchase may, in accordance with the provisions of these Articles of Association or an authorization granted by shareholders' meeting, be subject to a resolution adopted at a meeting of the board of directors where two-thirds or more of all the directors of the Company attend.</u></b></p>

No.	Before amendment	After amendment
	If the Company repurchases shares for the circumstances set out in the first paragraph of this Article, the shares repurchased under subparagraph (1) shall be cancelled within 10 days from the date of acquisition <b>and the registered capital shall be deducted accordingly</b> ; shares repurchased under subparagraphs (2) and (4) shall be transferred or cancelled within 6 months; and shares repurchased by the Company under subparagraphs (3), (5) and (6) shall not exceed 10% of the Company's total issued shares, and the shares acquired shall be transferred or cancelled within 3 years.	If the Company repurchases shares for the circumstances set out in the first paragraph of this Article, the shares repurchased under subparagraph (1) shall be cancelled within 10 days from the date of acquisition <del>and the registered capital shall be deducted accordingly</del> ; shares repurchased under subparagraphs (2) and (4) shall be transferred or cancelled within 6 months; and shares repurchased by the Company under subparagraphs (3), (5) and (6) shall not exceed 10% of the Company's total issued shares, and the shares acquired shall be transferred or cancelled within 3 years.
14	Article 27 The shares of the Company <b>may</b> be transferred in accordance with the law.	Article 27 The shares of the Company <del>may</del> <b>shall</b> be transferred in accordance with the law.
15	Article 28 The Company shall not accept its own shares <b>being held as security under</b> a pledge.	Article 28 The Company shall not accept its own shares <del>being held as security under</del> <b>as the subject matter of</b> a pledge <b>right</b> .
16	Article 29 Where the Company <b>issues registered shares</b> , it <b>shall</b> establish a register of shareholders on the basis of the certificate provided by the securities registrar. <b>Where bearer shares are issued, the Company shall record the amount, number and issue date of the shares.</b> Shareholders shall enjoy rights and bear obligations according to the <b>type</b> of shares they hold; shareholders holding the same <b>type</b> of shares shall enjoy the same rights and bear the same obligations.	Article 29 <del>Where the</del> <b>The</b> Company issues registered shares, it <del>shall</del> <b>establishes</b> a register of shareholders on the basis of the certificate provided by the securities registrar, <b>and such register of shareholders constitutes conclusive evidence of the shareholders' ownership of the Company's shares.</b> <del>Where bearer shares are issued, the Company shall record the amount, number and issue date of the shares.</del> Shareholders shall enjoy rights and bear obligations according to the <del>type</del> <b>class</b> of shares they hold; shareholders holding the same <del>type</del> <b>class</b> of shares shall enjoy the same rights and bear the same obligations.

No.	Before amendment	After amendment
17	<p>Article 30 In the event that the Company convenes a <b>shareholders' general meeting</b>, distributes dividends, enters into liquidation or carries out other activities for which the ascertainment of the shareholder's identity is necessary, the board of directors or the convener of <b>shareholders' general meetings</b> shall ascertain the shareholding registration day and those shareholders who remain on the register upon the close of such day shall be the shareholders of the Company with the relevant rights.</p>	<p>Article 30 In the event that the Company convenes a <del>shareholders' general meeting</del> <b>shareholders' meeting</b>, distributes dividends, enters into liquidation or carries out other activities for which the ascertainment of the shareholder's identity is necessary, the board of directors or the convener of <del>shareholders' general meetings</del> <b>shareholders' meetings</b> shall ascertain the shareholding registration day and those shareholders who remain on the register upon the close of such day shall be the shareholders of the Company with the relevant rights.</p>
18	<p>Article 31 A shareholder of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> <li data-bbox="347 953 834 1049">(1) to obtain dividends and other forms of profit distribution in accordance with the number of shares he holds;</li> <li data-bbox="347 1091 834 1293">(2) to <b>file a petition to</b> convene, hold, attend <b>and speak at shareholders' general meetings</b> personally or by proxy, and exercise their corresponding voting right according to the laws;</li> <li data-bbox="347 1336 834 1432">(3) to supervise the operation of the Company, and to make proposals or inquiries in relation thereto;</li> <li data-bbox="347 1474 834 1676">(4) to transfer, donate or pledge shares they hold in accordance with laws, administrative regulations, <b>departmental rules</b> and the provisions of these Articles of Association;</li> </ol>	<p>Article 31 A shareholder of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> <li data-bbox="866 953 1353 1049">(1) to obtain dividends and other forms of profit distribution in accordance with the number of shares he holds;</li> <li data-bbox="866 1091 1353 1325">(2) to <b>request to convene, assemble,</b> hold <b>and</b> attend <del>and speak at shareholders' general meetings</del> <b>shareholders' meetings</b> personally or by proxy, and exercise their corresponding voting right according to the laws;</li> <li data-bbox="866 1368 1353 1464">(3) to supervise the operation of the Company, and to make proposals or inquiries in relation thereto;</li> <li data-bbox="866 1506 1353 1708">(4) to transfer, donate or pledge shares they hold <b>in the Company</b> in accordance with laws, administrative regulations, <del>departmental rules</del> and the provisions of these Articles of Association;</li> </ol>

No.	Before amendment	After amendment
	<p>(5) <b>Shareholders shall have the right</b> to inspect these Articles of Association, the register of shareholders, <b>counterfoils of the Company's bonds</b>, the minutes of the <b>general meeting of shareholders</b>, the resolutions of the board of directors, <b>the resolutions of the supervisory committee</b> and the published and disclosed financial and accounting reports;</p> <p>(6) to participate in the distribution of the remaining assets in accordance with his shareholding upon the dissolution or liquidation of the Company;</p> <p>(7) to request the Company to purchase their shares for the shareholders who object to the resolution on merger or division of the Company made by the <b>general meetings</b>;</p> <p>(8) other rights conferred by these Articles of Association, relevant laws, regulations and departmental rules.</p> <p>Any shareholder <b>requesting for</b> inspection of the relevant <b>information</b> as set forth in the preceding Article <b>or for obtaining information</b> shall furnish with the Company written document evidencing the class and number of shares of the Company he/she holds and the Company shall <b>comply</b> with such shareholder's request upon verification of the shareholder's identity.</p>	<p>(5) <del>Shareholders shall have the right</del> to inspect <b>and duplicate</b> these Articles of Association, the register of shareholders, <del>counterfoils of the Company's bonds</del>, the minutes of the <del>general meeting of shareholders</del> <b>shareholders' meetings</b>, the resolutions of the board of directors; <del>the resolutions of the supervisory committee</del> and the published and disclosed financial and accounting reports; <b>shareholders who meet the prescribed requirements may inspect the Company's accounting books and accounting vouchers</b>;</p> <p>(6) to participate in the distribution of the remaining assets in accordance with his shareholding upon the dissolution or liquidation of the Company;</p> <p>(7) to request the Company to purchase their shares for the shareholders who object to the resolution on merger or division of the Company made by the <del>general meetings</del> <b>shareholders' meetings</b>;</p> <p>(8) other rights conferred by these Articles of Association, relevant laws, regulations and departmental rules.</p> <p>Any shareholder <del>requesting for inspection of</del> <b>requests to inspect or duplicate</b> the relevant <del>information</del> <b>materials</b> as set forth in the preceding Article <del>or for obtaining information</del> shall, <b>in compliance with the provisions of the Company Law, the Securities Law and other applicable laws and administrative regulations</b>, furnish with the Company written document evidencing the class and number of shares of the Company he/she holds and the Company shall <b>provide the materials</b> <del>comply in accordance</del> with such shareholder's request <b>and relevant provisions</b> upon verification of the shareholder's identity.</p>

No.	Before amendment	After amendment
19	<p><b>Article 32</b> The Company shall not exercise any powers to freeze or otherwise impair any of the rights attaching to any share of the Company by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p>	<p><del>Article 32</del>—The Company shall not exercise any powers to freeze or otherwise impair any of the rights attaching to any share of the Company by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
20	<p><b>Article 33</b> A holder of share(s) of the Company shall undertake the following obligations:</p> <ol style="list-style-type: none"> <li>(1) to observe laws, administrative regulations and these Articles of Association;</li> <li>(2) to pay the subscription <b>price</b> in accordance with the number of shares subscribed for and in the manner of subscription;</li> <li>(3) not to withdraw his/her contribution unless required by the laws, administrative regulations;</li> <li>(4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;</li> <li>(5) other obligations provided by laws, administrative regulations and these Articles of Association.</li> </ol>	<p><b>Article 32</b> A holder of share(s) of the Company shall undertake the following obligations:</p> <ol style="list-style-type: none"> <li>(1) to observe laws, administrative regulations and these Articles of Association;</li> <li>(2) to pay the subscription <del>price</del> <b>monies</b> in accordance with the number of shares subscribed for and in the manner of subscription;</li> <li>(3) not to withdraw his/her <b>capital</b> contribution unless required by the laws, administrative regulations;</li> <li>(4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;</li> <li>(5) other obligations provided by laws, administrative regulations and these Articles of Association.</li> </ol>

No.	Before amendment	After amendment
	<p>If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation according to the laws. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts owed by the Company.</p>	<p>If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation according to the laws. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts owed by the Company.</p>
21	<p>Chapter 5 <b>Shareholders' General Meetings</b></p> <p><b>Article 34</b> The shareholders' general meeting is the governing body of the Company and it shall <b>perform its functions</b> in accordance with relevant laws.</p> <p><b>Article 35</b> The shareholders' general meeting shall exercise the following powers:</p> <p>(1) <b>to determine the business policies and investment plans of the Company;</b></p> <p>(2) to elect and replace directors who are not staff representatives, and to determine the remuneration of the directors;</p> <p>(3) <b>to elect and replace supervisors who are not staff representatives, and to determine the remuneration of such supervisors;</b></p> <p>(4) to examine and to approve the report of the board of directors;</p>	<p>Chapter 5 <b>Shareholders' General Meetings</b> <b>Shareholders' Meetings</b></p> <p><b>Article 33</b> <u>The shareholders' meeting of the Company shall be composed of all shareholders of the Company.</u> <del>The shareholders' general meeting</del> <b>shareholders' meeting</b> is the governing body of the Company and it shall <del>perform</del> its <del>functions</del> in accordance with relevant laws:</p> <p><del>Article 35</del> <del>The shareholders' general meeting shall</del> exercise the following powers:</p> <p>(1) <del>to determine the business policies and investment plans of the Company;</del></p> <p>(2) to elect and replace directors who are not staff representatives, and to determine the remuneration of the directors;</p> <p>(3) <del>to elect and replace supervisors who are not staff representatives, and to determine the remuneration of such supervisors;</del></p> <p>(4) <del>to examine and to approve the report of the board of directors;</del></p>

No.	Before amendment	After amendment
	(5) to examine and to approve the report of the supervisory committee;	<del>(5) — to examine and to approve the report of the supervisory committee;</del>
	(6) to examine and to approve the annual financial budgets and final accounts of the Company;	<del>(6) — to examine and to approve the annual financial budgets and final accounts of the Company;</del>
	(7) to examine and to approve the plans for profit distribution and making up of losses of the Company;	<del>(7)</del> to examine and to approve the plans for profit distribution and making up of losses of the Company;
	(8) to resolve on the increase or reduction in the registered capital of the Company;	<del>(8)</del> to resolve on the increase or reduction in the registered capital of the Company;
	(9) to resolve on matters such as merger, division, dissolution, liquidation or change of corporate form, etc. of the Company;	<del>(9)</del> to resolve on matters such as merger, division, dissolution, liquidation or change of corporate form, etc. of the Company;
	(10) to resolve on the issue of debentures by the Company;	<del>(10)</del> to resolve on the issue of debentures <u>by</u> of the Company;
	(11) to amend these Articles of Association;	<del>(11)</del> to amend these Articles of Association;
	(12) to examine any motion put forward by shareholders individually or jointly holding 3% or more of the Company's shares;	<del>(12) — to examine any motion put forward by shareholders individually or jointly holding 3% or more of the Company's shares;</del>
	(13) to resolve on the appointment, dismissal <b>or discontinuance</b> of appointment of the accounting firm of the Company;	<del>(13)</del> to resolve on the appointment; <u>or</u> dismissal <del>or discontinuance of appointment</del> of the accounting firm <b>conducting audit of</b> the Company;
	(14) other matters to be resolved in <b>shareholders' general meeting</b> in accordance with the requirements of pertinent laws, administrative regulations, departmental rules and these Articles of Association.	<del>(14)</del> other matters to be resolved in <del>shareholders' general meeting</del> <b>shareholders' meeting</b> in accordance with the requirements of pertinent laws, administrative regulations, departmental rules and these Articles of Association.

No.	Before amendment	After amendment
		<u>The shareholders' meeting may authorize the board of directors to resolve on the issuance of debentures of the Company.</u>
22	<b>Article 36</b> Except in exceptional circumstances, such as when the Company is in crisis, without prior approval by the special resolution of the <b>shareholders in general meeting</b> , the Company will not enter into any contract with persons other than a director, manager or other senior managerial officers whereby the management of all or substantial parts of the business of the Company shall be vested in such contracting person(s).	<b>Article 34</b> Except in exceptional circumstances, such as when the Company is in crisis, without prior approval by the special resolution of the <del>shareholders in general meeting</del> <b>shareholders' meeting</b> , the Company will not enter into any contract with persons other than a director, manager or other senior managerial officers whereby the management of all or substantial parts of the business of the Company shall be vested in such contracting person(s).
23	<p><b>Article 37 Shareholders' general meetings</b> shall be divided into annual <b>general meetings</b> and extraordinary <b>general meetings</b>. <b>Shareholders' general meetings</b> shall be convened by the board of directors. Annual <b>general meetings</b> shall be convened once every year and shall be held within 6 months after the end of the preceding accounting year.</p> <p>Upon the occurrence of any of the following events, the Company shall convene an extraordinary <b>general meeting</b> within two months of the date of occurrence of such event:</p> <p>(1) the number of directors falls below the number provided by the Company Law or less than two-thirds of the number fixed by these Articles of Association;</p> <p>(2) the losses of the Company which have not been made up amount to one-third of the total <b>paid-in</b> share capital of the Company;</p>	<p><del>Shareholders' general meetings</del> <b>Shareholders' meetings</b> shall be divided into annual <del>general meetings</del> <b>shareholders' meetings</b> and extraordinary <del>general meetings</del> <b>shareholders' meetings</b>. <del>Shareholders' general meetings</del> <b>Shareholders' meetings</b> shall be convened by the board of directors. Annual <del>general meetings</del> <b>shareholders' meetings</b> shall be convened once every year and shall be held within 6 months after the end of the preceding accounting year.</p> <p>Upon the occurrence of any of the following events, the Company shall convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> within two months of the date of occurrence of such event:</p> <p>(1) the number of directors falls below the number provided by the Company Law or less than two-thirds of the number fixed by these Articles of Association;</p> <p>(2) the losses of the Company which have not been made up amount to one-third of the total <del>paid-in</del> share capital of the Company;</p>

No.	Before amendment	After amendment
	<p>(3) requested by shareholders holding an aggregate of 10% or more of the issued shares of the Company individually or in total;</p> <p>(4) whenever the board of directors considers necessary;</p> <p>(5) the <b>supervisory committee</b> proposes to convene the same;</p> <p>(6) any other circumstances required by the laws, administrative regulations or otherwise set out in these Articles of Association.</p>	<p>(3) requested by shareholders holding an aggregate of 10% or more of the issued shares of the Company individually or in total;</p> <p>(4) whenever the board of directors considers necessary;</p> <p>(5) the <del>supervisory committee</del> <b>audit committee</b> proposes to convene the same;</p> <p>(6) any other circumstances required by the laws, administrative regulations, <b>departmental rules</b> or otherwise set out in these Articles of Association.</p>
24	<p><b>Article 38</b> An annual <b>general meeting</b> shall be convened by a notice of <b>20</b> days prior to the meeting to inform the shareholders of the time and place of the meeting and matters to be considered; an extraordinary <b>general meeting</b> shall be convened by a notice of 15 days prior to the meeting to inform the shareholders of the time and place of that meeting and matters to be considered.</p>	<p><b>Article 36</b> An annual <del>general meetings</del> <b>shareholders' meeting</b> shall be convened by a notice of <del>20</del><b>21</b> days prior to the meeting to inform the shareholders of the time and place of the meeting and matters to be considered; an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> shall be convened by a notice of 15 days prior to the meeting to inform the shareholders of the time and place of that meeting and matters to be considered.</p>
25	<p><b>Article 39</b> The contents of the proposals shall be within the scope of the functions and powers of the <b>shareholders' general meeting</b>, contain clear issues and specific matters for resolutions, and comply with the relevant provisions of the laws, administrative regulations and these Articles of Association.</p>	<p><b>Article 37</b> The contents of the proposals shall be within the scope of the functions and powers of the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>, contain clear issues and specific matters for resolutions, and comply with the relevant provisions of the laws, administrative regulations and these Articles of Association.</p>
26	<p><b>Article 40</b> When the Company convenes a <b>general meeting of shareholders</b>, the board of directors, the <b>supervisory committee</b> and shareholders who individually or collectively hold <b>3%</b> or more of the Company's shares shall be entitled to submit proposals to the Company.</p>	<p><b>Article 38</b> When the Company convenes a <del>general meeting of shareholders</del> <b>shareholders' meeting</b>, the board of directors, the <del>supervisory committee</del> <b>audit committee</b> and shareholders who individually or collectively hold <del>3</del><b>31</b>% or more of the Company's shares shall be entitled to submit proposals to the Company.</p>

No.	Before amendment	After amendment
	<p><b>The board of directors of the Company, supervisory committee or shareholders</b> individually or jointly holding <b>3%</b> or more of the Company's shares shall have the right to raise interim proposals and submit them in writing to the convenor 10 days prior to a <b>general meeting</b>; the convenor shall, within 2 days after receipt of such interim proposals, issue a supplementary notice of the <b>general meeting</b> to announce the content of the interim proposals.</p> <p>Except as provided in the preceding paragraph, the convenor shall not amend the proposals already specified in the notice of the <b>general meeting</b> or add new proposals after the notice of the <b>general meeting</b> has been issued.</p>	<p><del>The board of directors of the Company, supervisory committee or shareholders</del> <b>Shareholders</b> individually or jointly holding <del>3</del><b>1</b>% or more of the Company's shares shall have the right to raise interim proposals and submit them in writing to the convenor 10 days prior to a <del>general meeting</del> <b>shareholders' meeting</b>; the convenor shall, within 2 days after receipt of such interim proposals, issue a supplementary notice of the <del>general meeting</del> <b>shareholders' meeting</b> to announce the content of the interim proposals <b>and submit such interim proposals to the shareholders' meeting for deliberation. This provision shall not apply if the interim proposal goes against the provisions of any applicable laws, administrative regulations or the Company's Articles of Association, or falls outside the scope of the functions and powers of the shareholders' meeting.</b></p> <p>Except as provided in the preceding paragraph, the convenor shall not amend the proposals already specified in the notice of the <del>general meeting</del> <b>shareholders' meeting</b> or add new proposals after the notice of the <del>general meeting</del> <b>shareholders' meeting</b> has been issued.</p>
27	<p><b>Article 41</b> Proposals which are not specified in the notice of the <b>general meeting</b> or which do not comply with Articles 39 and 40 of these Articles of Association shall not be voted and resolved in a <b>shareholders' general meeting</b>.</p>	<p><b>Article 39</b> Proposals which are not specified in the notice of the <del>general meeting</del> <b>shareholders' meeting</b> or which do not comply with Articles <del>39</del><b>7</b> and <del>40</del><b>38</b> of these Articles of Association shall not be voted and resolved in a <del>shareholders' general meeting</del> <b>shareholders' meeting</b>.</p>

No.	Before amendment	After amendment
28	<p><b>Article 42</b> A notice of <b>shareholders' general meeting</b> shall be in writing and include the following:</p> <ol style="list-style-type: none"> <li>(1) the place, <b>the date</b> and the duration of the meeting;</li> <li>(2) propose the matters to be resolved;</li> <li>(3) it shall expressly specify in writing that <b>the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more than one proxy to attend the meeting and to vote thereat and the proxy or proxies need not be a shareholder;</b></li> <li>(4) any other matters required to be set out in the laws, administrative regulations, departmental rules or the Listing Rules.</li> </ol>	<p><b>Article 40</b> A notice of <del>shareholders' general meeting</del> <b>shareholders' meeting</b> shall be in writing and include the following:</p> <ol style="list-style-type: none"> <li>(1) the <b>time</b>, place, <del>the date</del> and the duration of the meeting;</li> <li>(2) <del>propose the matters</del> <b>and proposals to be resolved</b> <u>submitted for deliberation</u>;</li> <li>(3) it shall expressly specify in writing that <b>all shareholders are entitled to attend the shareholders' meeting, and may appoint proxies in writing to attend the meeting and exercise voting rights on their behalf, and such</b> <del>the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more than one proxy to attend the meeting and to vote thereat and the proxy or proxies need not be a shareholder;</del></li> <li>(4) any other matters required to be set out in the laws, administrative regulations, departmental rules or the Listing Rules.</li> </ol>
29	<p><b>Article 43</b> Notice of <b>shareholders' general meeting</b> is served by way of announcement or any other form which complies with the conditions set by the regulatory authorities on all shareholders (whether or not such shares carry the right to vote at the <b>shareholders' general meeting</b>).</p> <p>Once the announcement has been made, all holders of shares shall be deemed to have received notice of the shareholders' meeting.</p>	<p><b>Article 41</b> Notice of <del>shareholders' general meeting</del> <b>a shareholders' meeting</b> is served by way of announcement or any other form which complies with the conditions set by the regulatory authorities on all shareholders (whether or not such shares carry the right to vote at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>).</p> <p>Once the announcement has been made, all holders of shares shall be deemed to have received notice of the shareholders' meeting.</p>

No.	Before amendment	After amendment
30	<p><b>Article 44</b> Any shareholder who is entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (whether being a shareholder or not) as his proxies to attend and vote at such meeting on his behalf. Such proxy or proxies may exercise the following rights pursuant to the appointment made by the appointing shareholder:</p> <p>(1) the right of such shareholder to speak at the shareholders' general meeting;</p> <p>(2) to act on his own or join with other persons to demand for a poll;</p> <p>(3) to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote on a poll.</p>	<p><del>Article 44—Any shareholder who is entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (whether being a shareholder or not) as his proxies to attend and vote at such meeting on his behalf. Such proxy or proxies may exercise the following rights pursuant to the appointment made by the appointing shareholder:</del></p> <p>(1) <del>the right of such shareholder to speak at the shareholders' general meeting;</del></p> <p>(2) <del>to act on his own or join with other persons to demand for a poll;</del></p> <p>(3) <del>to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote on a poll.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
31	<p><b>Article 45</b> A shareholder shall appoint his proxy in writing signed by the appointor or an attorney authorized by him for such purpose; if the appointor is a legal entity, the same shall be affixed with the seal of such legal entity, or signed by its directors or a duly authorized representative.</p>	<p><del>Article 45—A shareholder shall appoint his proxy in writing signed by the appointor or an attorney authorized by him for such purpose; if the appointor is a legal entity, the same shall be affixed with the seal of such legal entity, or signed by its directors or a duly authorized representative.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

No.	Before amendment	After amendment
32	<p><b>Article 46</b> An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the registered address of the Company or such other place as the notice of meeting may specify. If the instrument appointing a proxy has been signed by a person authorized by the appointor, the power of attorney or other instruments of authorization shall be notarized. The power of attorney or other instruments of authorization so notarized together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify at the same time as the instrument appointing the proxy is so deposited.</p> <p>In the event that the appointor is a legal person, such shareholder shall be represented at the shareholders' general meeting of the Company by its legal representative or the person authorized by its board of directors or other governing body of such appointor.</p>	<p><del>Article 46—An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the registered address of the Company or such other place as the notice of meeting may specify. If the instrument appointing a proxy has been signed by a person authorized by the appointor, the power of attorney or other instruments of authorization shall be notarized. The power of attorney or other instruments of authorization so notarized together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify at the same time as the instrument appointing the proxy is so deposited.</del></p> <p>In the event that the appointor is a legal person, such shareholder shall be represented at the shareholders' general meeting of the Company by its legal representative or the person authorized by its board of directors or other governing body of such appointor.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
33	<p><b>Article 47</b> The instrument delivered to a shareholder by the board of directors of the Company for appointing a proxy shall be in such form so as to enable the shareholder to instruct freely at his choice the proxy to vote in favor of or against any resolution and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that if no instruction is given by the shareholder, the proxy may vote in the way as he thinks fit.</p>	<p><del>Article 47—The instrument delivered to a shareholder by the board of directors of the Company for appointing a proxy shall be in such form so as to enable the shareholder to instruct freely at his choice the proxy to vote in favor of or against any resolution and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that if no instruction is given by the shareholder, the proxy may vote in the way as he thinks fit.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

No.	Before amendment	After amendment
34	<b>Article 48 Notwithstanding the death or incapacity of the appointor, or the revocation of the appointment or revocation of the authority under which the appointing instrument is signed, or the relevant shares have been transferred, a vote by such proxy pursuant to the instrument of appointment shall still be valid provided that no notice in writing in respect of the events mentioned above has been received by the Company prior to the commencement of the relevant meeting.</b>	<del>Article 48—Notwithstanding the death or incapacity of the appointor, or the revocation of the appointment or revocation of the authority under which the appointing instrument is signed, or the relevant shares have been transferred, a vote by such proxy pursuant to the instrument of appointment shall still be valid provided that no notice in writing in respect of the events mentioned above has been received by the Company prior to the commencement of the relevant meeting.</del>  <b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b>

No.	Before amendment	After amendment
35	<p><b>Article 49</b> The proxy who attends the shareholders' general meeting on behalf of the shareholder shall produce his own personal identification.</p> <p>If a corporate shareholder appoints a legal representative to attend the meeting, such representative shall produce his own personal identification and a copy of the resolution of the board of directors or other governing body of such corporate shareholder appointing such legal representative.</p>	<p><b>Article 42</b> <u>A shareholder may attend a shareholders' meeting in person or appoint a proxy to attend and vote on his/her behalf. Where a shareholder appoints a proxy to attend a shareholders' meeting, the shareholder shall specify the matters, powers and term of the proxy's authorization; and the proxy shall submit a power of attorney issued by the shareholder to the Company and exercise voting rights within the scope of the authorization.</u> <del>The proxy who attends the shareholders' general meeting on behalf of the shareholder shall produce his own personal identification.</del></p> <p><u>An individual shareholder attending the meeting in person shall produce his/her valid identity card or other valid identity document or certificate; a proxy for others shall present his/her own valid identification together with the appointing shareholder's power of attorney.</u></p> <p><u>A corporate shareholder shall be represented by its legal representative or a proxy appointed by its legal representative. The legal representative shall produce his/her valid identity card and documentation evidencing his/her status. A proxy of a corporate shareholder shall produce his/her valid identity card and a power of attorney issued by the corporate shareholder's legal representative.</u> <del>If a corporate shareholder appoints a legal representative to attend the meeting, such representative shall produce his own personal identification and a copy of the resolution of the board of directors or other governing body of such corporate shareholder appointing such legal representative.</del></p>

No.	Before amendment	After amendment
		<p><b><u>Where a proxy form is signed by an authorized signatory, the underlying power of attorney or authorization document conferring signing authority must be notarized. Such notarized documents, along with the proxy form, shall be kept at the Company's registered address or such other place as specified in the meeting notice.</u></b></p>
36	<p><b>Article 50</b> Resolutions of <b>shareholders' general meetings</b> shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution of a <b>shareholders' general meeting</b> shall be passed by more than half of the votes cast by the shareholders present in person or by proxy at the <b>shareholders' general meeting</b>.</p> <p>A special resolution of a <b>shareholders' general meeting</b> shall be passed by <b>more than</b> two thirds of the votes cast by the shareholders present in person or by proxy at the <b>shareholders' general meeting</b>.</p>	<p><b>Article 43</b> Resolutions of <del>shareholders' general meetings</del> <b>shareholders' meetings</b> shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution of a <del>shareholders' general meeting</del> <b>shareholders' meeting</b> shall be passed by more than half of the votes cast by the shareholders present in person or by proxy at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>.</p> <p>A special resolution of a <del>shareholders' general meeting</del> <b>shareholders' meeting</b> shall be passed by <del>more than two thirds</del> <b>or more</b> of the votes cast by the shareholders present in person or by proxy at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>.</p>
37	<p><b>Article 51</b> A shareholder (including his proxy) may exercise voting rights at the <b>shareholders' general meeting</b> according to the number of shares which carry the right to vote held by him and each share shall have one vote. Shares held by the Company shall not carry any voting right and shall not be counted into the total shares with voting rights present at the <b>shareholders' general meeting</b>.</p>	<p><b>Article 44</b> A shareholder (including his proxy) may exercise voting rights at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b> according to the number of shares which carry the right to vote held by him and each share shall have one vote. Shares held by the Company shall not carry any voting right and shall not be counted into the total shares with voting rights present at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>.</p>
38	<p><b>Article 52</b> The <b>shareholders' general meeting</b> shall be held by registered ballot.</p>	<p><b>Article 45</b> The <del>shareholders' general meeting</del> <b>shareholders' meeting</b> shall be held by registered ballot.</p>

No.	Before amendment	After amendment
39	<p><b>Article 53</b> The following matters shall be passed by ordinary resolution at a <b>shareholders' general meeting</b>:</p> <ol style="list-style-type: none"> <li>(1) the working reports of the board of directors <b>and the supervisory committee</b>;</li> <li>(2) plans for profit distribution and for making up of losses prepared by the board of directors;</li> <li>(3) appointment and dismissal of the members of the board of directors <b>and the members of the supervisory committee</b> and their remuneration and method of payment;</li> <li>(4) <b>annual financial budget, statement of final accounts</b>;</li> <li>(5) other matters except those required by the laws, administrative regulations or these Articles of Association to be passed by special resolution <b>at a shareholders' general meeting</b>.</li> </ol>	<p><b>Article 46</b> The following matters shall be passed by ordinary resolution at a <del>shareholders' general meeting</del> <b>shareholders' meeting</b>:</p> <ol style="list-style-type: none"> <li>(1) the working reports of the board of directors <del>and the supervisory committee</del>;</li> <li>(2) plans for profit distribution and for making up of losses prepared by the board of directors;</li> <li>(3) appointment and dismissal of the members of the board of directors <del>and the members of the supervisory committee</del> and their remuneration and method of payment;</li> <li>(4) <del>annual financial budget, statement of final accounts</del>;</li> <li>(5) <del>other matters except those required by the laws, administrative regulations or these Articles of Association to be passed by special resolution at a shareholders' general meeting</del> <b>shareholders' meeting</b>.</li> </ol>
40	<p><b>Article 54</b> The following matters shall be passed by special resolution at the <b>shareholders' general meeting</b>:</p> <ol style="list-style-type: none"> <li>(1) an increase or reduction of the registered share capital of the Company;</li> <li>(2) the merger, division, dissolution and liquidation of the Company;</li> <li>(3) amendments to these Articles of Association;</li> </ol>	<p><b>Article 47</b> The following matters shall be passed by special resolution at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>:</p> <ol style="list-style-type: none"> <li>(1) an increase or reduction of the registered share capital of the Company;</li> <li>(2) the merger, division, dissolution and liquidation of the Company;</li> <li>(3) amendments to these Articles of Association;</li> </ol>

No.	Before amendment	After amendment
	<p>(4) other matters which are provided for by the laws, administrative regulations or these Articles of Association and resolved by ordinary resolutions in <b>shareholders' general meeting</b> to be of material effect to the Company, which are to be passed by special resolutions.</p>	<p>(4) other matters which are provided for by the laws, administrative regulations or these Articles of Association and resolved by ordinary resolutions in <del>shareholders' general meeting</del> <b>shareholders' meeting</b> to be of material effect to the Company, which are to be passed by special resolutions.</p>
41	<p><b>Article 55</b> Shareholders who request to convene an <b>extraordinary general meeting</b> or a class shareholders' meeting shall follow the procedures set out below:</p> <p>(1) shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to request the board of directors to convene an extraordinary <b>general meeting</b> or a class shareholders' meeting. Such request shall be done in writing.</p> <p>The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, provide written feed back on whether it agrees or disagrees with the convening of an extraordinary <b>general meeting</b> or a class shareholders' meeting within 10 days after receiving the request.</p>	<p><b>Article 48</b> Shareholders who request to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or a class shareholders' meeting shall follow the procedures set out below:</p> <p>(1) shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to request the board of directors to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or a class shareholders' meeting. Such request shall be done in writing.</p> <p>The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, provide written feed back on whether it agrees or disagrees with the convening of an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or a class shareholders' meeting within 10 days after receiving the request.</p>

No.	Before amendment	After amendment
	<p>If the board of directors agrees to convene an extraordinary <b>general meeting</b> or a class shareholders' meeting, it shall give notice of the convening of the <b>general meeting</b> or the class shareholders' meeting within 5 days of such resolution of the board of directors, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.</p> <p>(2) if the board of directors does not agree to convene an extraordinary <b>general meeting</b> or a class shareholders' meeting or does not provide feedback within 10 days of the receipt of the aforesaid written requisitions, shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to propose to the <b>supervisory committee</b> to convene an extraordinary <b>general meeting</b> or a class shareholders' meeting and shall submit their request in writing. If the <b>supervisory committee</b> agrees to convene an extraordinary <b>general meeting</b> or a class shareholders' meeting, it shall, within 5 days of receipt of such request, issue a notice of convening the <b>general meeting</b> or the class shareholders' meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p>	<p>If the board of directors agrees to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or a class shareholders' meeting, it shall give notice of the convening of the <del>general meeting</del> <b>shareholders' meeting</b> or the class shareholders' meeting within 5 days of such resolution of the board of directors, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.</p> <p>(2) if the board of directors does not agree to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or a class shareholders' meeting or does not provide feedback within 10 days of the receipt of the aforesaid written requisitions, shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to propose to the <del>supervisory committee</del> <b>audit committee</b> to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or a class shareholders' meeting and shall submit their request in writing. If the <del>supervisory committee</del> <b>audit committee</b> agrees to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or a class shareholders' meeting, it shall, within 5 days of receipt of such request, issue a notice of convening the <del>general meeting</del> <b>shareholders' meeting</b> or the class shareholders' meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p>

No.	Before amendment	After amendment
	<p>(3) if the <b>supervisory committee</b> fails to issue the notice of the <b>general meeting</b> or the class shareholders' meeting within the prescribed period, the <b>supervisory committee</b> shall be deemed not to convene and preside over the <b>general meeting</b>, and shareholders who individually or collectively hold 10% or more voting rights of all the shares having the right to vote in such a meeting for 90 or more consecutive days may convene and preside over the <b>general meeting</b> on their own.</p>	<p>(3) if the <del>supervisory committee</del> <b>audit committee</b> fails to issue the notice of the <del>general meeting</del> <b>shareholders' meeting</b> or the class shareholders' meeting within the prescribed period, the <del>supervisory committee</del> <b>audit committee</b> shall be deemed not to convene and preside over the <del>general meeting</del> <b>shareholders' meeting or the class shareholders' meeting</b>, and shareholders who individually or collectively hold 10% or more voting rights of all the shares having the right to vote in such a meeting for 90 or more consecutive days may convene and preside over the <del>general meeting</del> on their own.</p>
42	<p><b>Article 56</b> The <b>supervisory committee</b> has the right to propose to the board of directors to convene an extraordinary <b>general meeting</b>, and the proposal to the board of directors shall be in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give a written feedback on whether to agree or disagree with the meeting within 10 days upon receipt of the proposal.</p> <p>When the board of directors agrees to convene an extraordinary <b>general meeting</b>, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of the <b>supervisory committee</b>.</p>	<p><b>Article 49</b> The <del>supervisory committee</del> <b>audit committee</b> has the right to propose to the board of directors to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b>, and the proposal to the board of directors shall be in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give a written feedback on whether to agree or disagree with the meeting within 10 days upon receipt of the proposal.</p> <p>When the board of directors agrees to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b>, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of the <del>supervisory committee</del> <b>audit committee</b>.</p>

No.	Before amendment	After amendment
	<p>When the board of directors does not agree to convene an extraordinary <b>general meeting</b> or does not provide feedback within 10 days upon receipt of the written proposal, the board of directors shall be considered to be unable or fail to perform the duty of convening an extraordinary <b>general meeting</b>. The <b>supervisory committee</b> can convene and preside over the meeting on its own.</p> <p>Expenses for the <b>general meetings</b> convened by the <b>supervisory committee</b> or the shareholders by themselves shall be borne by the Company.</p>	<p>When the board of directors does not agree to convene an extraordinary <del>general meeting</del> <b>shareholders' meeting</b> or does not provide feedback within 10 days upon receipt of the written proposal, the board of directors shall be considered to be unable or fail to perform the duty of convening an extraordinary <del>general meeting</del> <b>shareholders' meeting</b>. The <del>supervisory committee</del> <b>audit committee</b> can convene and preside over the meeting on its own.</p> <p>Expenses for the <del>general meeting</del> <b>shareholders' meetings</b> convened by the <del>supervisory committee</del> <b>audit committee</b> or the shareholders by themselves shall be borne by the Company.</p>
43	<p><b>Article 57</b> A <b>shareholders' general meeting</b> shall be presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting, the meeting shall be chaired by a director elected jointly by <b>half or more</b> of the directors.</p> <p>The <b>chairman of the supervisory committee</b> shall preside over the <b>shareholders' general meeting</b> convened by the <b>supervisory committee</b> itself. If the <b>chairman of the supervisory committee</b> is unable to perform his duties or does not perform his duties, a <b>supervisor</b> jointly elected by <b>half or more of the supervisors</b> shall preside.</p>	<p><b>Article 50</b> A <del>shareholders' general meeting</del> <b>shareholders' meeting</b> shall be presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting, the meeting shall be chaired by a director elected jointly by <del>half or more</del> <b>more than half</b> of the directors.</p> <p>The <del>chairman of the supervisory committee</del> <b>convener of the audit committee (i.e., the chairman of the audit committee)</b> shall preside over the <del>shareholders' general meeting</del> <b>shareholders' meeting</b> convened by the <del>supervisory committee</del> <b>audit committee</b> itself. If the <del>chairman of the supervisory committee</del> <b>convener of the audit committee</b> is unable to perform his duties or does not perform his duties, a <del>supervisor</del> <b>member of the audit committee</b> jointly elected by <del>half or more of the supervisors</del> <b>more than half of the members of the audit committee</b> shall preside.</p>

No.	Before amendment	After amendment
	A <b>shareholders' general meeting</b> convened by the shareholders themselves shall be presided over by a representative elected by the convener.	A <del>shareholders' general meeting</del> <b>shareholders' meeting</b> convened by the shareholders themselves shall be presided over by <b>the convener or</b> a representative elected by the convener.
44	<b>Article 58</b> The chairman of the meeting shall announce the vote and the result of each proposal and the decision on whether a resolution of the <b>shareholders' general meeting</b> is passed <b>and his determination shall be final and the same shall be announced at the meeting and recorded in the minutes of the meeting.</b>	<b>Article 51</b> The chairman of the meeting shall announce the vote and the result of each proposal and the decision on whether a resolution of the <del>shareholders' general meeting</del> <b>shareholders' meeting</b> is passed <del>and his determination shall be final and the same shall be announced at the meeting and recorded in the minutes of the meeting.</del>
45	<b>Article 59</b> If the chairman of the meeting has any doubt as to the result of voting on any resolution, he may have the votes counted. If the chairman of the meeting does not make a count of such votes, any shareholder present <b>in person or by proxy</b> at the meeting who disputes the result announced by the chairman of the meeting shall be entitled to request a count of the votes immediately after the declaration of the result and the chairman of the meeting shall forthwith proceed with such counting.	<b>Article 52</b> If the chairman of the meeting has any doubt as to the result of voting on any resolution, he may have the votes counted. If the chairman of the meeting does not make a count of such votes, any shareholder <b>or the shareholder's proxy</b> present <del>in person or by proxy</del> at the meeting who disputes the result announced by the chairman of the meeting shall be entitled to request a count of the votes immediately after the declaration of the <b>poll</b> result and the chairman of the meeting shall forthwith proceed with such counting.
46	<b>Article 60</b> <b>In the event a count of the votes has been made at a shareholders' general meeting, the result thereof shall be recorded in the minutes of the meeting.</b> The minutes of the meeting <b>and summary of the meeting</b> , together with the signature book of the shareholders attending the meeting shall be kept at the Company.	<b>Article 53</b> <b>The resolutions of the shareholders' meeting shall be recorded in the minutes, which shall be signed by the presiding officer and the directors present at the meeting.</b> <del>In the event a count of the votes has been made at a shareholders' general meeting, the result thereof shall be recorded in the minutes of the meeting.</del> The minutes of the meeting <del>and summary of the meeting</del> , together with the signature book of the shareholders attending the meeting shall be kept at the Company.

No.	Before amendment	After amendment
47	<p><b>Article 61</b> Where any shareholder of the Company is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>	<p><b>Article 54</b> Where any shareholder of the Company is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>
48	<p><b>Article 62</b> Shareholders holding different classes of shares shall be classified as class shareholders.</p> <p>Class shareholders shall enjoy rights and undertake obligations according to laws, administrative regulations and these Articles of Association.</p>	<p><b>Article 55</b> Shareholders holding different classes of shares shall be classified as class shareholders.</p> <p>Class shareholders shall enjoy rights and undertake obligations according to laws, administrative regulations and these Articles of Association.</p>
49	<p><b>Article 63</b> If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a <b>shareholders' general meeting</b> and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles <b>65</b> to <b>69</b> of these Articles of Association.</p> <p>Upon filing with the CSRC, the transfer of all or part of the shares held by shareholders of the domestic invested shares of the Company to overseas investors, or the conversion of all or part of the domestic invested shares held by them into foreign invested shares and have them listed and traded on an overseas stock exchange shall not be deemed to be a proposed change or abrogation of the rights of the class shareholders of the Company.</p>	<p><b>Article 56</b> If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a <del>shareholders' general meeting</del> <b>shareholders' meeting</b> and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles <del>65</del><b>58</b> to <del>69</del><b>62</b> of these Articles of Association.</p> <p>Upon filing with the CSRC, the transfer of all or part of the shares held by shareholders of the domestic invested shares of the Company to overseas investors, or the conversion of all or part of the domestic invested shares held by them into foreign invested shares and have them listed and traded on an overseas stock exchange shall not be deemed to be a proposed change or abrogation of the rights of the class shareholders of the Company.</p>

No.	Before amendment	After amendment
50	<p><b>Article 64</b> The following situations shall be considered as a variation or abrogation of the rights of a certain class of shareholders:</p> <p>(1) the increase or reduction of the number of shares of that class of shares or the increase or reduction of the number of shares in another class which carry the same or more right to vote, right of distribution or other privileges;</p> <p>(2) the conversion of all or part of the shares of that class to another class, or the conversion of all or part of the shares of another class into the shares of that class or the granting of such right of conversion;</p> <p>(3) the cancellation or reduction of the rights of that class of shares to receive dividends declared or accrued;</p> <p>(4) the reduction or cancellation of the preferential rights of that class of shares to receive dividends or to receive distribution of assets upon the liquidation of the Company;</p> <p>(5) the increase, cancellation or reduction of the share conversion rights, options rights, voting rights, rights of transfer, preemptive rights and rights to acquire the securities of the Company of that class of shares;</p> <p>(6) the cancellation or reduction of the rights of that class of shares to receive payment payable by the Company in a particular currency;</p>	<p><b>Article 57</b> The following situations shall be considered as a variation or abrogation of the rights of a certain class of shareholders:</p> <p>(1) the increase or reduction of the number of shares of that class of shares or the increase or reduction of the number of shares in another class which carry the same or more right to vote, right of distribution or other privileges;</p> <p>(2) the conversion of all or part of the shares of that class to another class, or the conversion of all or part of the shares of another class into the shares of that class or the granting of such right of conversion;</p> <p>(3) the cancellation or reduction of the rights of that class of shares to receive dividends declared or accrued;</p> <p>(4) the reduction or cancellation of the preferential rights of that class of shares to receive dividends or to receive distribution of assets upon the liquidation of the Company;</p> <p>(5) the increase, cancellation or reduction of the share conversion rights, options rights, voting rights, rights of transfer, preemptive rights and rights to acquire the securities of the Company of that class of shares;</p> <p>(6) the cancellation or reduction of the rights of that class of shares to receive payment payable by the Company in a particular currency;</p>

No.	Before amendment	After amendment
	<p>(7) to create a new class of shares which enjoys the same or more voting rights, distribution rights or other privileges than those enjoyed by that class of shares;</p> <p>(8) to restrict or increase the restriction on the transfer or ownership of that class of shares;</p> <p>(9) the granting of subscription rights or conversion rights in respect of that class or another class of shares;</p> <p>(10) the increase of the rights and privileges of another class of shares;</p> <p>(11) the reorganization of the Company as a result of which different classes of shareholders assume obligations otherwise than in proportion;</p> <p>(12) the amendment or abrogation of the provisions in this Chapter.</p>	<p>(7) to create a new class of shares which enjoys the same or more voting rights, distribution rights or other privileges than those enjoyed by that class of shares;</p> <p>(8) to restrict or increase the restriction on the transfer or ownership of that class of shares;</p> <p>(9) the granting of subscription rights or conversion rights in respect of that class or another class of shares;</p> <p>(10) the increase of the rights and privileges of another class of shares;</p> <p>(11) the reorganization of the Company as a result of which different classes of shareholders assume obligations otherwise than in proportion;</p> <p>(12) the amendment or abrogation of the provisions in this Chapter.</p>
51	<p><b>Article 65</b> Whether or not the class shareholders so affected have voting rights at the <b>shareholders' general meeting</b>, they shall have the right to vote at the meeting of class shareholders in respect of the matters mentioned in paragraphs (2) to (8) and (11) to (12) of Article <b>64</b> of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of the class shareholders.</p>	<p><b>Article 58</b> Whether or not the class shareholders so affected have voting rights at the <del>shareholders' general meeting</del> <b>shareholders' meeting</b>, they shall have the right to vote at the meeting of class shareholders in respect of the matters mentioned in paragraphs (2) to (8) and (11) to (12) of Article <del>64</del><b>57</b> of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of the class shareholders.</p>

No.	Before amendment	After amendment
	<p>An interested shareholder mentioned in the preceding paragraph refers to:</p> <p>(1) in the case where the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, “interested shareholder” shall mean the controlling shareholder of the Company;</p> <p>(2) in the case where the Company repurchases its shares by way of agreement other than through a stock exchange in accordance with the provisions of these Articles of Association, “interested shareholder” shall mean the holder of the relevant shares;</p> <p>(3) in the reorganization of the Company, “interested shareholder” shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who enjoys benefits which are different from those enjoyed by other shareholders of the same class.</p>	<p>An interested shareholder mentioned in the preceding paragraph refers to:</p> <p>(1) in the case where the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, “interested shareholder” shall mean the controlling shareholder of the Company;</p> <p>(2) in the case where the Company repurchases its shares by way of agreement other than through a stock exchange in accordance with the provisions of these Articles of Association, “interested shareholder” shall mean the holder of the relevant shares;</p> <p>(3) in the reorganization of the Company, “interested shareholder” shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who enjoys benefits which are different from those enjoyed by other shareholders of the same class.</p>
52	<p><b>Article 66</b> A resolution of the meeting of class shareholders shall be passed in accordance with Article <b>65</b> by <b>more than</b> two-thirds of the voting rights of the class shareholders present and having the right to vote in the meeting.</p>	<p><b>Article 59</b> A resolution of the meeting of class shareholders shall be passed in accordance with Article <del>65</del><b>58</b> by <del>more than</del> two-thirds <b>or more</b> of the voting rights of the class shareholders present and having the right to vote in the meeting.</p>

No.	Before amendment	After amendment
53	<p><b>Article 67</b> Notice period of a class meeting shall be the same as that of a non-class <b>meeting</b> to be convened together with such class meeting. The written notice shall inform all shareholders of such class whose names appear on the register of shareholders of the matters to be considered at the meeting as well as the time and place of the meeting.</p>	<p><b>Article 60</b> Notice period of a class meeting shall be the same as that of a non-class <del>meeting</del> <b>shareholders' meeting</b> to be convened together with such class meeting. The written notice shall inform all shareholders of such class whose names appear on the register of shareholders of the matters to be considered at the meeting as well as the time and place of the meeting.</p>
54	<p><b>Article 68</b> Notice of the meeting of class shareholders need only be served on the shareholders who are entitled to vote at such meeting.</p> <p>The procedures of the meeting of class shareholders shall follow as much as possible the procedures of a <b>shareholders' general meeting</b> and the provisions in these Articles of Association relating to the procedures of a <b>shareholders' general meeting</b> shall apply to the meeting of class shareholders.</p>	<p><b>Article 61</b> Notice of the meeting of class shareholders need only be served on the shareholders who are entitled to vote at such meeting.</p> <p>The procedures of the meeting of class shareholders shall follow as much as possible the procedures of a <del>shareholders' general meeting</del> <b>shareholders' meeting</b> and the provisions in these Articles of Association relating to the procedures of a <del>shareholders' general meeting</del> <b>shareholders' meeting</b> shall apply to the meeting of class shareholders.</p>
55	<p><b>Article 69</b> Apart from the shareholders of other classes of shares, the shareholders of domestic invested shares and shareholders of overseas listed foreign invested shares are deemed to be different classes of shareholders.</p>	<p><b>Article 62</b> Apart from the shareholders of other classes of shares, the shareholders of domestic invested shares and shareholders of overseas listed foreign invested shares are deemed to be different classes of shareholders.</p>

No.	Before amendment	After amendment
	<p>The special voting procedures of class shareholders shall not apply in the following circumstances:</p> <p>(1) where, with the approval by a special resolution at a <b>shareholders' general meeting</b>, the Company issues, either individually or concurrently, domestic invested shares and overseas listed foreign invested shares at an interval of twelve months, and the number of domestic invested shares and overseas listed foreign invested shares proposed to be issued does not exceed 20% of the issued domestic invested shares and 20% of the issued overseas listed foreign invested shares respectively;</p> <p>(2) upon filing with the CSRC, shareholders of domestic invested shares of the Company transfer their shares to foreign investors or domestic invested shares are converted into overseas listed foreign invested shares and these shares are listed and traded on an overseas stock exchange.</p>	<p>The special voting procedures of class shareholders shall not apply in the following circumstances:</p> <p>(1) where, with the approval by a special resolution at a <del>shareholders' general meeting</del> <b>shareholders' meeting</b>, the Company issues, either individually or concurrently, domestic invested shares and overseas listed foreign invested shares at an interval of twelve months, and the number of domestic invested shares and overseas listed foreign invested shares proposed to be issued does not exceed 20% of the issued domestic invested shares and 20% of the issued overseas listed foreign invested shares respectively;</p> <p>(2) upon filing with the CSRC, shareholders of domestic invested shares of the Company transfer their shares to foreign investors or domestic invested shares are converted into overseas listed foreign invested shares and these shares are listed and traded on an overseas stock exchange.</p>
56	<p><b>Article 70</b> The Company shall have a board of directors, <b>which accounts to the board of shareholders</b>. The board of directors shall comprise 9 directors, <b>of whom 3 shall be</b> independent directors. The board of directors shall have 1 chairman.</p>	<p><b>Article 63</b> The Company shall have a board of directors, <del>which accounts to the board of shareholders</del>. The board of directors shall comprise 9 directors, <del>of whom 3 shall be</del> <b>including 3</b> independent directors <b>and 1 employee director</b>. <b>Employee director shall be elected by the employee representatives' meeting</b>. The board of directors shall have 1 chairman.</p>

No.	Before amendment	After amendment
57	<p><b>Article 71</b> Directors shall be elected or replaced at <b>shareholders’ general meeting</b> and may be removed at the <b>shareholders’ general meeting</b> before the expiration of their term of office. Each term of office of the director shall be 3 years. Upon the expiry of the term, a director shall be eligible for re-election and reappointment.</p> <p>The period during which a written notice of intention to propose a person for election as director and a written notice by that person of his willingness to be elected are to be given to the Company shall be at least 7 days, such period shall commence on the day after the date when the notice of the <b>general meeting</b> convened for such election is dispatched and end no later than 7 days prior to the date of such meeting.</p> <p>The chairman the board of directors shall be elected and removed by more than one-half of the directors. <b>The term of office of the chairman shall be 3 years and they shall be eligible for re-election and re-appointment.</b></p> <p>Subject to relevant laws and administrative regulations, the Company in shareholders’ meeting shall have the power by ordinary resolution to remove any director (<b>including the managing director or other executive directors</b>) before the expiration of his term of office (but without prejudice to any claim for damages under any contract).</p> <p>Directors need not hold any shares of the Company.</p>	<p><b>Article 64</b> Directors shall be elected or replaced at <del>shareholders’ general meeting</del> <b>shareholders’ meeting</b> and may be removed at the <del>shareholders’ general meeting</del> <b>shareholders’ meeting</b> before the expiration of their term of office. Each term of office of the director shall be 3 years. Upon the expiry of the term, a director shall be eligible for re-election and reappointment.</p> <p>The period during which a written notice of intention to propose a person for election as director and a written notice by that person of his willingness to be elected are to be given to the Company shall be at least 7 days, such period shall commence on the day after the date when the notice of the <del>general meeting</del> <b>shareholders’ meeting</b> convened for such election is dispatched and end no later than 7 days prior to the date of such meeting.</p> <p>The chairman <u>of</u> the board of directors shall be elected and removed by more than one-half of the directors. <del>The term of office of the chairman shall be 3 years and they shall be eligible for re-election and re-appointment.</del></p> <p>Subject to relevant laws and administrative regulations, the Company in shareholders’ meeting shall have the power by ordinary resolution to remove any director (<del>including the managing director or other executive directors</del>) before the expiration of his term of office (but without prejudice to any claim for damages under any contract).</p> <p>Directors need not hold any shares of the Company.</p>
58	<p><b>Article 72</b> The director may resign before the expiration of his/her term. The director shall submit a written resignation report to the <b>board of directors</b>.</p>	<p><b>Article 65</b> The director may resign before the expiration of his/her term. The director shall submit a written resignation report to the <del>board of directors</del> <b>Company</b>.</p>

No.	Before amendment	After amendment
	<p>If the resignation of a director causes the Company's board of directors to fall below the minimum quorum, the former director shall, before the newly elected director takes office, still perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>Except in the circumstances set out in the preceding paragraph, the resignation of a director shall take effect from <b>the time the resignation report arrives at the board of directors.</b></p>	<p>If the resignation of a director causes the Company's board of directors to fall below the minimum quorum, the former director shall, before the newly elected director takes office, still perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>Except in the circumstances set out in the preceding paragraph, the resignation of a director shall take effect from <b><u>the date the Company receives the resignation report</u></b> the time the resignation report arrives at the board of directors.</p>
59	<p><b>Article 73</b> The board of directors shall be accountable to the shareholders' general meeting and shall have the following duties and powers:</p> <ol style="list-style-type: none"> <li>(1) to be responsible for convening <b>shareholders' general meeting</b> and to report its work to <b>the shareholders' general meeting</b>;</li> <li>(2) to implement the resolutions passed at the <b>shareholders' general meeting</b>;</li> <li>(3) to determine the business plans and investment proposals of the Company;</li> <li>(4) <b>to prepare the annual financial budget and final accounts of the Company</b>;</li> <li>(5) to <b>prepare</b> the plans for profit distribution and plans for making up losses of the Company;</li> </ol>	<p><b>Article 66</b> The board of directors shall be <del>accountable to the shareholders' general meeting</del> and shall have the following duties and powers:</p> <ol style="list-style-type: none"> <li>(1) to be responsible for convening <del>shareholders' general meeting</del> <b><u>shareholders' meeting</u></b> and to report its work to the <del>shareholders' general meeting</del> <b><u>shareholders' meeting</u></b>;</li> <li>(2) to implement the resolutions passed at the <del>shareholders' general meeting</del> <b><u>shareholders' meeting</u></b>;</li> <li>(3) to determine the business plans and investment proposals of the Company;</li> <li>(4) <del>to prepare the annual financial budget and final accounts of the Company</del>;</li> <li>(5) <del>to prepare</del> <b>formulate</b> the plans for profit distribution and plans for making up losses of the Company;</li> </ol>

No.	Before amendment	After amendment
	(6) to <b>prepare</b> proposals for the increase or reduction of the registered capital of the Company and proposals for the issue of debentures of the Company;	(65) to <del>prepare</del> <b>formulate</b> proposals for the increase or reduction of the registered capital of the Company and proposals for the issue of debentures of the Company;
	(7) to prepare proposals for the merger, division, dissolution, <b>or</b> change of corporate form of the Company;	(76) to prepare proposals for <b>material acquisitions by the Company, repurchase of the Company's shares or</b> the merger, division, dissolution, <del>or</del> <b>and</b> change of corporate form of the Company;
	(8) to determine the establishment of the internal management structure of the Company;	(87) to determine the establishment of the internal management structure of the Company;
	(9) to appoint or dismiss the manager of the Company and according to the nomination by the manager, to appoint or dismiss the deputy managers, chief financial officer, the secretary of the board and other senior managerial officers and to determine matters relating to their remuneration and rewards and penalties;	(98) to appoint or dismiss the manager of the Company and according to the nomination by the manager, to appoint or dismiss the deputy managers, chief financial officer, the secretary of the board and other senior managerial officers and to determine matters relating to their remuneration and rewards and penalties;
	(10) to establish the basic management system of the Company;	(109) to establish the basic management system of the Company;
	(11) to <b>draw up</b> proposals for the amendment of these Articles of Association;	(140) to <del>draw up</del> <b>formulate</b> proposals for the amendment of these Articles of Association;
	(12) <b>to draw up proposals for any material acquisition or sale by the Company;</b>	(12) <del>to draw up proposals for any material acquisition or sale by the Company;</del>

No.	Before amendment	After amendment
	<p>(13) to decide on matters such as external investments, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions and external donations within the authority of the <b>general meeting of shareholders</b>;</p> <p>(14) to perform other duties as authorized by laws, administrative regulations, departmental rules and regulations, the <b>rules governing</b> the securities of the place where the Company's shares are listed <b>and</b> these Articles of Association.</p> <p><b>The resolutions in relation to the matters mentioned in subparagraphs (6), (7), and (11) above shall be passed by a majority of not less than two-thirds of the directors, the resolutions in relation to other matters shall be passed by a simple majority of the directors.</b></p>	<p>(13<del>1</del>) to decide on matters such as external investments, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions and external donations within the authority of the <del>general meeting of shareholders</del> <b>shareholders' meeting</b>;</p> <p>(14<del>2</del>) to perform other duties as authorized by laws, administrative regulations, departmental rules and regulations, the <del>rules governing the securities</del> <b>regulatory rules</b> of the place where the Company's shares are listed, <del>and these Articles of Association</del> <b>or shareholders' meeting.</b></p> <p><del>The resolutions in relation to the matters mentioned in subparagraphs (6), (7), and (11) above shall be passed by a majority of not less than two-thirds of the directors; the resolutions in relation to other matters shall be passed by a simple majority of the directors.</del></p>
60	<p><b>Article 74</b> The board of directors shall perform its duties in accordance with the laws, regulations, relevant policies of the State and these Articles of Association and resolutions of <b>the shareholders in general meetings</b>.</p>	<p><b>Article 67</b> The board of directors shall perform its duties in accordance with the laws, regulations, relevant policies of the State and these Articles of Association and resolutions of the <del>shareholders in general meetings</del> <b>shareholders' meetings</b>.</p>
61	<p><b>Article 75</b> The chairman of the board of directors shall exercise the following powers:</p> <p>(1) to preside over the <b>shareholders' general meetings</b> and to convene and preside over the meetings of the board of directors;</p> <p>(2) to supervise and review the implementation of the resolutions of the board of directors;</p>	<p><b>Article 68</b> The chairman of the board of directors shall exercise the following powers:</p> <p>(1) to preside over the <del>shareholders' general meetings</del> <b>shareholders' meetings</b> and to convene and preside over the meetings of the board of directors;</p> <p>(2) to supervise and review the implementation of the resolutions of the board of directors;</p>

No.	Before amendment	After amendment
	<p>(3) <b>to sign share certificates, debentures and marketable securities issued by the Company;</b></p> <p>(4) other powers conferred by the board of directors.</p>	<p>(3) <del>to sign share certificates, debentures and marketable securities issued by the Company;</del></p> <p>(4) <del>other powers conferred by the board of directors.</del></p>
62	<p><b>Article 76</b> Meetings of the board of directors shall be held at least twice a year and shall be convened by the chairman of the board of directors and written notice of meeting shall be served on all directors <b>and supervisors</b> 10 days prior to the meeting. An extraordinary meeting of the board of directors may be convened upon requisition by shareholders with 10% or more of voting rights, one-third or more of the directors of the Company or by the <b>supervisory committee</b>. The chairman of the board shall convene and chair a meeting of the board of directors within 10 days from the date of receipt of the proposal.</p>	<p><b>Article 69</b> Meetings of the board of directors shall be held at least twice a year and shall be convened by the chairman of the board of directors and written notice of meeting shall be served on all directors <del>and supervisors</del> 10 days prior to the meeting. An extraordinary meeting of the board of directors may be convened upon requisition by shareholders with 10% or more of voting rights, one-third or more of the directors of the Company or by the <del>supervisory committee</del> <b>audit committee</b>. The chairman of the board shall convene and chair a meeting of the board of directors within 10 days from the date of receipt of the proposal.</p>
63	<p><b>Article 77 The board meeting and extraordinary board meeting shall be notified in the following manner:</b></p> <p>(1) <b>The notice of a meeting of the board includes the following: date and place of the meeting, duration of the meeting, subject matter and topic, and the date on which the notice was given.</b></p> <p>(2) <b>if the time and place of the board meeting has not been fixed in advance by the board of directors, the chairman shall notify the directors of the time and place of the meeting of the board of directors not less than 10 days and not more than 30 days before the meeting by way of telex, telegram, facsimile, express courier or registered mail or by hand.</b></p>	<p><del>Article 77 The board meeting and extraordinary board meeting shall be notified in the following manner:</del></p> <p>(1) <del>The notice of a meeting of the board includes the following: date and place of the meeting, duration of the meeting, subject matter and topic, and the date on which the notice was given.</del></p> <p>(2) <del>if the time and place of the board meeting has not been fixed in advance by the board of directors, the chairman shall notify the directors of the time and place of the meeting of the board of directors not less than 10 days and not more than 30 days before the meeting by way of telex, telegram, facsimile, express courier or registered mail or by hand.</del></p>

No.	Before amendment	After amendment
	<p>(3) notices shall be written in Chinese and if necessary can be in English. Such notices shall include the agenda of the meeting. Any director may waive the right to receive notices of board meetings.</p> <p>(4) notice of a meeting shall be deemed to have been served on any director who attends the meeting and who has not disputed the receipt of such notice before or at the commencement of the meeting.</p> <p>(5) regular meeting or extraordinary board meetings can be held by telephone conference or similar communication equipment. So long as the directors participating in the meeting can clearly hear and communicate with the other directors, such directors shall be deemed to be present in person at the meeting.</p>	<p><del>(3) notices shall be written in Chinese and if necessary can be in English. Such notices shall include the agenda of the meeting. Any director may waive the right to receive notices of board meetings.</del></p> <p><del>(4) notice of a meeting shall be deemed to have been served on any director who attends the meeting and who has not disputed the receipt of such notice before or at the commencement of the meeting.</del></p> <p><del>(5) regular meeting or extraordinary board meetings can be held by telephone conference or similar communication equipment. So long as the directors participating in the meeting can clearly hear and communicate with the other directors, such directors shall be deemed to be present in person at the meeting.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
64	<p><b>Article 78</b> Meetings of the board of directors shall only be held if more than half of the directors are present at the meeting. Voting on board resolutions shall be on a one vote per person basis. The resolutions of the board of directors shall be passed by a simple majority of the directors.</p>	<p><b>Article 70</b> Meetings of the board of directors shall only be held if more than half of the directors are present at the meeting. Voting on board resolutions shall be on a one vote per person basis. The resolutions of the board of directors shall be passed by a simple majority of the directors.</p>

No.	Before amendment	After amendment
	<p>Where a director is connected with the entity involved in resolutions of the board meeting, he/she shall not vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another director. The board meeting can be held by more than half of the directors that are not connected. The resolutions of the board meeting shall be passed by more than half of the directors that are not connected.</p> <p>If the number of directors that are not connected present at the board meeting is less than three, the matter shall be submitted to the <b>shareholders' general meeting</b> for consideration.</p>	<p>Where a director is connected with the entity involved in resolutions of the board meeting, he/she shall not vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another director. The board meeting can be held by more than half of the directors that are not connected. The resolutions of the board meeting shall be passed by more than half of the directors that are not connected.</p> <p>If the number of directors that are not connected present at the board meeting is less than three, the matter shall be submitted to the <del>shareholders' general meeting</del> <b>shareholders' meeting</b> for consideration.</p>
65	<p><b>Article 79</b> Voting on board meetings may be conducted by registered ballot or any ways permitted by law, <b>rules</b> or regulatory rules governing of the place where the Company's shares are listed.</p> <p>With the consent of the convenor (chairman) and provided that the directors could fully express their views, extraordinary board meetings may be held and resolutions could be passed by means of video conference, teleconference or written summons, with the resolutions signed by the participating directors. Board meetings may also be held on site and by other means at the same time.</p>	<p><b>Article 71</b> Voting on board meetings may be conducted by registered ballot or any ways permitted by law, <del>rules</del><b>regulations</b> or <b>securities</b> regulatory rules <del>governing</del> of the place where the Company's shares are listed.</p> <p>With the consent of the convenor (chairman) and provided that the directors could fully express their views, extraordinary board meetings may be held and resolutions could be passed by means of video conference, teleconference or written summons, with the resolutions signed by the participating directors. Board meetings may also be held on site and by other means at the same time.</p>
66	<p><b>Article 80</b> Meeting of the board of directors shall be attended by the directors in person. If any director is unable to attend a meeting for whatever reason, he may appoint another director by a written power of attorney to attend the meeting of the board of directors on his behalf. The power of attorney shall set out the name of the proxy, the matters entrusted, the scope of authority and the term of validity, and shall be signed or sealed by the principal.</p>	<p><b>Article 72</b> Meeting of the board of directors shall be attended by the directors in person. If any director is unable to attend a meeting for whatever reason, he may appoint another director by a written power of attorney to attend the meeting of the board of directors on his behalf. The power of attorney shall set out the name of the proxy, the matters entrusted, the scope of authority and the term of validity, and shall be signed or sealed by the principal.</p>

No.	Before amendment	After amendment
	A director appointed to attend the meeting on behalf of another director shall exercise the rights of a director within his scope of authority. If a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his rights to vote at that meeting.	A director appointed to attend the meeting on behalf of another director shall exercise the rights of a director within his scope of authority. If a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his rights to vote at that meeting.
67	<p><b>Article 81</b> The board of directors shall cause the matters resolved at the meeting to be recorded in the minutes of the meeting. The directors present at the meeting and the person recording the minutes shall sign on such minutes. The minutes of the board meeting shall be kept as corporate files for a term of ten years.</p> <p>The directors are liable for the resolutions passed at the meeting of the board of directors. If a resolution of the board of directors contravenes the laws, administrative regulations or these Articles of Association as a result of which the Company sustains substantial losses, the directors participating in the passing of such resolutions shall be liable to compensate the Company provided that if it can be proved that a director expressly objected to the resolution when the resolution was put to vote and that such objection was recorded in the minutes of the meeting, such director may be exempted from such liability.</p>	<p><b>Article 73</b> The board of directors shall cause the matters resolved at the meeting to be recorded in the minutes of the meeting. The directors present at the meeting and the person recording the minutes shall sign on such minutes. The minutes of the board meeting shall be kept as corporate files for a term of ten years.</p> <p>The directors are liable for the resolutions passed at the meeting of the board of directors. If a resolution of the board of directors contravenes the laws, administrative regulations or these Articles of Association as a result of which the Company sustains substantial losses, the directors participating in the passing of such resolutions shall be liable to compensate the Company provided that if it can be proved that a director expressly objected to the resolution when the resolution was put to vote and that such objection was recorded in the minutes of the meeting, such director may be exempted from such liability.</p>

No.	Before amendment	After amendment
68	<p><b>Article 82</b> The minutes of the board meeting shall contain the following information:</p> <ol style="list-style-type: none"> <li>(1) date and venue of the meeting and the name of the convener;</li> <li>(2) name of the directors present and name of the directors (proxies) appointed by others to attend the board meeting;</li> <li>(3) agenda of the meeting;</li> <li>(4) key points of the statements of directors;</li> <li>(5) the voting method and result of each resolution (the results shall indicate the number of votes approved, opposed or abstained).</li> </ol>	<p><b>Article 74</b> The minutes of the board meeting shall contain the following information:</p> <ol style="list-style-type: none"> <li>(1) date and venue of the meeting and the name of the convener;</li> <li>(2) name of the directors present and name of the directors (proxies) appointed by others to attend the board meeting;</li> <li>(3) agenda of the meeting;</li> <li>(4) key points of the statements of directors;</li> <li>(5) the voting method and result of each resolution (the results shall indicate the number of votes approved, opposed or abstained).</li> </ol>
69	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><b><u>Article 75 The board of directors of the Company shall establish an audit committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law.</u></b></p> <p><b><u>The audit committee comprises five members, who are directors not holding senior management positions within the Company. Among them, independent directors must constitute a majority. An independent director with professional accounting expertise serves as the convener of the committee. All members of the audit committee, including the convener, shall be elected by the board of directors.</u></b></p>

No.	Before amendment	After amendment
		<p><u>The audit committee conducts its affairs by convening meetings. Members of the audit committee unable to attend may authorize another person in writing to attend on their behalf. The audit committee shall hold meetings at least once per quarter. An interim meeting may be convened upon the request of two or more members, or when the convener deems it necessary. A meeting of the audit committee requires the presence of two-thirds or more of its members to proceed.</u></p> <p><u>In principle, notice of a meeting of the audit committee along with relevant materials and information must be provided to all members no later than three days before the meeting date. In urgent situations requiring a prompt meeting, notice may be given at any time via telephone or other oral means. Meetings of the audit committee shall be convened and chaired by the chairman of the audit committee. If the chairman is unable or unwilling to perform the duties, a majority of the committee members may jointly recommend one member to convene and chair the meeting.</u></p> <p><u>Resolutions of the audit committee shall be adopted by affirmative votes of a majority of its members. Each member of the audit committee shall have one vote in the voting on resolutions.</u></p> <p><u>Resolutions of the audit committee shall be recorded in the meeting minutes in accordance with the relevant regulations, and all attending members shall sign the minutes.</u></p>

No.	Before amendment	After amendment
70	<b>Article 83</b> The Company shall have a secretary of the board of directors. The secretary of the board of directors shall be a senior managerial officer of the Company.	<b>Article 76</b> The Company shall have a secretary of the board of directors. The secretary of the board of directors shall be a senior managerial officer of the Company.
71	<p><b>Article 84</b> The secretary of the board of directors of the Company shall be a natural person who shall have the necessary professional knowledge and experience and who shall be appointed and dismissed by the board of directors and assumed by 1 person. <b>His principal duties are:</b></p> <p>(1) <b>to ensure the Company has complete organization documents and records;</b></p>	<p><b>Article 77</b> The secretary of the board of directors of the Company shall be a natural person who shall have the necessary professional knowledge and experience. <b><u>He/She is responsible for organizing shareholders' meetings and board meetings, maintaining records and shareholder information of the Company, and handling information disclosure matters.</u></b> <del>and who</del> <b><u>The secretary of the board of directors</u></b> shall be appointed and dismissed by the board of directors and assumed by 1 person. <del>His principal duties are:</del></p> <p>(1) <del>to ensure the Company has complete organization documents and records;</del></p>

No.	Before amendment	After amendment
	<p>(2) to ensure that the Company prepares and files documents and reports as required by authorities in accordance with laws;</p> <p>(3) to ensure that the register of shareholders of the Company is properly maintained and to ensure that persons entitled to receive such records and documents are provided with the relevant records and documents without delay;</p> <p>(4) to perform the duties of company secretary as stipulated by laws and stated in these Articles of Association (including the reasonable request of the Board of Directors).</p> <p><b>Article 85</b> A director or any other officer of the Company may concurrently hold the office of the secretary of the board of directors of the Company. An accountant of a firm of accountants retained as auditor by the Company shall not concurrently act as the secretary of the board of directors of the Company.</p> <p>If a director acts as the secretary of the board of directors and an act is required to be done by a director and the secretary of the board of directors separately, such person who is at the same time the director and the secretary of the board of directors shall not perform such act in both capacities.</p>	<p><del>(2) to ensure that the Company prepares and files documents and reports as required by authorities in accordance with laws;</del></p> <p><del>(3) to ensure that the register of shareholders of the Company is properly maintained and to ensure that persons entitled to receive such records and documents are provided with the relevant records and documents without delay;</del></p> <p><del>(4) to perform the duties of company secretary as stipulated by laws and stated in these Articles of Association (including the reasonable request of the Board of Directors).</del></p> <p><b>Article 85</b> A director or any other officer of the Company may concurrently hold the office of the secretary of the board of directors of the Company. An accountant of a firm of accountants retained as auditor by the Company shall not concurrently act as the secretary of the board of directors of the Company.</p> <p>If a director acts as the secretary of the board of directors and an act is required to be done by a director and the secretary of the board of directors separately, such person who is at the same time the director and the secretary of the board of directors shall not perform such act in both capacities.</p>
72	<b>Article 86</b> The Company shall have 1 manager, 6 deputy managers, who shall be appointed or dismissed by the board of directors.	<b>Article 78</b> The Company shall have 1 manager, 6 deputy managers, who shall be appointed or dismissed by the board of directors.

No.	Before amendment	After amendment
73	<p><b>Article 87</b> The manager shall be accountable to the board of directors and shall perform the following functions:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production and business operation of the Company and to organize the implementation of the resolutions of the board of directors;</li> <li>(2) to organize the implementation of the annual business plan and investment program of the Company;</li> <li>(3) to prepare plans for the establishment of the internal management structure of the Company;</li> <li>(4) to prepare the basic management systems of the Company;</li> <li>(5) to formulate specific rules and regulations of the Company;</li> <li>(6) to propose the appointment or dismissal of the deputy manager(s) and the chief financial officer of the company;</li> <li>(7) to appoint or dismiss principal management personnel other than those whose appointment or dismissal shall be decided by the board of directors;</li> <li>(8) other powers conferred by these Articles of Association and the board of directors.</li> </ol>	<p><b>Article 79</b> The manager shall be accountable to the board of directors and shall perform the following functions:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production and business operation of the Company and to organize the implementation of the resolutions of the board of directors;</li> <li>(2) to organize the implementation of the annual business plan and investment program of the Company;</li> <li>(3) to prepare plans for the establishment of the internal management structure of the Company;</li> <li>(4) to prepare the basic management systems of the Company;</li> <li>(5) to formulate specific rules and regulations of the Company;</li> <li>(6) to propose the appointment or dismissal of the deputy manager(s) and the chief financial officer of the company;</li> <li>(7) to appoint or dismiss principal management personnel other than those whose appointment or dismissal shall be decided by the board of directors;</li> <li>(8) other powers conferred by these Articles of Association and the board of directors.</li> </ol>
74	<p><b>Article 88</b> The manager may attend the meetings of the board of directors, <b>but the manager, not being a director, shall not have the right to vote at the meetings of the board of directors.</b></p>	<p><b>Article 80</b> The manager may attend the meetings of the board of directors, <del>but the manager, not being a director, shall not have the right to vote at the meetings of the board of directors.</del></p>

No.	Before amendment	After amendment
75	<b>Article 89</b> In performing their duties, the manager and the deputy managers shall not alter the resolutions of the <b>meeting of the shareholders</b> or of the board of directors or exceed the scope of his authority.	<b>Article 81</b> In performing their duties, the manager and the deputy managers shall not alter the resolutions of the <del>meeting of the shareholders</del> <b>shareholders' meeting</b> or of the board of directors or exceed the scope of his authority.
76	<b>Article 90</b> In performing their duties, the manager and the deputy managers of the Company shall act in good faith and diligently according to laws, regulations and these Articles of Association.	<b>Article 82</b> In performing their duties, the manager and the deputy managers of the Company shall act in good faith and diligently according to laws, regulations and these Articles of Association.
77	<b>Chapter 10 Supervisory Committee</b>  <b>Article 91</b> The Company shall establish a supervisory committee.	<del>Chapter 10 Supervisory Committee</del>  <del>Article 91 The Company shall establish a supervisory committee.</del>  <b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b>
78	<b>Article 92</b> The supervisory committee shall comprise 5 persons, 1 of whom shall act as the chairman of the supervisory committee. The term of office of the supervisors shall be 3 years, after which the supervisors shall be eligible for re-election and re-appointment. The appointment and dismissal of the chairman of the supervisory committee shall be determined by a resolution passed by more than half of the members of the supervisory committee.	<del>Article 92 The supervisory committee shall comprise 5 persons, 1 of whom shall act as the chairman of the supervisory committee. The term of office of the supervisors shall be 3 years, after which the supervisors shall be eligible for re-election and re-appointment. The appointment and dismissal of the chairman of the supervisory committee shall be determined by a resolution passed by more than half of the members of the supervisory committee.</del>  <b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b>

No.	Before amendment	After amendment
79	<p><b>Article 93</b> The supervisory committee shall include two representatives of the staff and workers of the Company. The representatives of the staff and workers shall be elected and removed democratically by the staff and workers; whereas all the other supervisors shall be elected and removed in the shareholders' general meeting.</p>	<p><del>Article 93</del>—The supervisory committee shall include two representatives of the staff and workers of the Company. The representatives of the staff and workers shall be elected and removed democratically by the staff and workers; whereas all the other supervisors shall be elected and removed in the shareholders' general meeting.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
80	<p><b>Article 94</b> The Company's directors, managers and other senior managerial officers shall not at the same time act as supervisors.</p>	<p><del>Article 94</del>—The Company's directors, managers and other senior managerial officers shall not at the same time act as supervisors.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
81	<p><b>Article 95</b> Meeting of the supervisory committee shall be convened at least once every 6 months and shall be convened by the chairman of the supervisory committee. Supervisors may propose to convene extraordinary meetings of the supervisory committee.</p>	<p><del>Article 95</del>—Meeting of the supervisory committee shall be convened at least once every 6 months and shall be convened by the chairman of the supervisory committee. Supervisors may propose to convene extraordinary meetings of the supervisory committee.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
82	<p><b>Article 96</b> The supervisory committee shall be accountable to the shareholders' general meeting and shall carry out the following duties and powers in accordance with laws:</p> <p>(1) to inspect the financial position of the Company;</p>	<p><del>Article 96</del>—The supervisory committee shall be accountable to the shareholders' general meeting and shall carry out the following duties and powers in accordance with laws:</p> <p>(1) —to inspect the financial position of the Company;</p>

No.	Before amendment	After amendment
	<p>(2) to supervise the acts of the directors, the general manager and other officers of the Company who contravene the laws, administrative regulations or these Articles of Association in discharging their duties;</p> <p>(3) to require the directors, the general manager and other officers of the Company to rectify their acts which have prejudiced the interests of the Company;</p> <p>(4) to review the financial information such as financial reports, business reports and profit distribution proposal to be submitted by the board of directors to the shareholders' general meeting; if any queries arise, the supervisors may appoint certified accountants or practicing auditors, in the name of the Company, to assist in the re-examination of the same;</p> <p>(5) to propose the convening of an extraordinary shareholders' meeting;</p> <p>(6) to represent the Company in negotiating with or in instituting legal proceedings against the directors.</p> <p>The Supervisors may attend the meetings of the board of directors.</p>	<p><del>(2) to supervise the acts of the directors, the general manager and other officers of the Company who contravene the laws, administrative regulations or these Articles of Association in discharging their duties;</del></p> <p><del>(3) to require the directors, the general manager and other officers of the Company to rectify their acts which have prejudiced the interests of the Company;</del></p> <p><del>(4) to review the financial information such as financial reports, business reports and profit distribution proposal to be submitted by the board of directors to the shareholders' general meeting; if any queries arise, the supervisors may appoint certified accountants or practicing auditors, in the name of the Company, to assist in the re-examination of the same;</del></p> <p><del>(5) to propose the convening of an extraordinary shareholders' meeting;</del></p> <p><del>(6) to represent the Company in negotiating with or in instituting legal proceedings against the directors.</del></p> <p><del>The Supervisors may attend the meetings of the board of directors.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
83	<p><b>Article 97 A resolution of the supervisory committee shall be passed by half or more of the supervisors.</b></p>	<p><del>Article 97 A resolution of the supervisory committee shall be passed by half or more of the supervisors.</del></p>

No.	Before amendment	After amendment
	<p>The supervisory committee shall cause the matters resolved in the meeting to be recorded in the minutes of the meeting. The supervisors who attend the meeting shall sign on the minutes of the meeting.</p>	<p><del>The supervisory committee shall cause the matters resolved in the meeting to be recorded in the minutes of the meeting. The supervisors who attend the meeting shall sign on the minutes of the meeting.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
84	<p><b>Article 98</b> Reasonable expenses incurred in engaging professionals such as lawyers, registered accountants and certified public auditors in the course of discharging the duties of the supervisory committee shall be borne by the Company.</p>	<p><del>Article 98</del> Reasonable expenses incurred in engaging professionals such as lawyers, registered accountants and certified public auditors in the course of discharging the duties of the supervisory committee shall be borne by the Company.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
85	<p><b>Article 99</b> The supervisors shall carry out their supervisory duties in good faith in accordance with the laws, administrative regulations and these Articles of Association.</p>	<p><del>Article 99</del> The supervisors shall carry out their supervisory duties in good faith in accordance with the laws, administrative regulations and these Articles of Association.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
86	<p><b>Chapter 11</b> Qualifications and Obligations of the Directors, <b>Supervisors</b>, General Manager and Other Officers of the Company</p> <p><b>Article 100</b> A person may not serve as a director, <b>supervisor</b>, general manager or other officer of the Company if any of the following circumstances apply:</p> <p>(1) the person lacks civil capacity or such capacity is otherwise being restricted;</p>	<p><b>Chapter 11</b> Qualifications and Obligations of the Directors, <b>Supervisors</b>, General Manager and Other Officers of the Company</p> <p><b>Article 82</b> A person may not serve as a director, <del>supervisor</del>, general manager or other officer of the Company if any of the following circumstances apply:</p> <p>(1) the person lacks civil capacity or such capacity is otherwise being restricted;</p>

No.	Before amendment	After amendment
	<p>(2) the person has been convicted of an offence of corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and less than 5 years have elapsed since the expiration of the enforcement period; <b>or the person has been deprived of political rights due to conviction and less than 5 years have elapsed since the expiration of the enforcement period;</b></p> <p>(3) the person is a former director or factory manager or manager of a company or an enterprise which has become insolvent <b>as a result of improper operation and management</b> and such person is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;</p> <p>(4) the person was the legal representative of a company or an enterprise whose business license has been revoked or which was ordered to close as a result of the violation of the laws and who is personally liable, where less than 3 years have elapsed since the date of revocation of the business license of such company or enterprise;</p>	<p>(2) the person has been convicted of an offence of corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, <b>or the person has been deprived of political rights due to conviction</b> and less than 5 years have elapsed since the expiration of the enforcement period; <b>where probation has been granted, less than 2 years have elapsed since the date of completion of the probationary period</b> <del>or the person has been deprived of political rights due to conviction and less than 5 years have elapsed since the expiration of the enforcement period;</del></p> <p>(3) the person is a former director or factory manager or manager of a company or an enterprise which has become insolvent <del>as a result of improper operation and management</del> and such person is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;</p> <p>(4) the person was the legal representative of a company or an enterprise whose business license has been revoked or which was ordered to close as a result of the violation of the laws and who is personally liable, where less than 3 years have elapsed since the date of revocation of the business license of such company or enterprise <b>or such company or enterprise being ordered to close;</b></p>

No.	Before amendment	After amendment
	<p>(5) the person has a relatively large amount of personal indebtedness which is due and outstanding;</p> <p>(6) a person who is under a penalty of prohibited access to the securities market imposed by the CSRC, which is still effective;</p> <p>(7) other circumstances restricted by the laws, administrative regulations or departmental rules.</p> <p>In case that the election, appointment <b>or engagement</b> of any director, <b>supervisor</b>, general manager or other senior managerial officer is in violation of the provisions in this Article, the said election, appointment or engagement shall be void. Where any of the circumstances in the first paragraph of this Article happens to any director, <b>supervisor</b>, other senior managerial officer during his/her term of office, the Company shall remove him/her from such office.</p>	<p>(5) the person has a relatively large amount of personal indebtedness which is due and outstanding <b>and has been listed as a dishonest person subject to enforcement by the People's Court;</b></p> <p>(6) a person who is under a penalty of prohibited access to the securities market imposed by the CSRC, which is still effective;</p> <p>(7) other circumstances restricted by the laws, administrative regulations or departmental rules.</p> <p>In case that the election; <b>or</b> appointment <b>or engagement</b> of any director, <del>supervisor</del>, <b>or the engagement of</b> general manager or other senior managerial officer is in violation of the provisions in this Article, the said election, appointment or engagement shall be void. Where any of the circumstances in the first paragraph of this Article happens to any director, <del>supervisor</del>, other senior managerial officer during his/her term of office, the Company shall remove him/her from such office.</p>
87	<p><b>Article 101 The validity of an act of a director, general manager and other officer of the Company acting on behalf of the Company vis-a-vis a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.</b></p>	<p><del>Article 101 The validity of an act of a director, general manager and other officer of the Company acting on behalf of the Company vis-a-vis a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

No.	Before amendment	After amendment
88	<p><b>Article 102</b> In exercising his rights or discharging his duties, the director, supervisor, general manager and other officer owes a duty to exercise the care, diligence and skill of a reasonable and prudent person acting under similar circumstances.</p>	<p><del>Article 102</del> In exercising his rights or discharging his duties, the director, supervisor, general manager and other officer owes a duty to exercise the care, diligence and skill of a reasonable and prudent person acting under similar circumstances.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
89	<p><b>Article 103</b> The directors shall comply with laws, administrative regulations and these Articles of Association, and bear the following responsibilities of diligence to the Company:</p> <p>(1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations, departmental rules and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;</p> <p>(2) to be fair to all shareholders;</p> <p>(3) to timely understand the business operations and management of the Company;</p> <p>(4) to ensure that the information disclosed by the Company is true, accurate and complete;</p>	<p><b>Article 84</b> The directors shall comply with <u>the provisions of</u> laws, administrative regulations and these Articles of Association, <del>and</del> bear the following responsibilities of diligence to the Company <b>and shall exercise the reasonable care that the management shall typically have for the Company's best interests in performing their duties:</b></p> <p>(1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations, departmental rules and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;</p> <p>(2) to be fair to all shareholders;</p> <p>(3) to timely understand the business operations and management of the Company;</p> <p>(4) to ensure that the information disclosed by the Company is true, accurate and complete;</p>

No.	Before amendment	After amendment
	<p>(5) to provide the status and information to the <b>supervisory committee</b> honestly, and not to hinder the <b>supervisory committee or supervisors</b> from exercising their powers;</p> <p>(6) other responsibilities of diligence stipulated in the laws, administrative regulations and these Articles of Association.</p> <p><b>The subparagraphs (4), (5) and (6) of the preceding paragraph</b> concerning the duty of diligence shall also apply to senior managerial officers.</p>	<p>(5) to provide the status and information to the <del>supervisory committee</del> <b>audit committee</b> honestly, and not to hinder the <del>supervisory committee</del> <b>audit committee</b> or supervisors from exercising their powers;</p> <p>(6) other responsibilities of diligence stipulated in the laws, administrative regulations and these Articles of Association.</p> <p><del>The subparagraphs (4), (5) and (6) of the preceding paragraph</del> <b>This Article</b> concerning the duty of diligence shall also apply to senior managerial officers.</p>
90	<p><b>Article 104</b> The directors shall comply with the relevant provisions of the laws, administrative regulations, and these Articles of Association, and shall fulfill the fiduciary obligation to the Company as follows:</p> <p>(1) not to take advantage of his/her functions and powers to <b>accept</b> bribes or other illegal income, <b>and not to misappropriate the property of the Company;</b></p> <p>(2) not to misappropriate the funds of the Company;</p> <p>(3) not to deposit the Company's assets or funds in an account opened in his/her own name or in the name of any other individual;</p>	<p><b>Article 85</b> The directors shall comply with the relevant provisions of the laws, administrative regulations, and these Articles of Association, and shall fulfill the fiduciary obligation to the Company as follows, <b>and shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their powers to gain undue benefits:</b></p> <p>(1) not to take advantage of his/her functions and powers to <del>accept</del> <b>accept</b> bribes or other illegal income, <del>and not to misappropriate the property of the Company;</del></p> <p>(2) not to misappropriate <b>the property of the Company or</b> the funds of the Company;</p> <p>(3) not to deposit the Company's assets or funds in an account opened in his/her own name or in the name of any other individual;</p>

No.	Before amendment	After amendment
	<p>(4) not to lend the Company's funds to others or using the Company's assets as security for others in violation of these Articles of Association and without the prior approval of the general meeting or the board of directors;</p> <p>(5) not to enter into any contract or transaction with the Company in violation of the provisions of these Articles of Association, or without the consent of the general meeting;</p>	<p>(4) <u>not to conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the shareholders' meeting, and without being approved by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of these Articles of Association</u> <del>not to lend the Company's funds to others or using the Company's assets as security for others in violation of these Articles of Association and without the prior approval of the general meeting or the board of directors;</del></p> <p>(5) <u>not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except where they have been reported to the board of directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or where the Company, according to the laws, administrative regulations, or the provisions of these Articles of Association, cannot utilize such business opportunities</u> <del>not to enter into any contract or transaction with the Company in violation of the provisions of these Articles of Association, or without the consent of the general meeting;</del></p>

No.	Before amendment	After amendment
	<p>(6) <b>without the prior approval of the general meeting, not to take advantage of his/her position to seek business opportunities for himself/herself or others that should belong to the Company, or engage in business for himself/herself or others that are similar to that of the Company;</b></p> <p>(7) not to accept and embezzle commission arising from the Company’s involved transaction;</p> <p>(8) not to disclose the secrets of the Company without authorization;</p> <p>(9) not to damage the interests of the Company by taking advantage of his/her position;</p> <p>(10) other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The income derived by the directors in violation of this Article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.</p> <p><b>The provision of preceding paragraph concerning the fiduciary duty shall also apply to senior managerial officers.</b></p>	<p>(6) <b><u>not to operate for themselves or others any business identical with that of the Company, without reporting to the board of directors or the shareholders’ meeting and obtaining approval through a resolution of the shareholders’ meeting</u></b> <del>without the prior approval of the general meeting, not to take advantage of his/her position to seek business opportunities for himself/herself or others that should belong to the Company, or engage in business for himself/herself or others that are similar to that of the Company;</del></p> <p>(7) not to accept and embezzle commission arising from the Company’s involved transactions <b><u>with others;</u></b></p> <p>(8) not to disclose the secrets of the Company without authorization;</p> <p>(9) not to damage the interests of the Company by taking advantage of his/her position;</p> <p>(10) other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The income derived by the directors in violation of this Article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.</p> <p><del>The provision of preceding paragraph</del> <b><u>This Article</u></b> concerning the fiduciary duty shall also apply to senior managerial officers.</p> <p><b><u>Close family members of directors and senior managerial officers, enterprises directly or indirectly controlled by directors, senior managerial officers or their close family members, and connected persons having other connected relationships with directors and senior managerial officers, when entering into contracts or conducting transactions with the Company, are subject to the provisions of subparagraph (4) of the second paragraph of this Article.</u></b></p>

No.	Before amendment	After amendment
91	<p><b>Article 105</b> A director, supervisor, general manager and other officers of the Company shall not cause any one of the following persons or organizations (“connected persons”) to do such acts which such director, supervisor, general manager and other officers are prohibited from doing:</p> <p>(1) the spouse or the minor children of the director, supervisor, general manager and other officers;</p> <p>(2) a trustee of the director, supervisor, general manager and other officers or of the persons mentioned in subparagraph (1) of this Article;</p> <p>(3) a partner of the director, supervisor, general manager and other officers or of the persons mentioned in subparagraph (1) and (2) of this Article;</p> <p>(4) companies actually and solely controlled by the director, supervisor, general manager and other officers, or companies actually and jointly controlled by the persons referred to in subparagraphs (1), (2) and (3) of this Article or the director, supervisor, general manager, and other officers of the Company;</p> <p>(5) the director, supervisor, general manager and other officers of the Company being controlled as mentioned in subparagraph (4) of this Article.</p>	<p><del>Article 105—A director, supervisor, general manager and other officers of the Company shall not cause any one of the following persons or organizations (“connected persons”) to do such acts which such director, supervisor, general manager and other officers are prohibited from doing:</del></p> <p>(1) the spouse or the minor children of the director, supervisor, general manager and other officers;</p> <p>(2) a trustee of the director, supervisor, general manager and other officers or of the persons mentioned in subparagraph (1) of this Article;</p> <p>(3) a partner of the director, supervisor, general manager and other officers or of the persons mentioned in subparagraph (1) and (2) of this Article;</p> <p>(4) companies actually and solely controlled by the director, supervisor, general manager and other officers, or companies actually and jointly controlled by the persons referred to in subparagraphs (1), (2) and (3) of this Article or the director, supervisor, general manager, and other officers of the Company;</p> <p>(5) the director, supervisor, general manager and other officers of the Company being controlled as mentioned in subparagraph (4) of this Article.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

No.	Before amendment	After amendment
92	<p><b>Article 106</b> The fiduciary duties of a director, supervisor, general manager and other officer of the Company do not necessarily cease upon the expiry of his term of office. The obligations to keep the trade secrets of the Company confidential shall survive the expiry of his term of office. The continuance of other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and the conditions under which his relation with the Company was terminated.</p>	<p><del>Article 106</del>—The fiduciary duties of a director, supervisor, general manager and other officer of the Company do not necessarily cease upon the expiry of his term of office. The obligations to keep the trade secrets of the Company confidential shall survive the expiry of his term of office. The continuance of other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and the conditions under which his relation with the Company was terminated.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
93	<p>Chapter 12 Financial Accounting System and Distribution of Profits and Audit</p> <p><b>Article 107</b> The Company shall establish the financial accounting system of the Company in accordance with the provisions of the Accounting Law of the PRC and relevant laws, administrative regulations and state regulations.</p>	<p>Chapter <del>12</del><b>11</b> Financial Accounting System and Distribution of Profits and Audit</p> <p><b>Article 86</b> The Company shall establish the financial accounting system of the Company in accordance with the provisions of the Accounting Law of the PRC and relevant laws, administrative regulations and state regulations.</p>
94	<p><b>Article 108</b> The Company shall prepare a financial accounting report at the end of each accounting year and shall be audited by an accounting firm in accordance with law. The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the provisions of the Ministry of Finance of the PRC.</p>	<p><b>Article 87</b> The Company shall prepare a financial accounting report at the end of each accounting year and shall be audited by an accounting firm in accordance with law. The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the provisions of the Ministry of Finance of the PRC.</p>
95	<p><b>Article 109</b> The financial report prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each <b>annual general meeting</b>.</p>	<p><b>Article 88</b> The financial report prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each <del>annual general meeting</del> <b>annual shareholders' meeting</b>.</p>

No.	Before amendment	After amendment
96	<p><b>Article 110</b> The financial report of the Company shall be prepared not only in accordance with PRC accounting standards and legal regulations, but also in accordance with international accounting standards or the accounting standards of the place outside PRC where the shares of the Company are listed. For the purpose of the distribution of profits after taxation of the Company for the relevant accounting year, the lesser amount of profit after taxation stated in the said two financial reports shall prevail.</p>	<p><del>Article 110</del>—The financial report of the Company shall be prepared not only in accordance with PRC accounting standards and legal regulations, but also in accordance with international accounting standards or the accounting standards of the place outside PRC where the shares of the Company are listed. For the purpose of the distribution of profits after taxation of the Company for the relevant accounting year, the lesser amount of profit after taxation stated in the said two financial reports shall prevail.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
97	<p><b>Article 111</b> The financial report of the Company shall be made available at the registered address of the Company for inspection by shareholders 20 days prior to the holding of the <b>annual general meeting</b>. Each shareholder of the Company shall be entitled to obtain the financial report mentioned in these Articles of Association.</p> <p>Copies of the director’s report, aforesaid financial report, together with the balance sheet and profit and loss account, shall be provided to the holders of H shares at least 21 days prior to the <b>annual general meeting</b>.</p>	<p><b>Article 89</b> The financial report of the Company shall be made available at the registered address of the Company for inspection by shareholders 20 days prior to the holding of the <b>annual shareholders’ meeting</b>. Each shareholder of the Company shall be entitled to obtain the financial report mentioned in these Articles of Association.</p> <p>Copies of the director’s report, aforesaid financial report, together with the balance sheet and profit and loss account, shall be provided to the holders of H shares at least 21 days prior to the <b>annual shareholders’ meeting</b>.</p>
98	<p><b>Article 112</b> The interim results or financial information published or disclosed by the Company should be prepared in accordance with PRC accounting standards and legal regulations as well as international accounting standards or accounting standards of the place where the shares of the Company are listed.</p>	<p><del>Article 112</del>—The interim results or financial information published or disclosed by the Company should be prepared in accordance with PRC accounting standards and legal regulations as well as international accounting standards or accounting standards of the place where the shares of the Company are listed.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

No.	Before amendment	After amendment
99	<b>Article 113</b> The Company shall announce two financial reports in each accounting year. The interim report shall be announced within 60 days after the first 6 months of an accounting year and the annual financial report shall be announced within 120 days after the end of the accounting year.	<b>Article 90</b> The Company shall announce two financial reports in each accounting year. The interim report shall be announced within 60 days after the first 6 months of an accounting year and the annual financial report shall be announced within 120 days after the end of the accounting year.
100	<b>Article 114</b> No <b>books of account</b> other than those provided by law shall be established by the Company. No <b>assets</b> of the Company shall be deposited under any account opened in the name of any individual.	<b>Article 91</b> No <del>books of account</del> <b>accounting books</b> other than those provided by law shall be established by the Company. No <del>assets</del> <b>funds</b> of the Company shall be deposited under any account opened in the name of any individual.
101	<b>Article 115</b> The Company shall have an internal audit system, and have full-time audit staff, for the carrying out of internal audit and supervision on the financial matters and economic activities of the Company.	<b>Article 92</b> The Company shall have an internal audit system, and have full-time audit staff, for the carrying out of internal audit and supervision on the financial matters and economic activities of the Company.
102	<b>Article 116</b> The internal audit system of the Company and the duties of the auditors shall be implemented upon the approval of the board of directors. The head of audit shall be responsible and report to the board of directors.	<b>Article 93</b> The internal audit system of the Company and the duties of the auditors shall be implemented upon the approval of the board of directors. The head of audit shall be responsible and report to the board of directors.

No.	Before amendment	After amendment
103	<p><b>Article 117</b> The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:</p> <ol style="list-style-type: none"> <li>(1) making up losses;</li> <li>(2) allocation to the statutory reserve fund;</li> <li>(3) payment of dividends to preferential shareholders (if any);</li> <li>(4) allocation to the discretionary reserve fund; and</li> <li>(5) payment of dividends to ordinary shareholders.</li> </ol> <p>The actual proportion of distribution in each year in respect of paragraphs (4) and (5) of this Article shall be proposed by the board of directors in accordance with the operational condition and development requirements of the Company and shall be approved by the shareholders in general meeting. No dividend shall be distributed by the Company before losses have been made up and allocation to the statutory common reserve fund have been made. The Company shall not pay any interest to shareholders in respect of dividends, except those dividends which are due and payable but not yet paid by the Company.</p>	<p><del>Article 117</del> The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:</p> <ol style="list-style-type: none"> <li><del>(1)</del> making up losses;</li> <li><del>(2)</del> allocation to the statutory reserve fund;</li> <li><del>(3)</del> payment of dividends to preferential shareholders (if any);</li> <li><del>(4)</del> allocation to the discretionary reserve fund; and</li> <li><del>(5)</del> payment of dividends to ordinary shareholders.</li> </ol> <p><del>The actual proportion of distribution in each year in respect of paragraphs (4) and (5) of this Article shall be proposed by the board of directors in accordance with the operational condition and development requirements of the Company and shall be approved by the shareholders in general meeting. No dividend shall be distributed by the Company before losses have been made up and allocation to the statutory common reserve fund have been made. The Company shall not pay any interest to shareholders in respect of dividends, except those dividends which are due and payable but not yet paid by the Company.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

No.	Before amendment	After amendment
104	<b>Article 118</b> The Company pays dividends in foreign currency or RMB in accordance with the regulations of foreign exchange management and cross-border RMB management, etc. Where dividends or other distributions are paid by the Company in foreign currency, the exchange rate shall be the average closing price of such foreign currency to Renminbi declared by the People's Bank of China in the 5 trading days immediately preceding the date of the declaration of dividends or other distributions or in accordance with other exchange rates regulated or permitted by the relevant laws and regulations.	<b>Article 94</b> The Company pays dividends in foreign currency or RMB in accordance with the regulations of foreign exchange management and cross-border RMB management, etc. Where dividends or other distributions are paid by the Company in foreign currency, the exchange rate shall be the average closing price of such foreign currency to Renminbi declared by the People's Bank of China in the 5 trading days immediately preceding the date of the declaration of dividends or other distributions or in accordance with other exchange rates regulated or permitted by the relevant laws and regulations.
105	<b>Article 119</b> The Company shall allocate 10% of the profit after tax to the statutory reserve fund. It needs not allocate further amount if the accumulated amount of the statutory common reserve fund <b>has reached</b> 50% of registered capital.	<b>Article 95</b> The Company shall allocate 10% of the profit after tax to the statutory reserve fund. It needs not allocate further amount if the accumulated amount of the statutory common reserve fund <del>has reached</del> <u>represents 50% or more</u> of registered capital.
106	<b>Article 120</b> If the statutory reserve fund is not sufficient to make up the losses of the Company in the preceding years, the profits of that year shall be used for making up such losses before the allocation to the statutory reserve fund.	<b>Article 96</b> If the statutory reserve fund is not sufficient to make up the losses of the Company in the preceding years, the profits of that year shall be used for making up such losses before the allocation to the statutory reserve fund.
107	<b>Article 121</b> Where resolutions have been passed in the <b>general meeting</b> , the Company may make allocation to the discretionary reserve fund after the allocation to the statutory reserve fund has been made.	<b>Article 97</b> Where resolutions have been passed in the <del>general meeting</del> <u>shareholders' meeting</u> , the Company may make allocation to the discretionary reserve fund after the allocation to the statutory reserve fund has been made.
108	<b>Article 122</b> The shareholders in general meeting or the board of directors of the Company shall not pay any dividends to the shareholders before the Company has made up its losses and has made allocation to the statutory reserve fund. The shareholders shall return dividends paid in breach of <b>this Article</b> to the Company.	<b>Article 98</b> <u>After the Company has made good its losses and made appropriation to its statutory reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings.</u>

No.	Before amendment	After amendment
	No Profit shall be distributed for any shares issued by the Company and held by the Company.	<p><del>The shareholders in general meeting or the board of directors of</del> <b>Where</b> the Company shall not pay any dividends to the shareholders before the Company has made up its losses and has made allocation to the statutory reserve fund <b>in breach of the Company Law</b>. <del>The shareholders shall return dividends paid in breach of this Article</del> <b>the Company Law</b> to the Company.</p> <p>No Profit shall be distributed for any shares issued by the Company and held by the Company.</p>
109	<p><b>Article 123 The capital reserve fund shall include the following items:</b></p> <p>(1) <b>premium received in excess of the par value of the shares issued;</b></p> <p>(2) <b>other revenue required by the financial department of the State Council to be so included.</b></p>	<p><del>Article 123 The capital reserve fund shall include the following items:</del></p> <p>(1) <del>premium received in excess of the par value of the shares issued;</del></p> <p>(2) <del>other revenue required by the financial department of the State Council to be so included.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
110	<p><b>Article 124</b> The reserve fund of the Company shall be used for making up losses of the Company, expansion of the production and operation of the Company and conversion into additional <b>share</b> capital of the Company. <b>However, capital reserve fund shall not be used to make up losses of the Company.</b></p> <p>When the statutory reserve fund is converted into <b>share</b> capital, the amount remaining in such statutory reserve fund shall not be less than 25% of the registered capital of the Company prior to the conversion.</p>	<p><b>Article 99</b> The reserve fund of the Company shall be used for making up losses of the Company, expansion of the production and operation of the Company and conversion into additional <b>share registered</b> capital of the Company. <del>However, capital reserve fund shall not be used to make up losses of the Company.</del></p> <p><b><u>To make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first. If they are still insufficient, the capital reserve fund may be utilized in accordance with the regulations.</u></b></p>

No.	Before amendment	After amendment
		When the statutory reserve fund is converted into <del>share</del> <b>registered</b> capital, the amount remaining in such statutory reserve fund shall not be less than 25% of the registered capital of the Company prior to the conversion.
111	<p><b>Article 125</b> Dividends of the Company of each year shall be paid within 6 months after the end of each financial year to each shareholder in proportion to their respective shareholding. The annual dividends shall be passed by shareholders in <b>general meeting</b>, and the amount of dividends to be distributed shall be proposed by the Board of Directors.</p> <p>The Board of Directors may determine to distribute interim dividends after approval by the shareholders in <b>general meeting</b>.</p> <p>After the resolution on the profit distribution plan is made at the <b>general meeting</b> of the Company, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the <b>general meeting</b>.</p>	<p><b>Article 100</b> Dividends of the Company of each year shall be paid within 6 months after the end of each financial year to each shareholder in proportion to their respective shareholding. The annual dividends shall be passed by shareholders in <del>general meeting</del> <b>shareholders' meeting</b>, and the amount of dividends to be distributed shall be proposed by the Board of Directors.</p> <p>The Board of Directors may determine to distribute interim dividends after approval by the shareholders in <del>general meeting</del> <b>shareholders' meeting</b>.</p> <p>After the resolution on the profit distribution plan is made at the <del>general meeting</del> <b>shareholders' meeting</b> of the Company, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the <del>general meeting</del> <b>shareholders' meeting</b>.</p>
112	<p><b>Article 126</b> When distributing dividends, the Company shall withhold on behalf of the shareholders the tax payable on dividend income in accordance with PRC tax law.</p>	<p><del>Article 126</del> When distributing dividends, the Company shall withhold on behalf of the shareholders the tax payable on dividend income in accordance with PRC tax law.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

No.	Before amendment	After amendment
113	<p><b>Article 127</b> The Company shall appoint receiving agents on behalf of the shareholders of overseas listed foreign invested shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Company in respect of the overseas listed foreign invested shares.</p> <p>The receiving agent appointed by the Company shall comply with the laws and the requirements of the regulations of the stock exchange where the shares of the Company are listed.</p> <p><b>The receiving agent appointed by the Company on behalf of H shareholders shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.</b></p> <p><b>The Company shall not exercise power to forfeit any unclaimed dividends of the H shares before the expiration of the relevant limitation period.</b></p>	<p><b>Article 101</b> The Company shall appoint receiving agents on behalf of the shareholders of overseas listed foreign invested shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Company in respect of the overseas listed foreign invested shares.</p> <p>The receiving agent appointed by the Company shall comply with the laws and the requirements of the regulations of the stock exchange where the shares of the Company are listed.</p> <p><del>The receiving agent appointed by the Company on behalf of H shareholders shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.</del></p> <p><del>The Company shall not exercise power to forfeit any unclaimed dividends of the H shares before the expiration of the relevant limitation period.</del></p>
114	<p>Chapter 13 Appointment of Accounting Firm</p> <p><b>Article 128</b> The Company shall appoint an independent accounting firm which meets the requirements of the Securities Law and the Listing Rules to audit the accounting statements, verify the net assets of the Company and to provide other relevant consultation services. The accounting firm shall be engaged with a term of one year and is renewable upon reappointment.</p>	<p>Chapter 13<del>2</del> Appointment of Accounting Firm</p> <p><b>Article 102</b> The Company shall appoint an independent accounting firm which meets the requirements of the Securities Law and the Listing Rules to audit the accounting statements, verify the net assets of the Company and to provide other relevant consultation services. The accounting firm shall be engaged with a term of one year and is renewable upon reappointment.</p>

No.	Before amendment	After amendment
	Employing an accounting firm for the Company must be decided by a resolution passed at the <b>general meeting</b> . The board of directors shall not appoint an accounting firm before the decision of the <b>general meeting</b> .	Employing an accounting firm for the Company must be decided by a resolution passed at the <del>general meeting</del> <b>shareholders' meeting</b> . The board of directors shall not appoint an accounting firm before the decision of the <del>general meeting</del> <b>shareholders' meeting</b> .
115	<b>Article 129</b> The Company shall ensure that the accounting documents, books of accounts, financial reports and other accounting information provided to the accounting firm appointed is true and complete without any refusal, concealment or false statement.	<b>Article 103</b> The Company shall ensure that the accounting documents, books of accounts, financial reports and other accounting information provided to the accounting firm appointed is true and complete without any refusal, concealment or false statement.
116	<b>Article 130</b> The audit fee of the accounting firm shall be decided by the shareholders in <b>general meeting</b> .	<b>Article 104</b> The audit fee of the accounting firm shall be decided by the shareholders in <del>general meeting</del> <b>shareholders' meeting</b> .
117	<b>Article 131</b> When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice of at least 15 days to the accounting firm. The accounting firm shall be permitted to make representations at the <b>general meeting</b> where a voting process concerning the dismissal of such accounting firm is carried out. Where the accounting firm resigns, it shall state in the <b>general meeting</b> whether or not there are situations of irregularities in the Company.	<b>Article 105</b> When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice of at least 15 days to the accounting firm. The accounting firm shall be permitted to make representations at the <del>general meeting</del> <b>shareholders' meeting</b> where a voting process concerning the dismissal of such accounting firm is carried out. Where the accounting firm resigns, it shall state in the <del>general meeting</del> <b>shareholders' meeting</b> whether or not there are situations of irregularities in the Company.
118	Chapter 14 Merger and Division of the Company  <b>Article 132</b> The merger of the Company may take the forms of merger of absorption and merger by establishment of a new company.	Chapter 14 <del>3</del> Merger and Division of the Company  <b>Article 106</b> The merger of the Company may take the forms of merger of absorption and merger by establishment of a new company.

No.	Before amendment	After amendment
	<p>A company that absorbs another 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 new establishment whereby the merged companies shall be dissolved.</p> <p>In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within 10 days from the date of the merger resolution and shall make announcement in newspapers within 30 days thereof.</p> <p>The creditors shall, within 30 days since the date of receiving a written notice or within 45 days since the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts or to provide a corresponding guarantee.</p> <p>After completion of the merger, the creditor's rights and debts of the parties involved in the merger shall be assumed by the company surviving the merger or the new company established after the merger.</p>	<p>A company that absorbs another 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 new establishment whereby the merged companies shall be dissolved.</p> <p>In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within 10 days from the date of the merger resolution and shall make announcement in newspapers <b><u>or on the National Enterprise Credit Information Publicity System</u></b> within 30 days thereof.</p> <p>The creditors shall, within 30 days since the date of receiving a written notice or within 45 days since the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts or to provide a corresponding guarantee.</p> <p>After completion of the merger, the creditor's rights and debts of the parties involved in the merger shall be assumed by the company surviving the merger or the new company established after the merger.</p>
119	<b>Article 133</b> In the event of a division of the Company, its assets shall be divided accordingly.	<b>Article 107</b> In the event of a division of the Company, its assets shall be divided accordingly.

No.	Before amendment	After amendment
	<p>In the event of a division of the Company, <b>the parties involved shall execute a division agreement and prepare</b> the balance sheet and list of assets. The Company shall notify the creditors within 10 days from the date of the division resolution and shall make an announcement in newspapers within 30 days thereof.</p> <p>The liabilities of the Company prior to the division shall be undertaken by the companies jointly and severally after such division <b>in accordance with the agreement entered into</b>, except as otherwise stated in the written agreement entered into between creditors and the Company for debt settlement prior to the division.</p>	<p>In the event of a division of the Company, <del>the parties involved shall execute a division agreement and prepare</del> the balance sheet and list of assets <b>shall be prepared</b>. The Company shall notify the creditors within 10 days from the date of the division resolution and shall make an announcement in newspapers <b>or on the National Enterprise Credit Information Publicity System</b> within 30 days thereof.</p> <p>The liabilities of the Company prior to the division shall be undertaken by the companies jointly and severally after such division <del>in accordance with the agreement entered into</del>, except as otherwise stated in the written agreement entered into between creditors and the Company for debt settlement prior to the division.</p>
120	<p><b>Article 134</b> In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law.</p>	<p><b>Article 108</b> In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law.</p>
121	<p>Chapter <b>15</b> Liquidation of the Company upon Dissolution</p> <p><b>Article 135</b> The Company shall <b>dissolve and proceed with liquidation in accordance with law upon occurrence of any one of the following events:</b></p> <p>(1) the expiry of the term of business operation specified in these Articles of Association or occurrence of other dissolution reasons as stipulated in these Articles of Association;</p>	<p>Chapter <del>15</del> Liquidation of the Company upon Dissolution</p> <p><b>Article 109</b> The Company <del>shall dissolve and proceed with liquidation in accordance with law upon occurrence of any one of the following events</del> <b>shall dissolve for the following reasons:</b></p> <p>(1) the expiry of the term of business operation specified in these Articles of Association or occurrence of other dissolution reasons as stipulated in these Articles of Association;</p>

No.	Before amendment	After amendment
	<p>(2) <b>a special resolution is passed by the shareholders in general meeting</b> to dissolve the Company;</p> <p>(3) dissolution of the Company is necessary due to a merger or division of the Company;</p> <p>(4) the Company is revoked of business license, ordered to close or canceled according to law;</p> <p>(5) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders who hold an aggregate of 10% or more of <b>the whole voting rights</b> can make a petition to the People's Court to dissolve the Company.</p>	<p>(2) <del>a special resolution is passed by the shareholders in general meeting</del> <b>shareholders' meeting resolves</b> to dissolve the Company;</p> <p>(3) dissolution of the Company is necessary due to a merger or division of the Company;</p> <p>(4) the Company is revoked of business license, ordered to close or canceled according to law;</p> <p>(5) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders who hold an aggregate of 10% or more of <del>the whole voting rights</del> <b>voting rights</b> can make a petition to the People's Court to dissolve the Company.</p> <p><b><u>Where the Company encounters the cause of dissolution as prescribed in the preceding paragraph, it shall, within 10 days, make public the cause of dissolution through the National Enterprise Credit Information Publicity System.</u></b></p>
122	<p><b>Article 136</b> Upon the occurrence of subparagraph (1) as described in Article 135 of these Articles of Association, the Company may continue to exist by amending these Articles of Association.</p>	<p><b>Article 110</b> Upon the occurrence of subparagraphs (1) <b>and (2)</b> as described in Article <del>135</del><b>09</b> of these Articles of Association, the Company may continue to exist by amending these Articles of Association <b>or by a resolution of the shareholders' meeting.</b></p>

No.	Before amendment	After amendment
	Amendments to these Articles of Association pursuant to the preceding paragraph shall be approved by votes representing two-thirds or more of the voting rights held by the shareholders present at the <b>general meeting</b> .	Amendments to these Articles of Association pursuant to the preceding paragraph <b>or by a resolution of the shareholders' meeting</b> shall be approved by votes representing two-thirds or more of the voting rights held by the shareholders present at the <del>general meeting</del> <b>shareholders' meeting</b> .
123	<p><b>Article 137</b> In the event that the Company is dissolved under the provisions of subparagraphs (1), (2), (4) or (5) of Article 135, a liquidation committee shall be <b>set up to start</b> within 15 days from the date of occurrence of the event for dissolution. The members of such liquidation committee shall be <b>determined by the board of directors or the general meeting</b>.</p> <p><b>If no liquidation committee is set up on time to proceed with the liquidation, the creditors may apply to the People's Court to designate relevant personnel for setting up the liquidation committee to proceed with the liquidation.</b></p>	<p><b>Article 111</b> In the event that the Company is dissolved under the provisions of subparagraphs (1), (2), (4) or (5) of Article <del>135</del><b>09, it should be liquidated. The directors shall be the liquidation obligors of the Company, and</b> a liquidation committee shall be <del>set up</del> <b>established to start for liquidation</b> within 15 days from the date of occurrence of the event for dissolution. The members of such liquidation committee shall be <del>determined by the board of directors or the general meeting</del> <b>except as otherwise provided in these Articles of Association or as resolved by the shareholders' meeting to elect other persons. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes any losses to the Company or creditors, it shall be liable for the compensation.</b></p> <p><b><u>In case of liquidation, if no liquidation committee is established on time to proceed with the liquidation or liquidation is not carried out after the establishment of the liquidation committee, If no liquidation committee is set up on time to proceed with the liquidation, the creditors stakeholders may apply to the People's Court to designate relevant personnel for setting up the liquidation committee to proceed with the liquidation.</u></b></p>

No.	Before amendment	After amendment
124	<p><b>Article 138</b> The liquidation committee shall notify the creditors within 10 days of its establishment and announce the same in the newspapers within 60 days. Those creditors who received the notice of the liquidation committee shall within 30 days from the date of receipt of such notice, and those who have not received the notice shall within 45 days as from the date of announcement, make any claim.</p> <p>When the creditors make a claim, they shall describe the relevant matters in respect of their claim and provide evidence thereof. The liquidation committee shall register all creditors' claims.</p> <p>In the course of reporting the creditors' rights, the liquidation committee shall not repay the creditors.</p>	<p><b>Article 112</b> The liquidation committee shall notify the creditors within 10 days of its establishment and announce the same in the newspapers <u>or on the National Enterprise Credit Information Publicity System</u> within 60 days. Those creditors who received the notice of the liquidation committee shall within 30 days from the date of receipt of such notice, and those who have not received the notice shall within 45 days as from the date of announcement, make any claim.</p> <p>When the creditors make a claim, they shall describe the relevant matters in respect of their claim and provide evidence thereof. The liquidation committee shall register all creditors' claims.</p> <p>In the course of reporting the creditors' rights, the liquidation committee shall not repay the creditors.</p>
125	<p><b>Article 139</b> During the liquidation period, the liquidation committee shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;</li> <li>(2) to give notice <b>or</b> make announcement to the creditors;</li> <li>(3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;</li> <li>(4) to effect payment of all taxes due;</li> <li>(5) to settle debts and indebtedness;</li> </ol>	<p><b>Article 113</b> During the liquidation period, the liquidation committee shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;</li> <li>(2) to give notice <del>or</del> <b>and</b> make announcement to the creditors;</li> <li>(3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;</li> <li>(4) to effect payment of all taxes due <b>and taxes incurred during the liquidation process</b>;</li> <li>(5) to settle debts and indebtedness;</li> </ol>

No.	Before amendment	After amendment
	<p>(6) to deal with the assets remaining after settlement of debts by the Company;</p> <p>(7) to represent the Company in any civil proceedings.</p>	<p>(6) to deal with the assets remaining after settlement of debts by the Company;</p> <p>(7) to represent the Company in any civil proceedings.</p>
126	<p><b>Article 140</b> After the assets of the Company have been disposed of and the balance sheet and list of assets have been completed, the liquidation committee shall prepare a liquidation plan and submit the same to the <b>shareholders' general meeting</b> or the People's Court for confirmation.</p> <p>In the event that the assets of the Company shall be used for paying liquidation expenses, wages due to the staff and workers of the Company, labor insurance expenses and statutory compensation, and for paying the taxes due and settling the debts of the Company. The remaining assets of the Company shall be distributed to the shareholders of the Company in accordance with the proportion of shares held by <b>them</b>.</p> <p>During the liquidation period, the Company still exists but shall not commence business activities not related to liquidation. No asset of the Company shall be distributed to the shareholders before repayment of the debt in accordance with the preceding paragraph.</p>	<p><b>Article 114</b> After the assets of the Company have been disposed of and the balance sheet and list of assets have been completed, the liquidation committee shall prepare a liquidation plan and submit the same to the <del>shareholders' general meeting</del> <b>shareholders' meeting</b> or the People's Court for confirmation.</p> <p>In the event that the assets of the Company shall be used for paying liquidation expenses, wages due to the staff and workers of the Company, labor insurance expenses and statutory compensation, and for paying the taxes due and settling the debts of the Company. The remaining assets of the Company shall be distributed to the shareholders <del>of the Company</del> in accordance with the proportion of shares held by <del>them</del> <b>shareholders of the Company</b>.</p> <p>During the liquidation period, the Company still exists but shall not commence business activities not related to liquidation. No asset of the Company shall be distributed to the shareholders before repayment of the debt in accordance with the preceding paragraph.</p>

No.	Before amendment	After amendment
127	<p><b>Article 141</b> Where the Company is liquidated due to dissolution, if the liquidation committee, after the disposal of the assets of the Company and preparation of the balance sheet and list of assets, discovers that the assets of the Company are insufficient to settle the debts, it shall make an application to the People’s Court for a <b>declaration of insolvency</b> in accordance with the laws.</p> <p><b>After the declaration of insolvency by the People’s Court</b>, the liquidation committee shall transfer the liquidation matters to the People’s Court.</p>	<p><b>Article 115</b> <del>Where the Company is liquidated due to dissolution, if</del> <b>If</b> the liquidation committee, after the disposal of the assets of the Company and preparation of the balance sheet and list of assets, discovers that the assets of the Company are insufficient to settle the debts, it shall make an application to the People’s Court for a <del>declaration of insolvency</del> <b>bankruptcy and liquidation</b> in accordance with the laws.</p> <p><b>After the bankruptcy application is accepted by the People’s Court</b>, <del>After the declaration of insolvency by the People’s Court</del>, the liquidation committee shall transfer the liquidation matters to <b>the bankruptcy administrator designated by</b> the People’s Court.</p>
128	<p><b>Article 142</b> Upon the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report which shall be submitted to the <b>shareholders’ general meeting</b> or the People’s Court for confirmation. The liquidation report shall also be submitted to the Company registration authorities, for the cancellation of the registration of the Company <b>and announce the termination of the Company.</b></p>	<p><b>Article 116</b> Upon the completion of the liquidation <del>of the Company</del>, the liquidation committee shall prepare a liquidation report which shall be submitted to the <del>shareholders’ general meeting</del> <b>shareholders’ meeting</b> or the People’s Court for confirmation. The liquidation report shall also be submitted to the Company registration authorities, for the cancellation of the registration of the Company <del>and announce the termination of the Company.</del></p>

No.	Before amendment	After amendment
129	<p><b>Article 143</b> Members of the liquidation committee are required to discharge their duties in good faith and perform liquidation in compliance with the laws.</p> <p>Members of the liquidation committee shall be prohibited from abusing their authority to accept bribes or other unlawful income and from misappropriating the Company's properties. Members of the liquidation committee are liable to indemnify the Company and its creditors in respect of any loss arising from their willful or material default.</p>	<p><b>Article 117</b> <u>Members of the liquidation committee shall have loyalty and diligence obligations in performing their liquidation duties</u> <del>Members of the liquidation committee are required to discharge their duties in good faith and perform liquidation in compliance with the laws.</del></p> <p><u>Members of the liquidation committee who are negligent in performing their liquidation duties and cause any losses to the Company are liable to indemnify the Company. They</u> <del>Members of the liquidation committee shall be prohibited from abusing their authority to accept bribes or other unlawful income and from misappropriating the Company's properties. Members of the liquidation committee are liable to indemnify the Company and its creditors in respect of any loss arising from their willful or material default.</del></p>
130	<p><b>Article 144</b> Where the Company is declared bankrupt according to the law, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.</p>	<p><b>Article 118</b> Where the Company is declared bankrupt according to the law, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.</p>
131	<p>Chapter 16 Labor Management and Trade Union</p> <p><b>Article 145</b> The Company shall establish labor management, personnel management, wages, welfare and social insurance systems according to laws, regulations and relevant administrative regulations of the PRC.</p>	<p>Chapter 16<del>5</del> Labor Management and Trade Union</p> <p><b>Article 119</b> The Company shall establish labor management, personnel management, wages, welfare and social insurance systems according to laws, regulations and relevant administrative regulations of the PRC.</p>
132	<p><b>Article 146</b> The Company shall adopt an appointment system in each level of the management staff, and a contract system with other staff of the Company. The company shall have autonomy in deciding the allocation of staff, and shall have the right to recruit and dismiss management staff and general staff on its own accord in accordance with the provisions of laws, regulations and contract.</p>	<p><b>Article 120</b> The Company shall adopt an appointment system in each level of the management staff, and a contract system with other staff of the Company. The company shall have autonomy in deciding the allocation of staff, and shall have the right to recruit and dismiss management staff and general staff on its own accord in accordance with the provisions of laws, regulations and contract.</p>

No.	Before amendment	After amendment
133	<p><b>Article 147</b> The Company shall arrange for medical insurance, retirement insurance and unemployment insurance for the managerial staff and general staff and workers of the Company in accordance with the relevant laws, regulations and rules of the PRC, and shall implement the provisions of the laws, regulations and the relevant stipulations relating to labor insurance and labor protection for retired and unemployed workers.</p>	<p><b>Article 121</b> The Company shall arrange for medical insurance, retirement insurance and unemployment insurance for the managerial staff and general staff and workers of the Company in accordance with the relevant laws, regulations and rules of the PRC, and shall implement the provisions of the laws, regulations and the relevant stipulations relating to labor insurance and labor protection for retired and unemployed workers.</p>
134	<p><b>Article 148</b> The staff and workers of the Company shall have the right to establish a trade union, carry out trade union activities and protect the legal rights and interests of the staff and workers of the Company according to laws. The Company shall provide necessary conditions for the activities of the trade union. The Company shall also provide funds for the trade union in accordance with the laws of the PRC for the carrying out of trade union activities.</p> <p>The trade union of the Company shall enter into contracts with the Company on behalf of the staff and workers of the Company collectively in accordance with the law in relation to the labor remuneration, working hours, welfare, insurance, labor safety and hygiene of the staff and workers.</p>	<p><b>Article 122</b> The staff and workers of the Company shall have the right to establish a trade union, carry out trade union activities and protect the legal rights and interests of the staff and workers of the Company according to laws. The Company shall provide necessary conditions for the activities of the trade union. The Company shall also provide funds for the trade union in accordance with the laws of the PRC for the carrying out of trade union activities.</p> <p>The trade union of the Company shall enter into contracts with the Company on behalf of the staff and workers of the Company collectively in accordance with the law in relation to the labor remuneration, working hours, welfare, insurance, labor safety and hygiene of the staff and workers.</p>

No.	Before amendment	After amendment
135	<p>Chapter 17 Party Organization</p> <p><b>Article 149</b> This chapter is formulated to suit the needs of the development of socialistic market economy, establishing modern state-owned enterprise regulating system with Chinese characteristics, governing the organization and action of company, protecting the legal interests of investors, the Company and creditors, as well as pursuant to relevant laws, rules and regulations, including but not limited to, the Company Law <b>of the People’s Republic of China</b>, the Enterprise State-owned Asset Law of the People’s Republic of China, and the Articles of Association of the Chinese Communist Party (the “Party Articles”).</p>	<p>Chapter 17<del>6</del> Party Organization</p> <p><b>Article 123</b> This chapter is formulated to suit the needs of the development of socialistic market economy, establishing modern state-owned enterprise regulating system with Chinese characteristics, governing the organization and action of company, protecting the legal interests of investors, the Company and creditors, as well as pursuant to relevant laws, rules and regulations, including but not limited to, the Company Law <del>of the People’s Republic of China</del>, the Enterprise State-owned Asset Law of the People’s Republic of China, and the Articles of Association of the Chinese Communist Party (the “Party Articles”).</p>
136	<p><b>Article 150</b> These Articles of Association constitute a legal document that governs the organization and action of company, with binding power over investor, company, leading members of party organization (and disciplinary inspection organization), directors, <b>supervisors</b>, as well as senior management.</p>	<p><b>Article 124</b> These Articles of Association constitute a legal document that governs the organization and action of company, with binding power over investor, company, leading members of party organization (and disciplinary inspection organization), directors, <del>supervisors</del>, as well as senior management.</p>
137	<p><b>Article 151</b> Pursuant to relevant rules under the Party Articles, the Company sets up organization of the Chinese Communist Party, carries out activities of the party. Party organization, acting as core of leadership and politic, sets direction, oversees overall situation, and ensures implementation. The Company establishes working organization of the party, providing sufficient staff for party affairs, ensures the funding needed for party organization works, and providing the necessary condition for party organization’s activities.</p>	<p><b>Article 125</b> Pursuant to relevant rules under the Party Articles, the Company sets up organization of the Chinese Communist Party, carries out activities of the party. Party organization, acting as core of leadership and politic, sets direction, oversees overall situation, and ensures implementation. The Company establishes working organization of the party, providing sufficient staff for party affairs, ensures the funding needed for party organization works, and providing the necessary condition for party organization’s activities.</p>

No.	Before amendment	After amendment
138	<b>Article 152</b> The Company sets up Chinese Communist Party Commission of Zhejiang Expressway Co., Ltd. (the “Party Commission”) and Chinese Communist Party Disciplinary Inspection Commission of Zhejiang Expressway Co., Ltd. (the “Disciplinary Commission”).	<b>Article 126</b> The Company sets up Chinese Communist Party Commission of Zhejiang Expressway Co., Ltd. (the “Party Commission”) and Chinese Communist Party Disciplinary Inspection Commission of Zhejiang Expressway Co., Ltd. (the “Disciplinary Commission”).
139	<b>Article 153</b> Positions of secretary, deputy secretary and members of the Party Commission and the Disciplinary Commission are to be set up in accordance with directive given by higher level party organization, and to be elected or appointed pursuant to relevant rules under the Party Articles. Party Commission secretary and chairman of the Company should be assumed by the same person in principle. Qualified leading members of the Party Commission may assume positions within the board of directors, <b>the supervisory committee</b> , and the management through legal procedures. Likewise, qualified members of the board of directors, <b>the supervisory committee</b> , and the management may assume positions within the leading members of the Party Commission following relevant rules and procedures.	<b>Article 127</b> Positions of secretary, deputy secretary and members of the Party Commission and the Disciplinary Commission are to be set up in accordance with directive given by higher level party organization, and to be elected or appointed pursuant to relevant rules under the Party Articles. Party Commission secretary and chairman of the Company should be assumed by the same person in principle. Qualified leading members of the Party Commission may assume positions within the board of directors, <del>the supervisory committee</del> , and the management through legal procedures. Likewise, qualified members of the board of directors, <del>the supervisory committee</del> , and the management may assume positions within the leading members of the Party Commission following relevant rules and procedures.
140	<b>Article 154</b> The Company sets up working organization for party affairs independently providing party affairs working staff no less than the average staffing level for internal organizations, with party affairs working staff enjoying the same treatment as operation management staff at the same level. The Disciplinary Commission provides working staff to carry out disciplinary inspection works independently or jointly. At the same time, the Company should set up social organizations such as labor organization and communist youth league in accordance with law, safeguarding the legal interests of employees.	<b>Article 128</b> The Company sets up working organization for party affairs independently providing party affairs working staff no less than the average staffing level for internal organizations, with party affairs working staff enjoying the same treatment as operation management staff at the same level. The Disciplinary Commission provides working staff to carry out disciplinary inspection works independently or jointly. At the same time, the Company should set up social organizations such as labor organization and communist youth league in accordance with law, safeguarding the legal interests of employees.

No.	Before amendment	After amendment
141	<p><b>Article 155</b> The organization structure and staff hiring quotas of the Party Commission should be incorporated into corporate management structure and staff hiring quotas, with working funds of party development works constituting part of corporate management cost.</p>	<p><b>Article 129</b> The organization structure and staff hiring quotas of the Party Commission should be incorporated into corporate management structure and staff hiring quotas, with working funds of party development works constituting part of corporate management cost.</p>
142	<p><b>Article 156</b> The Party Commission shall discharge the following duties in accordance with the Party Articles and relevant rules:</p> <p>(1) to supervise and ensure the principles and policies of the party and the country are implemented at the Company, including important strategic decisions from party central committee, the state council, the provincial party committee and the provincial government.</p>	<p><b>Article 130</b> The Party Commission shall discharge the following duties in accordance with the Party Articles and relevant rules:</p> <p>(1) to supervise and ensure the principles and policies of the party and the country are implemented at the Company, including important strategic decisions from party central committee, the state council, the provincial party committee and the provincial government.</p>

No.	Before amendment	After amendment
	<p>(2) to participate in major decisions of the Company, taking part in discussions on reform, development and stability of the Company, major operation management decisions, as well as major issues involving core interests of employees, supporting the board of directors, <b>supervisory committee</b> and management in discharging their responsibilities in accordance with law.</p> <p>(3) to integrate the principle of party in charge of cadres with the board of directors' selection of management in accordance with law, as well as the management's power to select staff in accordance with law. The Party Commission should place checks on various personnel selection processes, including standards adopted, regulate procedures, participate in investigation and recommendation of candidates, ensuring the formation of a robust cadres team at the Company. Be resolute on the principle of party in charge of human resources, and fully implement the strategy of bolstering enterprise with talents.</p> <p>(4) to strengthen the supervision over management of the Company, enhance internal supervision system, integrate internal supervision resources, and improve supervision mechanism over power functioning.</p> <p>(5) to strengthen party organization development, party member development and training management at the local level, fully exert fighting spirit of local party organization and exemplary vanguard role of party members.</p>	<p>(2) to participate in major decisions of the Company, taking part in discussions on reform, development and stability of the Company, major operation management decisions, as well as major issues involving core interests of employees, supporting the board of directors, <del>supervisory committee</del> and management in discharging their responsibilities in accordance with law.</p> <p>(3) to integrate the principle of party in charge of cadres with the board of directors' selection of management in accordance with law, as well as the management's power to select staff in accordance with law. The Party Commission should place checks on various personnel selection processes, including standards adopted, regulate procedures, participate in investigation and recommendation of candidates, ensuring the formation of a robust cadres team at the Company. Be resolute on the principle of party in charge of human resources, and fully implement the strategy of bolstering enterprise with talents.</p> <p>(4) to strengthen the supervision over management of the Company, enhance internal supervision system, integrate internal supervision resources, and improve supervision mechanism over power functioning.</p> <p>(5) to strengthen party organization development, party member development and training management at the local level, fully exert fighting spirit of local party organization and exemplary vanguard role of party members.</p>

No.	Before amendment	After amendment
	<p>(6) to discharge the main responsibility of constructing clean party and clean government, fight against corruption and support the works of the Disciplinary Commission.</p> <p>(7) to lead the Company's works on ideology and politics, the united front, development of socialist culture and ethics, development of corporate culture, as well as organizations such as labor union and communist youth league.</p> <p>(8) to work on remaining issues that the Party Commission should have participated in or decided upon.</p>	<p>(6) to discharge the main responsibility of constructing clean party and clean government, fight against corruption and support the works of the Disciplinary Commission.</p> <p>(7) to lead the Company's works on ideology and politics, the united front, development of socialist culture and ethics, development of corporate culture, as well as organizations such as labor union and communist youth league.</p> <p>(8) to work on remaining issues that the Party Commission should have participated in or decided upon.</p>
143	<p><b>Article 157</b> The main procedures for the Party Commission to participate in decision making:</p> <p>(1) the Party Commission holds meetings to discuss major issues to be decided upon by the board of directors and management, providing advices and recommendations. The Party Commission can propose other major issues to the board of directors and the management for consideration should it believe that they need to be decided by the board of directors and management.</p> <p>(2) members of the Party Commission who are also members of board of directors, the management, especially the chairman of the board and general manager, should communicate with other members of board of directors and management about the advices and recommendations from discussions held by the Party Commission before the subjects are formally presented to the board of directors or management.</p>	<p><b>Article 131</b> The main procedures for the Party Commission to participate in decision making:</p> <p>(1) the Party Commission holds meetings to discuss major issues to be decided upon by the board of directors and management, providing advices and recommendations. The Party Commission can propose other major issues to the board of directors and the management for consideration should it believe that they need to be decided by the board of directors and management.</p> <p>(2) members of the Party Commission who are also members of board of directors, the management, especially the chairman of the board and general manager, should communicate with other members of board of directors and management about the advices and recommendations from discussions held by the Party Commission before the subjects are formally presented to the board of directors or management.</p>

No.	Before amendment	After amendment
	<p>(3) Members of the Party Commission who are also members of board of directors and management should expressly convey the advices and recommendations from discussions held by the Party Commission during the decision making process of the board of directors and management, and report the decisions made to the Party Commission in a timely manner.</p> <p>(4) the Party Commission must propose to repeal or delay any decision made by the board of directors or management should it find them contradicting with the courses, principles and policies of the party or the laws and regulations of the country, or that they may damage the legal interests of the country, the public, the enterprise and the employees. If the decision is not rectified, it must be reported to the higher level party organization in a timely manner.</p> <p>(5) the decision making at the Party Commission must reflect collective leadership, democratic centralism, individual consultation, and decision after group consultation. Major decisions should be reached after full consultation, going through scientific, democratic and legal processes.</p>	<p>(3) Members of the Party Commission who are also members of board of directors and management should expressly convey the advices and recommendations from discussions held by the Party Commission during the decision making process of the board of directors and management, and report the decisions made to the Party Commission in a timely manner.</p> <p>(4) the Party Commission must propose to repeal or delay any decision made by the board of directors or management should it find them contradicting with the courses, principles and policies of the party or the laws and regulations of the country, or that they may damage the legal interests of the country, the public, the enterprise and the employees. If the decision is not rectified, it must be reported to the higher level party organization in a timely manner.</p> <p>(5) the decision making at the Party Commission must reflect collective leadership, democratic centralism, individual consultation, and decision after group consultation. Major decisions should be reached after full consultation, going through scientific, democratic and legal processes.</p>
144	<b>Article 158</b> The Company can hold extraordinary board meeting upon proposal from the Party Commission.	<b>Article 132</b> The Company can hold extraordinary board meeting upon proposal from the Party Commission.
145	<b>Article 159</b> The board of directors and management should take note of advices of the Party Commission prior to deciding on the Company's major issues.	<b>Article 133</b> The board of directors and management should take note of advices of the Party Commission prior to deciding on the Company's major issues.

No.	Before amendment	After amendment
146	<b>Article 160</b> When provisions at other parts of these Articles of Association differ or conflict with provisions within this chapter, provisions within this chapter shall prevail.	<b>Article 134</b> When provisions at other parts of these Articles of Association differ or conflict with provisions within this chapter, provisions within this chapter shall prevail.
147	<p>Chapter <b>18</b> Procedures for Amending the Articles of Association of the Company</p> <p><b>Article 161</b> The Company may amend these Articles of Association pursuant to laws, administrative regulations and the provisions of these Articles of Association.</p> <p>In any of the following circumstances, the Company shall amend these Articles of Association:</p> <p>(1) if upon amendments to the Company Law, relevant laws, administrative regulations, any terms contained in these Articles of Association become inconsistent with the provisions above mentioned;</p> <p>(2) a change in the Company causes inconsistency with those contained in these Articles of Association;</p> <p>(3) the <b>shareholders' general meeting</b> resolves to amend these Articles of Association.</p>	<p>Chapter <b>18</b> Procedures for Amending the Articles of Association of the Company</p> <p><b>Article 135</b> The Company may amend these Articles of Association pursuant to laws, administrative regulations and the provisions of these Articles of Association.</p> <p>In any of the following circumstances, the Company shall amend these Articles of Association:</p> <p>(1) if upon amendments to the Company Law, relevant laws, administrative regulations, any terms contained in these Articles of Association become inconsistent with the provisions above mentioned;</p> <p>(2) a change in the Company causes inconsistency with those contained in these Articles of Association;</p> <p>(3) the <del>shareholders' general meeting</del> <b>shareholders' meeting</b> resolves to amend these Articles of Association.</p>
148	<b>Article 162</b> The amendments to these Articles of Association which adopted by the resolutions of the <b>general meeting</b> are subject to the approval of the competent authority, they shall be reported to the competent authority for approval; if the amendments involve the registered items of the Company, the Company shall apply for registration of changes in the registered items in accordance with law.	<b>Article 136</b> The amendments to these Articles of Association which adopted by the resolutions of the <del>general meeting</del> <b>shareholders' meeting</b> are subject to the approval of the competent authority, they shall be reported to the competent authority for approval; if the amendments involve the registered items of the Company, the Company shall apply for registration of changes in the registered items in accordance with law.

No.	Before amendment	After amendment
149	<b>Article 163</b> The board of directors shall amend these Articles of Association in accordance with the resolutions of the <b>general meeting</b> and the review opinions of relevant competent authorities.	<b>Article 137</b> The board of directors shall amend these Articles of Association in accordance with the resolutions of the <del>general meeting</del> <b>shareholders' meeting</b> and the review opinions of relevant competent authorities.
150	<b>Article 164</b> Where disclosure of the revision of these Articles is required under laws and provisions, it shall be announced in accordance with the relevant provisions.	<b>Article 138</b> Where disclosure of the revision of these Articles is required under laws and provisions, it shall be announced in accordance with the relevant provisions.
151	Chapter 19 Supplementary Provisions  <b>Article 165</b> Where the provisions of these Articles of Association require compliance with some law in particular, and if that law is Hong Kong law and the circumstances requires that the law of Hong Kong shall apply, then it shall be interpreted as if the Company were a joint stock limited company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange, in which case the laws of Hong Kong may apply.	Chapter 19 <u>8</u> Supplementary Provisions  <del>Article 165—Where the provisions of these Articles of Association require compliance with some law in particular, and if that law is Hong Kong law and the circumstances requires that the law of Hong Kong shall apply, then it shall be interpreted as if the Company were a joint stock limited company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange, in which case the laws of Hong Kong may apply.</del>  <b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b>
152	<b>Article 166</b> The newspapers in which the announcements are published as required by these Articles of Association, refer to the newspapers designated or required by the relevant laws, regulations or rules. Where the announcements are given to the shareholders of H shares according to the provisions, then such announcements shall at the same time be published in the newspapers designated by the Listing Rules in accordance with the requirements of “newspaper publications” as defined in the Listing Rules.	<b>Article 139</b> The newspapers in which the announcements are published as required by these Articles of Association, refer to the newspapers designated or required by the relevant laws, regulations or rules. Where the announcements are given to the shareholders of H shares according to the provisions, then such announcements shall at the same time be published in the newspapers designated by the Listing Rules in accordance with the requirements of “newspaper publications” as defined in the Listing Rules.

No.	Before amendment	After amendment
153	<b>Article 167</b> The “Accounting Firm” referred to in these Articles of Association shall have the same meaning as “Auditor” in <b>Hong Kong.</b>	<b>Article 140</b> The “Accounting Firm” referred to in these Articles of Association shall have the same meaning as “Auditor” <del>in Hong Kong;</del> <b><u>the “Independent Directors” referred to in these Articles of Association shall have the same meaning as “Independent Non-executive Directors” as defined in the Listing Rules; the “audit committee” referred to in these Articles of Association shall have the same meaning as “audit committee” as defined in the Listing Rules.</u></b>
154	<b>Article 168</b> The term “controlling shareholder” referred to in these Articles of Association refers to a shareholder whose <b>ordinary shares (including preferred shares with voting rights restored)</b> account for 50% <b>or more</b> of the total share capital of the Company; or who holds certain shares and the voting rights of such shares are sufficient to significantly influence the resolutions of the shareholders’ meeting, even if the shareholding of such shares is <b>less than 50%.</b>	<b>Article 141</b> The term “controlling shareholder” referred to in these Articles of Association refers to a shareholder whose <del>ordinary shares (including preferred shares with voting rights restored)</del> <b>shares</b> account for <b>over 50%</b> <del>or more</del> of the total share capital of the Company; or who holds certain shares and the voting rights of such shares are sufficient to significantly influence the resolutions of the shareholders’ meeting, even if the shareholding of such shares is <del>less than</del> <b>not over 50%.</b>
155	<b>Article 169</b> The expressions of “or more”, “ <b>or below</b> ” used in these Articles of Association shall include the original number, while the expressions of “ <b>other than</b> ”, “fall below” shall not include the figure mentioned.	<b>Article 142</b> The expressions of “or more”, “ <del>or below</del> ” used in these Articles of Association shall include the original number, while the expressions of “ <b>more than</b> ”, “ <del>other than over</del> ”, “fall below”, “ <b>less than</b> ” and “ <b>below</b> ” shall not include the figure mentioned.
156	<b>Article 170</b> The interpretation of these Articles of Association shall be vested to the board of directors of the Company.	<b>Article 143</b> The interpretation of these Articles of Association shall be vested to the board of directors of the Company.

Except for the Proposed Amendments, the content of the other chapters and articles of the Articles of Association shall remain unchanged. The final amendments shall be subject to the approval by the competent registration authority in charge of the Company.

The full text of the Proposed Amendments was prepared in the Chinese language. The English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the Proposed Amendments, the Chinese version shall prevail.

### Comparison Table of Amendments to the Articles of Association

No.	Before amendment	After amendment
1	<p><b>Article 1</b> The Articles of Association of Zhejiang Expressway Co., LTD. (hereafter referred to as the “Company”) (hereafter referred to as the “Articles of Association” or “these Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (hereafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereafter referred to as the “Securities Law”), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Listing Rules”) and other relevant laws, regulations and provisions for the purposes of safeguarding the legitimate rights and interests of the Company, its shareholders, employees and creditors as well as regulating the organization and conducts of the Company.</p>	<p><b>Article 1</b> The Articles of Association of Zhejiang Expressway Co., LTD. (hereafter referred to as the “Company”) (hereafter referred to as the “Articles of Association” or “these Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (hereafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereafter referred to as the “Securities Law”), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “<b>Hong Kong Listing Rules</b>”), <b><u>the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Code of Corporate Governance for Listed Companies</u></b> and other relevant laws, regulations and provisions for the purposes of safeguarding the legitimate rights and interests of the Company, its shareholders, employees and creditors as well as regulating the organization and conducts of the Company.</p>
2	<p><b>Article 2</b> The Company was established by way of promotion on February 24, 1997 with the approval of the State Commission for Restructuring the Economic System under the document Ti Gai Sheng [1997] No.18 and was registered with the Administration for Market Regulation of Zhejiang Province and obtained its business license on March 1, 1997, the business license number is 14294209-5. Pursuant to the approval document 2000 Wai Jing Mao Zi Yi Han Zi No.521, MOFTEC approved the transformation of the Company into a foreign investment joint stock company with limited liability. The Company’s Unified Social Credit Identifier number is: 91330000142942095H.</p>	<p><b>Article 2</b> <b><u>The Company is a joint-stock limited company established in accordance with the Company Law and other laws, regulations, and normative documents of the PRC.</u></b></p> <p>The Company was established by way of promotion on February 24, 1997 with the approval of the State Commission for Restructuring the Economic System under the document Ti Gai Sheng [1997] No.18 and was registered with the Administration for Market Regulation of Zhejiang Province and obtained its business license on March 1, 1997, the business license number is 14294209-5. Pursuant to the approval document 2000 Wai Jing Mao Zi Yi Han Zi No.521, MOFTEC approved the transformation of the Company into a foreign investment joint stock company with limited liability. The Company’s Unified Social Credit Identifier number is: 91330000142942095H.</p>

**APPENDIX V      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY**

No.	Before amendment	After amendment
3	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 3 With the approval of the State Council Securities Commission, the Company made its initial public offering of 1,433,854,500 foreign-invested shares for overseas listing on April 18, 1997. These shares were listed on The Stock Exchange of Hong Kong Limited on May 15, 1997.</u></p> <p><u>The Company, upon registration with the China Securities Regulatory Commission (hereafter referred to as the “CSRC”) on [Registration Date], issued [Number] RMB-denominated ordinary shares, which were listed on the Shanghai Stock Exchange on [Listing Date].</u></p>
4	<p><b>Article 4</b> The address of the Company is: Room 501, No. 2, Mingzhu International Business Center, Shangcheng District, Hangzhou City, Zhejiang Province, the People’s Republic of China</p> <p>Postal Code: 310020  <b>Telephone No: 0571-8798 5588</b>  <b>Facsimile: 0571-8798 5599</b></p>	<p><b>Article 5</b> The address of the Company is: Room 501, No. 2, Mingzhu International Business Center, Shangcheng District, Hangzhou City, Zhejiang Province, the People’s Republic of China</p> <p>Postal Code: 310020  Telephone No: 0571-8798-5588  Facsimile: 0571-8798-5599</p>
5	<b>Article 5</b> The registered capital of the Company is RMB6,038,114,642.	<b>Article 6</b> The registered capital of the Company is RMB[registered capital amount]6,038,114,642.
6	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 8 The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.</u></p> <p><u>Any restrictions on the powers of the legal representative imposed by these Articles of Association or by the shareholders' meeting shall not be asserted against a bona fide counterparty.</u></p> <p><u>If the legal representative causes harm to others in the course of performing his/her duties, the Company shall bear civil liability. After bearing such civil liability, the Company may, in accordance with the law or these Articles of Association, seek recourse from the legal representative who is at fault.</u></p>
7	<b>Article 7</b> The Company is a perpetually existing joint stock limited company.	<p><b>Article 9</b> The Company is a perpetually existing joint stock limited company.</p> <p><u>The Company is committed to law-based governance and strives to build itself into a law-abiding enterprise characterized by sound governance, operational compliance, standardized management, and a reputation for integrity.</u></p>

**APPENDIX V      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY**

No.	Before amendment	After amendment
8	<p><b>Article 9</b> These Articles of Association shall be binding on the Company, its shareholders, directors, <b>managers and other senior managerial officers. All persons mentioned above shall have rights to claim relating to the affairs of the Company in accordance with these Articles of Association.</b></p> <p>In accordance with these Articles of Association, shareholders may institute legal proceedings against the Company; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against directors, <b>managers and other senior managerial officers</b> of the Company; the Company may institute legal proceedings against shareholders, directors, <b>managers and other senior managerial officers</b> of the Company.</p> <p>The manager, deputy manager, head of finance (referred to as “chief financial officer” in the Company) and secretary of the board of directors of the Company <b>are the senior managerial officers of the Company.</b></p>	<p><b>Article 11</b> These Articles of Association shall be binding on the Company, its shareholders, directors, <del>managers and other</del> senior managerial officers. <del>All persons mentioned above shall have rights to claim relating to the affairs of the Company in accordance with these Articles of Association.</del></p> <p>In accordance with these Articles of Association, shareholders may institute legal proceedings against the Company; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against directors, <del>managers and other</del> senior managerial officers of the Company; the Company may institute legal proceedings against shareholders, directors, <del>managers and other</del> senior managerial officers of the Company.</p> <p>The <u>term “senior managerial officers” as used in these Articles of Association refers to the general manager, deputy general managers, head of finance (referred to as “chief financial officer” in the Company) and secretary of the board of directors of the Company and other personnel specified in these Articles of Association.</u></p>
9	<p><b>Article 10</b> Shareholders’ liabilities to the Company shall be limited to their respective <b>shareholdings</b> in the Company whereas the Company’s liabilities shall be limited to the total amount of its properties.</p>	<p><b>Article 12</b> Shareholders’ liabilities to the Company shall be limited to their respective <u>shareholdings subscribed shares</u> in the Company whereas the Company’s liabilities shall be limited to the total amount of its properties</p>
10	<p><b>Article 11</b> The Company may invest in other enterprises. <b>Where any law stipulates that the Company shall not act as an investor who bears joint and several liability for the debts of the invested enterprise, such provisions shall apply.</b></p>	<p><del>Article 11</del> The Company may invest in other enterprises. <del>Where any law stipulates that the Company shall not act as an investor who bears joint and several liability for the debts of the invested enterprise, such provisions shall apply.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
11	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><b>Article 13</b> <u>The Company shall establish its Communist Party organization and conduct Party activities in accordance with the Constitution of the Communist Party of China. The Company shall provide necessary resources for the activities of its Party organization.</u></p>

**APPENDIX V                      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY**

No.	Before amendment	After amendment
12	<p><b>Article 13</b> The scope of business of the Company shall be that as approved by the competent authority in charge of the Company’s registration.</p> <p>After registration in accordance with the laws, the Company’s business scope is: licensed projects: highway management and maintenance; construction engineering; construction engineering design; catering services; labor dispatch services; food product sales; <b>small grocery store (small eatery, small grocery store and individual workshop)</b>; urban distribution transport services (excluding dangerous goods); <b>business training (excluding education training, professional skills training and other trainings that require a licence)</b>; <b>catering management</b>; power generation business, power transmission business, power supply (distribution) business (projects that are subject to approval in accordance with the laws may only be operated after the approval by the relevant authorities, subject to the approval results of specific business projects). General projects: equity investment; technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; information technology consulting services; car towing, assistance, and obstacle removal services; car washing services; parking lot services; general cargo storage services (projects requiring approval such as hazardous chemicals are not included); <b>accommodation services</b>; travel agency service network and tourism solicitation, consultation services; wholesale of aquatic products; sale of agricultural by-products; sale of daily necessities; sales of electronic products; sales of office equipment and consumables; sales of centralized fast charging stations; operation of road cargo transport stations; special equipment manufacturing for traffic safety and control; traffic facilities maintenance; motor vehicle repair and maintenance; operation of electric vehicle charging infrastructure; sales of motor vehicle charging services; technical services for solar power generation (except for projects subject to approval according to law, business activities shall be carried out independently with a business license).</p>	<p><b>Article 15</b> The scope of business of the Company shall be that as approved by the competent authority in charge of the Company’s registration.</p> <p>After registration in accordance with the laws, the Company’s business scope is: licensed projects: highway management and maintenance; construction engineering; construction engineering design; catering services; labor dispatch services; food product sales; <del>small grocery store (small eatery, small grocery store and individual workshop)</del>; urban distribution transport services (excluding dangerous goods); <del>business training (excluding education training, professional skills training and other trainings that require a licence)</del>; <b>accommodation services</b>; power generation business, power transmission business, power supply (distribution) business (projects that are subject to approval in accordance with the laws may only be operated after the approval by the relevant authorities, subject to the approval results of specific business projects). General projects: equity investment; technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; information technology consulting services; car towing, assistance, and obstacle removal services; car washing services; parking lot services; general cargo storage services (projects requiring approval such as hazardous chemicals are not included); <b>small grocery store (small eatery, small grocery store and individual workshop)</b>; <b>business training (excluding education training, professional skills training and other trainings that require a licence)</b>; <del>accommodation services</del>; travel agency service network and tourism solicitation, consultation services; wholesale of aquatic products; sale of agricultural by-products; sale of daily necessities; sales of electronic products; sales of office equipment and consumables; sales of centralized fast charging stations; operation of road cargo transport stations; special equipment manufacturing for traffic safety and control; traffic facilities maintenance; motor vehicle repair and maintenance; operation of electric vehicle charging infrastructure; sales of motor vehicle charging services; technical services for solar power generation (except for projects subject to approval according to law, business activities shall be carried out independently with a business license).</p>

**APPENDIX V      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY**

No.	Before amendment	After amendment
13	<p><b>Article 14</b> The share capital of the Company shall be in the form of shares. The shares issued by the Company shall have par value of Renminbi one per share.</p> <p><b>Renminbi referred to in the preceding paragraph shall mean the lawful currency of the People’s Republic of China (hereinafter referred to as the “PRC”).</b></p>	<p><b>Article 16</b> The share capital of the Company shall be in the form of shares. The shares issued by the Company shall have par value of Renminbi one per share.</p> <p><del>Renminbi referred to in the preceding paragraph shall mean the lawful currency of the People’s Republic of China (hereinafter referred to as the “PRC”).</del></p>
14	<p><b>Article 16</b> The <b>domestic</b> shares issued by the Company shall be deposited with China Securities Depository and Clearing Corporation Limited in a centralized way. The <b>foreign</b> shares issued by the Company are mainly deposited in Hong Kong Securities Clearing Company Limited, or held by shareholders in their individual names.</p>	<p><b>Article 18</b> The <del>domestic</del><b>domestically listed</b> shares issued by the Company (<b><u>i.e., shares listed on the Shanghai Stock Exchange, hereinafter referred to as “A shares”</u></b>) shall be deposited with China Securities Depository and Clearing Corporation Limited in a centralized way. The <del>foreign</del><b>overseas-listed</b> shares issued by the Company (<b><u>i.e., shares listed on The Stock Exchange of Hong Kong Limited, hereinafter referred to as “H shares”</u></b>) are mainly deposited <del>in</del><b>with</b> Hong Kong Securities Clearing Company Limited, or held by shareholders in their individual names.</p>
15	<p><b>Article 17</b> The Company may issue shares to <b>domestic investors and overseas investors, which shall comply with the registration or filing procedures with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) in accordance with the laws.</b></p> <p><b>Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries such as Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors within China other than Hong Kong, Macau and Taiwan, who subscribe for shares issued by the Company.</b></p>	<p><del>Article 17</del> The Company may issue shares to <del>domestic investors and overseas investors, which shall comply with the registration or filing procedures with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) in accordance with the laws.</del></p> <p><del>Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries such as Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors within China other than Hong Kong, Macau and Taiwan, who subscribe for shares issued by the Company.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

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No.	Before amendment	After amendment
16	<p>Article 18 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic invested shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign invested shares. Foreign invested shares which are listed outside the PRC are known as overseas listed foreign invested shares.</p> <p>Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than Renminbi, which are recognized by the State’s foreign exchange supervisory department and which may be used for payment of shares to the Company.</p> <p>Shareholders of the domestic invested shares of the Company may have their domestic unlisted shares converted into overseas listed shares and have them listed and circulated on overseas stock exchanges, but shall comply with the relevant regulations of the CSRC and entrust the Company to do the filing with the CSRC. The transferred or converted shares shall be listed and traded on overseas stock exchanges and shall comply with the regulatory procedures, rules and requirements of overseas stock markets. A shareholders’ meeting or class meeting is not required for listing and trading of the transferred shares on an overseas stock exchange or for the conversion of domestic invested shares into foreign invested shares and their listing and trading on an overseas stock exchange. Upon conversion of domestic invested shares into foreign invested shares listed overseas, the shares will be regarded as the same class of shares as the original foreign invested shares listed overseas.</p>	<p>Article 18 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic invested shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign invested shares. Foreign invested shares which are listed outside the PRC are known as overseas listed foreign invested shares.</p> <p>Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than Renminbi, which are recognized by the State’s foreign exchange supervisory department and which may be used for payment of shares to the Company.</p> <p>Shareholders of the domestic invested shares of the Company may have their domestic unlisted shares converted into overseas listed shares and have them listed and circulated on overseas stock exchanges, but shall comply with the relevant regulations of the CSRC and entrust the Company to do the filing with the CSRC. The transferred or converted shares shall be listed and traded on overseas stock exchanges and shall comply with the regulatory procedures, rules and requirements of overseas stock markets. A shareholders’ meeting or class meeting is not required for listing and trading of the transferred shares on an overseas stock exchange or for the conversion of domestic invested shares into foreign invested shares and their listing and trading on an overseas stock exchange. Upon conversion of domestic invested shares into foreign invested shares listed overseas, the shares will be regarded as the same class of shares as the original foreign invested shares listed overseas.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
17	<p>Article 19 Foreign invested shares issued by the Company and listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) and domestic invested shares filed with the CSRC listed and traded on the Stock Exchange shall be called H shares. H shares means the shares which are approved to be listed on the Stock Exchange, whose par value is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.</p>	<p>Article 19 Foreign invested shares issued by the Company and listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) and domestic invested shares filed with the CSRC listed and traded on the Stock Exchange shall be called H shares. H shares means the shares which are approved to be listed on the Stock Exchange, whose par value is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

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18	<p><b>Article 21</b> On April 18, 1997, with the approval of the Securities Committee of the State Council, the Company issued 1,433,854,500 overseas listed foreign shares, subscribed in foreign currency and listed overseas, to the overseas investors for the first time, and was listed on the Stock Exchange on May 15, 1997.</p> <p>The total number of shares of the Company is 6,038,114,642, and are all ordinary shares, of which 4,014,778,800 domestic invested shares are held by Zhejiang Communications Investment Group Co., Ltd. (浙江省交通投資集團有限公司), accounting for approximately 66.49% of the total shares of the Company; and 2,023,335,842 overseas listed foreign invested shares are held by holders of overseas listed foreign invested shares, accounting for approximately 33.51% of the total shares of the Company.</p>	<p><b>Article 20</b> On April 18, 1997, with the approval of the Securities Committee of the State Council, the Company issued 1,433,854,500 overseas listed foreign shares, subscribed in foreign currency and listed overseas, to the overseas investors for the first time, and was listed on the Stock Exchange on May 15, 1997.</p> <p>The total number of shares of the Company is <u>[number of shares]</u>6,038,114,642, and are all ordinary shares. <b>Among these, the number of A shares is [number of A shares]</b> of which 4,014,778,800 domestic invested shares are held by Zhejiang Communications Investment Group Co., Ltd. (浙江省交通投資集團有限公司), accounting for approximately <u>[percentage of A shares]</u>66.49% of the total shares of the Company; and 2,023,335,842 overseas listed foreign invested shares are held by holders of overseas listed foreign invested shares <b>the number of H shares is [number of H shares]</b>, accounting for approximately <u>[percentage of H shares]</u>33.51% of the total shares of the Company.</p>
19	<p><b>Article 23</b> According to its operational and development requirements, the Company may, pursuant to the laws and regulations and with the approval by resolution at the shareholders' meeting, increase its capital by the following methods:</p> <ol style="list-style-type: none"> <li>(1) issuance of shares to non-specific investors;</li> <li>(2) issuance of shares to specific investors;</li> <li>(3) issuance of bonus shares to existing shareholders;</li> <li>(4) capitalization of reserve fund;</li> <li>(5) other means as prescribed by the laws, administrative regulations and the CSRC.</li> </ol>	<p><b>Article 22</b> According to its operational and development requirements, the Company may, pursuant to the laws and regulations and with the approval by resolution at the shareholders' meeting, increase its capital by the following methods:</p> <ol style="list-style-type: none"> <li>(1) issuance of shares to non-specific investors;</li> <li>(2) issuance of shares to specific investors;</li> <li>(3) issuance of bonus shares to existing shareholders;</li> <li>(4) capitalization of reserve fund;</li> <li>(5) other means as prescribed by the laws, administrative regulations and the CSRC.</li> </ol> <p><b><u>Where the Company issues convertible corporate bonds (hereinafter referred to as "convertible bonds"), matters relating to the issuance of the convertible bonds, the procedures and arrangements for conversion, and changes in the Company's share capital resulting from such conversions shall be handled in accordance with relevant national laws, administrative regulations, departmental rules, and the provisions of the Company's prospectus for the convertible bonds.</u></b></p>

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No.	Before amendment	After amendment
20	<p><b>Article 24</b> The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in the Company Law, other relevant regulations and these Articles of Association.</p> <p>When the Company increases or reduces its registered capital, it shall register the change with the company registration authority in accordance with the law.</p>	<p><b>Article 23</b> The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in the Company Law, other relevant regulations and these Articles of Association.</p> <p><u><b>When the Company issues new shares to increase its registered capital, shareholders shall have no preemptive right to subscribe for such new shares, unless otherwise provided in these Articles of Association or decided by a resolution of the shareholders' meeting.</b></u></p> <p>When the Company increases or reduces its registered capital, it shall register the change with the company registration authority in accordance with the law.</p>
21	<p><b>Article 25</b> When the Company reduces its registered capital, the Company <b>will</b> prepare a balance sheet and an inventory of assets.</p> <p>The Company <b>will</b> notify its creditors within 10 days from the date on which the resolution for the reduction of capital has been passed at shareholders' meeting and publish a notice in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days thereof. The creditors who have received such notice shall, within 30 days thereafter, and those creditors who have not received such notice shall, within 45 days from the date the notice is published, be entitled to require the Company to repay the debt or to provide corresponding guarantees for the debt.</p> <p>Where the Company reduces its registered capital, the reduction amount of the capital contribution or the shares <b>for</b> the shareholders shall be in proportion to their respective shareholdings accordingly, except as otherwise stipulated by applicable laws or these Articles of Association.</p>	<p><b>Article 24</b> When the Company reduces its registered capital, the Company <del>will</del><u>shall</u> prepare a balance sheet and an inventory of assets.</p> <p>The Company <del>will</del><u>shall</u> notify its creditors within 10 days from the date on which the resolution for the reduction of capital has been passed at shareholders' meeting and publish a notice in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days thereof. The creditors who have received such notice shall, within 30 days thereafter, and those creditors who have not received such notice shall, within 45 days from the date the notice is published, be entitled to require the Company to repay the debt or to provide corresponding guarantees for the debt.</p> <p>Where the Company reduces its registered capital, the reduction amount of the capital contribution or the shares <del>for</del><u>held by</u> the shareholders shall be in proportion to their respective shareholdings accordingly, except as otherwise stipulated by applicable laws or these Articles of Association.</p> <p><u><b>Where registered capital is reduced in violation of the Company Law or other relevant regulations, shareholders shall return the funds received by them, and any reduction or exemption of shareholder contributions shall be restored to its original state. Where losses are incurred by the Company, shareholders and responsible directors and senior managerial officers shall be liable for compensation.</b></u></p>

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No.	Before amendment	After amendment
22	<p><b>Article 26</b> The Company shall not repurchase its own shares, except in any of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) reduction of the registered capital of the Company;</li> <li>(2) merger with other companies which hold shares of the Company;</li> <li>(3) using shares for employee shareholding plans or for equity incentives;</li> <li>(4) purchasing the shares held by shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;</li> <li>(5) using the shares for conversion of convertible corporate bonds issued by the Company;</li> <li>(6) necessary acts by the Company to maintain its value and protect the interests of the shareholders.</li> </ol> <p>If the Company repurchases shares for the circumstances set out in subparagraphs (1) and (2) of the first paragraph of this Article, it shall be subject to a resolution of shareholders' meeting. If the Company repurchases shares for the circumstances set out in subparagraphs (3), (5) and (6) of the first paragraph of this Article, such repurchase may, in accordance with the provisions of these Articles of Association or an authorization granted by shareholders' meeting, be subject to a resolution adopted at a meeting of the board of directors where two-thirds or more of all the directors of the Company attend.</p> <p>If the Company repurchases shares for the circumstances set out in the first paragraph of this Article, the shares repurchased under subparagraph (1) shall be cancelled within 10 days from the date of acquisition; shares repurchased under subparagraphs (2) and (4) shall be transferred or cancelled within 6 months; and shares repurchased by the Company under subparagraphs (3), (5) and (6) shall not exceed 10% of the Company's total issued shares, and the shares acquired shall be transferred or cancelled within 3 years.</p>	<p><b>Article 25</b> The Company shall not repurchase its own shares, except in any of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) reduction of the registered capital of the Company;</li> <li>(2) merger with other companies which hold shares of the Company;</li> <li>(3) using shares for employee shareholding plans or for equity incentives;</li> <li>(4) purchasing the shares held by shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;</li> <li>(5) using the shares for conversion of convertible corporate bonds issued by the Company;</li> <li>(6) necessary acts by the Company to maintain its value and protect the interests of the shareholders.</li> </ol> <p><b><u>The Company may acquire its own shares through public centralized trading or other methods permitted by laws, administrative regulations, and the securities regulatory authorities of the places where the Company's shares are listed. If the Company acquires its own shares under subparagraphs (iii), (v), or (vi) of the first paragraph of this Article, it shall do so through public centralized trading.</u></b></p> <p>If the Company repurchases shares for the circumstances set out in subparagraphs (1) and (2) of the first paragraph of this Article, it shall be subject to a resolution of shareholders' meeting. If the Company repurchases shares for the circumstances set out in subparagraphs (3), (5) and (6) of the first paragraph of this Article, such repurchase may, in accordance with the provisions of these Articles of Association or an authorization granted by shareholders' meeting, be subject to a resolution adopted at a meeting of the board of directors where two-thirds or more of all the directors of the Company attend.</p>

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		If the Company repurchases shares for the circumstances set out in the first paragraph of this Article, the shares repurchased under subparagraph (1) shall be cancelled within 10 days from the date of acquisition; shares repurchased under subparagraphs (2) and (4) shall be transferred or cancelled within 6 months; and shares repurchased by the Company under subparagraphs (3), (5) and (6) shall not exceed 10% of the Company's total issued shares, and the shares acquired shall be transferred or cancelled within 3 years.
23	<b>Article 28</b> The Company shall not accept its own shares as the subject matter of a pledge <b>right</b> .	<b>Article 27</b> The Company shall not accept its own shares as the subject matter of a pledge <b>right</b> .
24	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><b>Article 28</b> <u>Shares issued by the Company prior to its public offering may not be transferred within one year from the date of the listing and trading of the Company's shares on a stock exchange.</u></p> <p><u>Directors and senior managerial officers of the Company shall report to the Company their holdings of the Company's shares and any changes therein. During their term of office as determined upon appointment, the number of shares they transfer each year shall not exceed twenty-five percent of the total number of shares of the same class of the Company held by them. The shares of the Company held by them may not be transferred within one year from the date of the listing of the Company's shares for trading. Such persons shall not transfer the shares of the Company held by them within six months after leaving office.</u></p> <p><u>If the relevant regulations of the securities regulatory authorities of the places where the Company's shares are listed provide otherwise regarding the transfer restrictions on the Company's shares, such regulations shall prevail.</u></p>

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25	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 29 If a shareholder holding 5% or more of the Company’s shares, or a director or senior managerial officer, sells shares or other equity securities of the Company held by him/her within 6 months after purchase, or repurchases such shares or securities within 6 months after sale, any gains derived therefrom shall belong to the Company, and the board of directors of the Company shall recover such gains. However, this shall not apply to any securities firm that holds 5% or more of the shares as a result of underwriting and acquiring remaining shares, nor to other circumstances specified by the CSRC.</u></p> <p><u>The shares or other equity securities held by a director, senior managerial officer, or natural-person shareholder referred to in the preceding subparagraph shall include those held in the name of their spouses, parents, children, or through accounts of others.</u></p> <p><u>Where the board of directors fails to comply with the provisions of the first paragraph of this Article, shareholders shall have the right to demand that the board enforce such provisions within 30 days. If the board fails to execute within the aforementioned period, shareholders shall have the right to directly file a lawsuit with the People's Court in their own name for the benefit of the Company.</u></p> <p><u>Where the board of directors fails to comply with the provisions of the first paragraph of this Article, the directors responsible shall bear joint and several liability in accordance with the law.</u></p>
26	<p>Chapter 4 Shareholders</p> <p><b>Article 29</b> The Company establishes a register of shareholders on the basis of the certificates provided by the securities registrar, and such register of shareholders constitutes conclusive evidence of the shareholders’ ownership of the Company’s shares. Shareholders shall enjoy rights and bear obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and bear the same obligations.</p>	<p>Chapter 4 Shareholders</p> <p><b>Section 1 General Provisions on Shareholders</b></p> <p><b>Article 30</b> The Company establishes a register of shareholders on the basis of the certificates provided by the securities registrar <del>registrar</del> <b>depository and clearing institution</b>, and such register of shareholders constitutes conclusive evidence of the shareholders’ ownership of the Company’s shares. Shareholders shall enjoy rights and bear obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and bear the same obligations.</p>

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27	<p><b>Article 31</b> A shareholder of the Company shall enjoy the following rights:</p> <p>(1) to obtain dividends and other forms of profit distribution in accordance with the number of shares he holds;</p> <p>(2) to request to convene, assemble, hold and attend shareholders’ meetings personally or by proxy, and exercise their corresponding voting right according to the laws;</p> <p>(3) to supervise the operation of the Company, and to make proposals or inquiries in relation thereto;</p> <p>(4) to transfer, donate or pledge shares they hold in the Company in accordance with laws, administrative regulations and the provisions of these Articles of Association;</p> <p>(5) to inspect and duplicate these Articles of Association, the register of shareholders, the minutes of the shareholders’ meetings, the resolutions of the board of directors and <b>the published and disclosed</b> financial and accounting reports; shareholders who meet the prescribed requirements may inspect the Company’s accounting books and accounting vouchers;</p> <p>(6) to participate in the distribution of the remaining assets in accordance with his shareholding upon the dissolution or liquidation of the Company;</p> <p>(7) to request the Company to purchase their shares for the shareholders who object to the resolution on merger or division of the Company made by the shareholders’ meetings;</p> <p>(8) other rights <b>conferred by</b> these Articles of Association, relevant laws, regulations and departmental rules.</p>	<p><b>Article 32</b> A shareholder of the Company shall enjoy the following rights:</p> <p>(1) to obtain dividends and other forms of profit distribution in accordance with the number of shares he holds;</p> <p>(2) to request to convene, assemble, hold and attend shareholders’ meetings personally or by proxy, and exercise their corresponding voting right according to the laws;</p> <p>(3) to supervise the operation of the Company, and to make proposals or inquiries in relation thereto;</p> <p>(4) to transfer, donate or pledge shares they hold in the Company in accordance with laws, administrative regulations and the provisions of these Articles of Association;</p> <p>(5) to inspect and duplicate these Articles of Association, the register of shareholders, the minutes of the shareholders’ meetings, the resolutions of the board of directors and <del>the published and disclosed</del> financial and accounting reports; shareholders who meet the prescribed requirements may inspect the Company’s accounting books and accounting vouchers;</p> <p>(6) to participate in the distribution of the remaining assets in accordance with his shareholding upon the dissolution or liquidation of the Company;</p> <p>(7) to request the Company to purchase their shares for the shareholders who object to the resolution on merger or division of the Company made by the shareholders’ meetings;</p> <p>(8) other rights <del>conferred by</del> <b>stipulated in</b> these Articles of Association, relevant laws, <b>administrative</b> regulations and departmental rules.</p>

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	<p>Any shareholder requests to inspect or duplicate the relevant materials <b>as set forth in the preceding Article</b> shall, in compliance with the provisions of the Company Law, the Securities Law and other applicable laws and administrative regulations, furnish with the Company written document evidencing the class and number of shares of the Company he/she holds and the Company shall provide the materials in accordance with such shareholder’s request and relevant provisions upon verification of the shareholder’s identity.</p>	<p>Any shareholder requests to inspect or duplicate the relevant materials <u>of the Company</u> <del>as set forth in the preceding Article</del> shall, in compliance with the provisions of the Company Law, the Securities Law and other applicable laws and administrative regulations, <u>departmental rules as well as the securities regulatory rules of the places where the Company's shares are listed</u>, furnish with the Company written document evidencing the class and number of shares of the Company he/she holds and the Company shall provide the materials in accordance with such shareholder’s request and relevant provisions upon verification of the shareholder’s identity.</p>
28	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><u>Article 33 Where the content of any resolution passed by a shareholders’ meeting or the board of directors violates laws or administrative regulations, shareholders may file a petition with the People’s Court to request that the resolution be declared invalid.</u></p> <p><u>Where the convening procedures or voting methods of a shareholders’ meeting or a board meeting violate laws, administrative regulations, or these Articles of Association, or where the content of a resolution violates these Articles of Association, shareholders shall have the right, within 60 days from the date the resolution is adopted, to petition the People’s Court for its revocation. However, this shall not apply if the convening procedures or voting methods of a shareholders’ meeting or a board meeting contain only minor defects that have no material effect on the resolution.</u></p>

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		<p><u>Where the validity of a resolution of a shareholders' meeting is disputed by the board of directors, shareholders, or other relevant parties, a lawsuit shall be promptly filed with the People's Court. Prior to the People's Court rendering a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of the shareholders' meeting. The Company, its directors and senior managerial officers shall diligently perform their duties to ensure the normal operation of the Company.</u></p> <p><u>Where the People's Court renders a judgment or ruling on the relevant matter, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchange, providing a full explanation of the impact, and shall actively cooperate with the execution after the judgment or ruling becomes effective. If prior matters require correction, the Company shall promptly address them and fulfill the corresponding information disclosure obligations.</u></p>
29	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 34 A resolution of a shareholders' meeting or the board of directors shall be invalid under any of the following circumstances:</u></p> <ol style="list-style-type: none"> <li data-bbox="866 1208 1356 1272">(1) <u>the resolution is adopted without a shareholders' meeting or board meeting having been convened;</u></li> <li data-bbox="866 1300 1356 1400">(2) <u>no vote is taken on the subject matter of the resolution at the shareholders' general meeting or board meeting;</u></li> <li data-bbox="866 1427 1356 1559">(3) <u>the number of attendees or the voting rights represented fails to meet the quorum or voting rights requirements stipulated in the Company Law or these Articles of Association;</u></li> <li data-bbox="866 1587 1356 1719">(4) <u>the number of persons or the number of votes cast in favor of the resolution falls short of the number or proportion required by the Company Law or these Articles of Association.</u></li> </ol>

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30	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 35 Where director(s) (other than a member of the audit committee) or senior managerial officer(s), in the performance of their duties, violate laws, administrative regulations, or these Articles of Association, thereby causing losses to the Company, shareholders who individually or collectively hold 1% or more of the Company's shares for a continuous period of 180 days or more shall have the right to make a written request to the audit committee to initiate a lawsuit with the People's Court. Where a member of the audit committee, in the performance of his/her duties, commits such a violation causing loss to the Company, the aforementioned shareholders may request the board of directors in writing to initiate a lawsuit with the People's Court.</u></p> <p><u>If the audit committee or the board of directors refuses to initiate litigation upon receiving the written request from shareholders as stipulated in the preceding paragraph, or fails to initiate litigation within 30 days from the date of receiving the request, or if the situation is urgent and failure to initiate litigation immediately would cause irreparable damage to the Company's interests, the shareholders specified in the preceding paragraph shall have the right to initiate litigation directly in their own name in the People's Court for the benefit of the Company.</u></p> <p><u>Where other people infringe upon the lawful rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may file a lawsuit with the People's Court in accordance with the provisions of the preceding two paragraphs.</u></p>

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		<p><u>If directors, supervisors (if any), or senior managerial officers of a wholly-owned subsidiary of the Company, in the performance of their duties, violate laws, administrative regulations, or these Articles of Association, thereby causing losses to the Company, or if any other people infringe upon the lawful rights and interests of a wholly-owned subsidiary of the Company and cause losses, shareholders who individually or collectively hold 1% or more of the Company's shares for a continuous period of 180 days or more may, in accordance with the first three paragraphs of Article 189 of the Company Law, make a written request to the supervisory committee (if any) or the board of directors of the wholly-owned subsidiary to initiate a lawsuit with the People's Court, or directly initiate a lawsuit with the People's Court in their own name.</u></p>
31	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 36 Where director(s) or senior managerial officer(s) violate laws, administrative regulations, or these Articles of Association, thereby harming the interests of shareholders, such shareholders may initiate a lawsuit with the People's Court.</u></p>
32	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Section 2 Controlling Shareholder and Actual Controller</u></p> <p><u>Article 38 The Company's controlling shareholder and actual controller shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, and shall safeguard the interests of the Company.</u></p>

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33	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p data-bbox="863 342 1356 438"><u>Article 39 The Company’s controlling shareholder and actual controller shall comply with the following provisions:</u></p> <p data-bbox="863 470 1356 672">(1) <u>exercise shareholder rights in accordance with the law, and refrain from abusing their controlling power or exploiting related-party (connected) relationships to harm the lawful rights and interests of the Company or other shareholders;</u></p> <p data-bbox="863 704 1356 800">(2) <u>strictly fulfill publicly made statements and commitments without unauthorized alteration or waiver;</u></p> <p data-bbox="863 832 1356 1034">(3) <u>diligently fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in disclosure efforts, and promptly notify the Company of any significant events that have occurred or are anticipated;</u></p> <p data-bbox="863 1066 1356 1129">(4) <u>refrain from appropriating the Company’s funds in any manner;</u></p> <p data-bbox="863 1161 1356 1257">(5) <u>refrain from compelling, directing, or requiring the Company or relevant personnel to provide guarantees in violation of laws or regulations;</u></p> <p data-bbox="863 1289 1356 1491">(6) <u>shall not exploit undisclosed material information of the Company for personal gain, shall not disclose undisclosed material information related to the Company in any manner, and shall not engage in illegal activities such as insider trading, short-swing trading, or market manipulation;</u></p> <p data-bbox="863 1523 1356 1683">(7) <u>shall not harm the lawful rights and interests of the Company or other shareholders through unfair related-party (connected) transactions, profit distribution, asset restructuring, external investments, or any other means;</u></p> <p data-bbox="863 1715 1356 1874">(8) <u>ensure the Company’s asset integrity, personnel independence, financial independence, organizational independence, and operational independence, and shall not affect the Company’s independence in any manner;</u></p>

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		<p>(9) <u>comply with laws, administrative regulations, provisions of the securities regulatory authorities of the places where the Company's shares are listed, the rules of the securities exchanges, and other provisions of these Articles of Association.</u></p> <p><u>Where the controlling shareholder or actual controller of the Company instructs director(s) or senior managerial officer(s) to engage in conduct detrimental to the interests of the Company or its shareholders, such controlling shareholder or actual controller shall bear joint and several liability with such director(s) or senior managerial officer(s).</u></p>
34	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 40 Where the controlling shareholder or actual controller pledges shares of Company that they hold or effectively control, they shall maintain the Company's control and the stability of its production and operations.</u>
35	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 41 Any transfer of the Company's shares held by the controlling shareholder or actual controller shall comply with the restrictive provisions on share transfers stipulated in laws, administrative regulations, and the rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, as well as any commitments made by them regarding restrictions on share transfer.</u>

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36	<p><b>Article 33</b> The shareholders’ meeting of the Company shall be composed of all shareholders of the Company. The shareholders’ meeting is the governing body of the Company and it shall in accordance with relevant laws exercise the following powers:</p> <ol style="list-style-type: none"> <li>(1) to elect and replace directors who are not staff representatives, and to determine the remuneration of the directors;</li> <li>(2) to examine and to approve the report of the board of directors;</li> <li>(3) to examine and to approve the plans for profit distribution and making up of losses of the Company;</li> <li>(4) to resolve on the increase or reduction in the registered capital of the Company;</li> <li>(5) to resolve on matters such as merger, division, dissolution, liquidation or change of corporate form, etc. of the Company;</li> <li>(6) to resolve on the issue of debentures of the Company;</li> <li>(7) to amend these Articles of Association;</li> <li>(8) to resolve on the appointment or dismissal of the accounting firm conducting audit of the Company;</li> <li>(9) other matters to be resolved in shareholders’ meeting in accordance with the requirements of pertinent laws, administrative regulations, departmental rules and these Articles of Association.</li> </ol> <p>The shareholders’ meeting may authorize the board of directors to resolve on the issuance of debentures of the Company.</p>	<p><b>Article 42</b> The shareholders’ meeting of the Company shall be composed of all shareholders of the Company. The shareholders’ meeting is the governing body of the Company and it shall in accordance with relevant laws exercise the following powers:</p> <ol style="list-style-type: none"> <li>(1) to elect and replace directors who are not staff representatives, and to determine the remuneration of the directors;</li> <li>(2) to examine and to approve the report of the board of directors;</li> <li>(3) to examine and to approve the plans for profit distribution and making up of losses of the Company;</li> <li>(4) to resolve on the increase or reduction in the registered capital of the Company;</li> <li>(5) to resolve on matters such as merger, division, dissolution, liquidation or change of corporate form, etc. of the Company;</li> <li>(6) to resolve on the issue of debentures of the Company;</li> <li>(7) to amend these Articles of Association;</li> <li>(8) to resolve on the appointment or dismissal of the accounting firm conducting audit of the Company;</li> <li><b><u>(9) to consider and approve guarantee matters as stipulated in Article 43 of these Articles of Association;</u></b></li> <li><b><u>(10) to consider matters concerning the Company's purchase or sale of major assets within one year exceeding 30% of the Company's latest audited total assets, as well as transaction matters stipulated in Articles 44 and 45 of these Articles of Association;</u></b></li> <li><b><u>(11) to consider and approve any change in the use of proceeds raised;</u></b></li> <li><b><u>(12) to consider equity incentive plans and employee stock ownership plans;</u></b></li> </ol>

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		<p>(13) <u>to consider and approve related-party transactions (excluding related party guarantees) where the transaction amount (including any debts and expenses assumed) with a related party exceeds RMB30 million and accounts for 5% or more of the absolute value of the Company's latest audited net assets, as well as other related-party (connected) transactions that require approval by the shareholders' meeting under laws, regulations, the listing rules of the stock exchanges where the Company's shares are the listed, or these Articles of Association;</u></p> <p>(914) other matters to be resolved in shareholders' meeting in accordance with the requirements of pertinent laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The shareholders' meeting may authorize the board of directors to resolve on the issuance of debentures of the Company.</p> <p><u>Unless otherwise stipulated by laws, administrative regulations, the regulations of the securities regulatory authorities or rules of the stock exchanges where the Company's shares are listed, the aforementioned powers and functions of the shareholders' meeting shall not be delegated to the board of directors or any other body or individual in the form of authorization.</u></p>
37	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 43 Where the Company provides a guarantee, such matter shall be submitted to the board of directors or the shareholders' meeting for consideration and shall be disclosed in a timely manner.</u></p> <p><u>The following external guarantee activities of the Company shall be submitted to the shareholders' meeting for consideration after being considered and approved by the board of directors:</u></p> <p>(1) <u>any single guarantee where the guaranteed amount exceeds 10% of the Company's latest audited net assets;</u></p>

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		<p>(2) <u>any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;</u></p> <p>(3) <u>any guarantee provided for an entity with a debt-to-asset ratio exceeding 70%;</u></p> <p>(4) <u>any guarantee where the total guaranteed amount, calculated on a cumulative basis over any consecutive period of 12 months, exceeds 30% of the Company's latest audited total assets;</u></p> <p>(5) <u>any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of its latest audited total assets;</u></p> <p>(6) <u>any guarantee provided to a shareholder, the actual controller, or their related parties;</u></p> <p>(7) <u>other guarantee circumstances specified by the stock exchange or these Articles of Association.</u></p> <p><u>When the shareholders' meeting deliberates on a guarantee matter under item (4) of the preceding paragraph, the resolution shall be adopted by two-thirds or more of the voting rights represented by the shareholders present at the meeting.</u></p> <p><u>Where the Company provides a guarantee for a related party, in addition to requiring approval by a majority of all non-related directors, it shall also require approval by a resolution adopted by at least two-thirds of the non-related directors present at the board meeting, and shall be submitted to the shareholders' meeting for deliberation. Where the Company provides guarantees for its controlling shareholder, actual controller or their related parties, such controlling shareholders, actual controllers and related parties shall provide counter-guarantees.</u></p>

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38	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 44 For any transaction entered into by the Company (excluding the provision of guarantees or provision of financial assistance) that meets any of the following criteria, such transaction shall be submitted to the shareholders' meeting for deliberation:</u></p> <p>(1) <u>the total assets involved in the transaction (taking the higher of the book value and the appraised value, if both exist) account for 50% or more of the Company's latest audited total assets;</u></p> <p>(2) <u>the net assets relating to the subject matter of the transaction (e.g., equity) (taking the higher of the book value and the appraised value, if both exist) account for 50% or more of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;</u></p> <p>(3) <u>the transaction amount (including any debts and expenses assumed) accounts for 50% or more of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;</u></p> <p>(4) <u>the profit generated from the transaction accounts for 50% or more of the Company's audited net profit for the last fiscal year, and the absolute amount exceeds RMB5 million;</u></p> <p>(5) <u>the subject matter of the transaction (e.g., equity) contributes 50% or more of the Company's audited operating revenue for the last fiscal year, and the absolute amount exceeds RMB50 million;</u></p> <p>(6) <u>the net profit attributable to the subject matter of the transaction (e.g., equity) for the last fiscal year accounts for 50% or more of the Company's audited net profit for the last fiscal year, and the absolute amount exceeds RMB5 million.</u></p> <p><u>If any figure involved in the above indicators is negative, its absolute values shall be used for calculation.</u></p>

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		<p><u>The Company may be exempt from the requirement to submit a transaction to the shareholders' meeting for deliberation as stipulated the first paragraph of this Article under any of the following circumstances, provided that it shall still fulfill its information disclosure obligations as required: (1) the transaction involves the Company receiving cash assets as a gift, or debt forgiveness, or similar arrangements that do not involve payment of consideration or entail any obligations; or (2) the transaction entered into by the Company meets only the criteria under item (4) or (6) of the first paragraph of this Article, and the absolute value of the Company's earnings per share for the last fiscal year is less than RMB0.05.</u></p> <p><u>The term "transaction" referred to above shall include the following activities: purchase or sale of assets; external investments (including entrusted wealth management, investments in subsidiaries, etc.); provision of financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.); provision of guarantees (including guarantees for controlled subsidiaries, etc.); leasing in or leasing out assets; entrusting or being entrusted with the management of assets and business; donation or receipt of assets; debt restructuring; entering into of licensing agreements; transfer or acquisition of research and development projects; waiving rights (including waiving preemptive rights to purchase or subscribe for capital contributions, etc.); and other transactions recognized by the stock exchange.</u></p> <p><u>Where the Company engages in a transaction involving arrangements for future contingent payments or receipts of consideration, the maximum amount that may be paid or received shall be treated as the transaction amount for the purpose of applying this Article.</u></p>

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		<p><u>Where the Company implements a transaction in stages, the total amount stipulated in the agreement shall be treated as the transaction amount for the purpose of applying this Article. Where the Company simultaneously engages in two related transactions in opposite directions with the same counterparty (excluding external investments, provision of financial assistance, and provision of guarantees), this Article shall be applied based on the higher of the indicators involved in the individual transactions in each direction.</u></p> <p><u>Where the Company engages in transactions other than provision of financial assistance or guarantees or entrusted wealth management, transactions involving the same type of subject matter under the same category shall be calculated on a cumulative basis over a consecutive period of 12 months for the purpose of applying this Article. Any transaction for which relevant obligations have already been fulfilled in accordance with this Article shall not be included in the relevant cumulative calculation.</u></p>
39	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 45 Where the Company enters into a financial assistance transaction that falls under any of the following circumstances, such transaction shall be submitted to the shareholders' meeting for deliberation after approval by the board of directors:</u></p> <p>(1) <u>the amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;</u></p> <p>(2) <u>the debt-to-asset ratio of the recipient of the assistance, as shown in its latest financial statements, exceeds 70%;</u></p> <p>(3) <u>the cumulative amount of financial assistance provided within the preceding 12 months exceeds 10% of the Company's latest audited net assets;</u> <u>or</u></p> <p>(4) <u>other circumstances stipulated by the Shanghai Stock Exchange or these Articles of Association.</u></p> <p><u>The provisions of the preceding paragraph shall not apply where the recipient of the assistance is a controlled subsidiary within the scope of the Company's consolidated financial statements, and such subsidiary's other shareholders do not include the Company's controlling shareholder, actual controller, or their related parties.</u></p>

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40	<p><b>Article 34</b> Except in exceptional circumstances, such as when the Company is in crisis, without prior approval by the special resolution of the shareholders in shareholders’ meeting, the Company will not enter into any contract with persons other than a director, <del>manager</del> or <del>other</del> senior managerial officers whereby the management of all or substantial parts of the business of the Company shall be vested in such contracting person(s).</p>	<p><b>Article 46</b> Except in exceptional circumstances, such as when the Company is in crisis, without prior approval by the special resolution of the shareholders in shareholders’ meeting, the Company will not enter into any contract with persons other than a director, <del>manager</del> or <del>other</del> senior managerial officers whereby the management of all or substantial parts of the business of the Company shall be vested in such contracting person(s).</p>
41	<p><b>Article 36</b> An annual shareholders’ meeting shall be convened by a notice of 21 days prior to the meeting to inform the shareholders of the time and place of the meeting and matters to be considered; an extraordinary shareholders’ meeting shall be convened by a notice of 15 days prior to the meeting to inform the shareholders of the time and place of that meeting and matters to be considered.</p>	<p><b>Article 48</b> An annual shareholders’ meeting shall be convened by a notice of 21 days prior to the meeting to inform the shareholders of the time and place of the meeting and matters to be considered; an extraordinary shareholders’ meeting shall be convened by a notice of 15 days prior to the meeting to inform the shareholders of the time and place of that meeting and matters to be considered.</p> <p><u>When calculating the aforementioned “21-day” or “15-day” notice period, the day on which the meeting is held shall be excluded, but the day on which the notice is dispatched shall be included.</u></p>
42	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><b>Article 49</b> <u>Shareholders’ meetings shall be held at the Company’s registered office, the location of its production and business operations, or at any other location specified in the meeting notice.</u></p> <p><u>A shareholders’ meeting shall have a physical venue for an in-person meeting. In accordance with laws, administrative regulations, rules of the securities regulatory authorities of the places where the Company’s shares are listed or these Articles of Association, the Company shall provide shareholders with convenient access through secure, economical, and efficient means such as online platforms and other methods. Besides being held in-person at a physical venue, a shareholders’ meeting may also be conducted simultaneously via electronic communication. The time and location for the in-person meeting shall be selected to facilitate shareholder attendance.</u></p> <p><u>After the notice of a shareholders’ meeting is dispatched, the venue for the in-person meeting shall not be changed without justifiable reason. If a change is truly necessary, the convener shall announce the change and state the reasons at least 2 business days prior to the scheduled date of the in-person meeting.</u></p>

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43	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 50</u> When convening a shareholders' meeting, the Company shall engage a lawyer to issue a legal opinion on the following matters, which shall be announced:</p> <p>(1) <u>whether the procedures for convening and holding the meeting comply with laws, administrative regulations, departmental rules, and these Articles of Association;</u></p> <p>(2) <u>whether the qualifications of attendees and the convener are legal and valid;</u></p> <p>(3) <u>whether the voting procedures and results of the meeting are legal and valid;</u></p> <p>(4) <u>other relevant matters as requested by the Company.</u></p>
44	<b>Article 39</b> Proposals which are not specified in the notice of the shareholders' meeting or which do not comply with <b>Articles 37 and 38</b> of these Articles of Association shall not be voted and resolved in a shareholders' meeting.	<b>Article 53</b> Proposals which are not specified in the notice of the shareholders' meeting or which do not comply with <del>Articles 37 and 38</del> of these Articles of Association shall not be voted and resolved in a shareholders' meeting.

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45	<p><b>Article 40</b> A notice of shareholders’ meeting shall <b>be in writing and</b> include the following:</p> <p>(1) the time, place and the duration of the meeting;</p> <p>(2) matters and proposals submitted for deliberation;</p> <p>(3) it shall expressly specify in writing that all shareholders are entitled to attend the shareholders’ meeting, and may appoint proxies in writing to attend the meeting and exercise voting rights on their behalf, and such proxies need not be shareholders;</p> <p>(4) any other matters required to be set out in the laws, administrative regulations, departmental rules or the <b>Listing Rules</b>.</p>	<p><b>Article 54</b> A notice of shareholders’ meeting shall <del>be in writing and</del> include the following:</p> <p>(1) the time, place and the duration of the meeting;</p> <p>(2) matters and proposals submitted for deliberation;</p> <p>(3) it shall expressly specify in writing that all shareholders are entitled to attend the shareholders’ meeting, and may appoint proxies in writing to attend the meeting and exercise voting rights on their behalf, and such proxies need not be shareholders <b><u>of the Company</u></b>;</p> <p><b><u>(4) the record date for determining shareholders entitled to attend the meeting;</u></b></p> <p><b><u>(5) the name and telephone number of the designated contact person for the meeting;</u></b></p> <p><b><u>(6) voting time and procedures for online or other voting methods; and</u></b></p> <p><del>(47)</del> any other matters required to be set out in the laws, administrative regulations, departmental rules or the <b><u>Listing Rules regulatory rules of the places where the Company's shares are listed.</u></b></p> <p><b><u>The notice and supplemental notice for a shareholders' meeting shall fully and completely disclose all specific details of each proposal, along with all information or explanations necessary for shareholders to make reasonable judgments on the matters to be discussed.</u></b></p> <p><b><u>The start time for online or other voting methods for a shareholders' meeting shall not be earlier than 3:00 p.m. on the date preceding the in-person shareholders' meeting is held, and shall not be later than 9:30 a.m. on the date of the in-person shareholders' meeting. The end time for such voting shall not be earlier than 3:00 p.m. on the date the in-person shareholders' meeting concludes.</u></b></p> <p><b><u>The interval between the record date and the meeting date shall not exceed 7 business days. Once confirmed, the record date shall not be altered.</u></b></p>

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46	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><u>Article 55 Where the election of directors is to be discussed at a shareholders’ meeting, the notice for such meeting shall fully disclose detailed information on the director candidates, which shall include at least the following:</u></p> <ol style="list-style-type: none"> <li><u>(1) educational background, work experience, concurrent positions, and other personal information;</u></li> <li><u>(2) whether there exists any related-party (connected) relationship with the Company or its controlling shareholder or actual controller;</u></li> <li><u>(3) the number of shares held in the Company;</u></li> <li><u>(4) whether he/she has been subject to any penalties imposed by the CSRC or other relevant authorities, or any disciplinary actions by a stock exchange; and</u></li> <li><u>(5) any other information regarding newly appointed, re-elected, or reassigned directors that is required to be disclosed under the regulatory rules of the places where the Company’s shares are listed.</u></li> </ol> <p><u>Except where directors are elected under a cumulative voting system, each director candidate shall be proposed as a separate resolution.</u></p>
47	<p><b>Article 41</b> Notice of a shareholders’ meeting is served by way of announcement <b>or any other form which complies with the conditions set by the regulatory authorities</b> on all shareholders <b>(whether or not such shares carry the right to vote at the shareholders’ meeting).</b></p> <p>Once the announcement has been made, all holders of shares shall be deemed to have received notice of the shareholders’ meeting.</p>	<p><b>Article 56</b> Notice of a shareholders’ meeting is served by way of announcement <del>or any other form which complies with the conditions set by the regulatory authorities</del> on all shareholders <del>(whether or not such shares carry the right to vote at the shareholders’ meeting).</del></p> <p>Once the announcement has been made, all holders of shares shall be deemed to have received notice of the shareholders’ meeting.</p>
48	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><u>Article 57 After notice of a shareholders’ meeting has been issued, the meeting shall not be postponed or cancelled without justifiable cause, nor shall any proposal set out in the notice be cancelled. If a postponement or cancellation occurs, the convener shall announce the change and state the reasons at least 2 business days prior to the originally scheduled date of the meeting.</u></p>

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49	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 58 The board of directors and other conveners shall take necessary measures to ensure the orderly conduct of the shareholders’ meetings. Any acts that disrupt a meeting, provoke disturbances, or infringe upon the lawful rights and interests of shareholders shall be restrained, and such incidents shall be promptly reported to the relevant authorities for investigation and action.</u>
50	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 59 Shareholders whose names appear on the Company's shareholder register on the record date, or their duly appointed proxies, shall be entitled to attend shareholders’ meeting and exercise their voting rights in accordance with relevant laws, regulations, and these Articles of Association.</u>
51	<p><b>Article 42</b> A shareholder may attend a shareholders’ meeting in person or appoint a proxy to attend and vote on his/her behalf. Where a shareholder appoints a proxy to attend a shareholders’ meeting, the shareholder shall specify the matters, powers and term of the proxy’s authorization; and the proxy shall submit a <b>power of attorney</b> issued by the shareholder to the Company and exercise voting rights within the scope of the authorization.</p> <p><b>An individual</b> shareholder attending the meeting in person shall produce <b>his/her valid identity card or other</b> valid identity document or certificate; a proxy <b>for others</b> shall present his/her own valid identification together with <b>the appointing shareholder’s power of attorney</b>.</p> <p><b>A corporate shareholder shall be represented by its legal representative or a proxy appointed by its legal representative. The legal representative shall produce his/her valid identity card and documentation evidencing his/her status. A proxy of a corporate shareholder shall produce his/her valid identity card and a power of attorney issued by the corporate shareholder’s legal representative.</b></p> <p>Where a proxy form is signed by an authorized signatory, the underlying power of attorney or authorization document conferring signing authority must be notarized. Such notarized documents, along with the proxy form, shall be kept at the Company’s registered address or such other place as specified in the meeting notice.</p>	<p><b>Article 60</b> A shareholder may attend a shareholders’ meeting in person or appoint a proxy to attend and vote on his/her/ <u>its</u> behalf. Where a shareholder appoints a proxy to attend a shareholders’ meeting, the shareholder shall specify the matters, powers and term of the proxy’s authorization; and the proxy shall submit a <del>power of attorney</del> <b>proxy form</b> issued by the shareholder to the Company and exercise voting rights within the scope of the authorization.</p> <p><del>An individual</del> <u>A</u> shareholder attending the meeting in person shall produce <del>his/her valid identity card or other valid identity document or certificate</del> <b>identification or documentation confirming his/her/its shareholder status</b>; a proxy <del>for others acting on behalf of a shareholder</del> shall present his/her own valid identification together with the <del>appointing shareholder’s power of attorney</del> <b>identification or documentation of the shareholder being represented and the relevant proxy form</b>.</p> <p><del>A corporate shareholder shall be represented by its legal representative or a proxy appointed by its legal representative. The legal representative shall produce his/her valid identity card and documentation evidencing his/her status. A proxy of a corporate shareholder shall produce his/her valid identity card and a power of attorney issued by the corporate shareholder’s legal representative.</del></p>

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		Where a proxy form is signed by an authorized signatory, the underlying power of attorney or authorization document conferring signing authority must be notarized. Such notarized documents, along with the proxy form, shall be kept at the Company's registered address or such other place as specified in the meeting notice.
52	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 61 A proxy form issued by a shareholder authorizing another person to attend a shareholders meeting on his/her behalf shall specify the following:</u></p> <ol style="list-style-type: none"> <li><u>(1) the name of the appointing shareholder and the class and number of shares held in Company;</u></li> <li><u>(2) the name of the proxy;</u></li> <li><u>(3) specific instructions from the shareholder, including instructions to vote for, against, or to abstain on each item on the meeting agenda;</u></li> <li><u>(4) the date of issuance and the period of validity of the proxy form;</u></li> <li><u>(5) the signature (or company chop affixed) of the appointing shareholder. If the appointing shareholder is a legal person, the company chop shall be affixed; and</u></li> <li><u>(6) other particulars required by laws, regulations, or the rules of the securities regulatory authorities or stock exchanges in the places where the Company's shares are listed.</u></li> </ol>
53	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 62 The Company shall be responsible for preparing an attendance register for a shareholders' meeting. The register shall record details including the name of each attendee, his/her identification number, the number of shares held or represented with voting rights, and the name of the shareholder being represented (if applicable).</u></p>
54	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 63 The convener and the lawyer engaged by the Company shall jointly verify the eligibility of shareholders based on the shareholder register provided by the securities depository and clearing institution, and shall record the name of each shareholders and the number of shares held with voting rights. The registration of attendees shall conclude before the chairman of the meeting announces the number of shareholders and proxies present in person and the total number of with voting rights they represent.</u></p>

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55	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 64 Where a shareholders' meeting requires the attendance of directors or senior managerial officers, such persons shall attend the meeting and respond to shareholders' inquiries.</u>
56	<b>Article 44</b> A shareholder (including his proxy) may exercise voting rights at the shareholders' meeting according to the number of shares which carry the right to vote held by his and each share shall have one vote. Shares held by the Company shall not carry any voting right and shall not be counted into the total shares with voting rights present at the shareholders' meeting.	<p><b>Article 66</b> A shareholder (including his/<del>her</del>/<u>its</u> proxy) may exercise voting rights at the shareholders' meeting according to the number of shares <b>with voting rights</b> <del>which carry the right to vote held</del> <u>represented</u> by <del>him</del>/<del>her</del>/<u>it</u>, <del>with and</del> each share shall have <u>carrying</u> one vote, <del>except for holders of class shares.</del> Shares held by the Company shall not carry any voting right and shall not be counted into the total shares with voting rights present at the shareholders' meeting.</p> <p><u>When the shareholders' meeting deliberates on significant matters that affect the interests of minority shareholders, the votes cast by minority shareholders shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.</u></p> <p><u>Where a shareholder acquires shares with voting rights of the Company in violation of the provisions of Article 63(1) or 63(2) of the Securities Law, the portion of shares exceeding the prescribed proportion shall be barred from exercising voting rights for 36 months following the acquisition and shall not be counted toward the total number of shares with voting rights present at the shareholders' meeting.</u></p> <p><u>Subject to compliance with applicable laws, regulations, and the regulatory rules of the places where the Company's shares are listed, the Company's board of directors, independent non-executive directors, shareholders holding 1% or more of the shares with voting rights, or investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the CSRC, may publicly solicit proxies from shareholders. Such solicitations shall fully disclose specific voting intentions and other relevant information to the solicited shareholders. Solicitation of proxies through compensation or disguised compensation is prohibited. Except under statutory conditions, the Company shall not impose minimum shareholding thresholds for proxy solicitation.</u></p>

No.	Before amendment	After amendment
57	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p data-bbox="863 348 1359 619"><u>Article 67 When a shareholders' meeting deliberates on a related-party (connected) transaction, the related (connected) shareholder(s) shall not vote on that transaction, and the number of shares with voting rights they represent shall not be counted toward the total valid votes. The announcement of the resolution of the shareholders' meeting shall fully disclose the voting results of the non-connected shareholders.</u></p> <p data-bbox="863 651 1359 708"><u>The procedures for the abstention and voting of related (connected) shareholders are as follows:</u></p> <p data-bbox="863 740 1359 974">(1) <u>if any matter to proposed for consideration at a shareholders' meeting constitutes a related-party (connected) transaction, the convener shall notify the related (connected) shareholder(s) in advance on a timely basis; conversely, the related (connected) shareholder(s) shall notify the convener in advance on a timely basis;</u></p> <p data-bbox="863 1006 1359 1310">(2) <u>at the shareholders' meeting, the related (connected) shareholder(s) shall proactively apply for abstention, and other shareholders shall have the right to request the convener to require the related (connected) shareholder(s) to abstain. The convener shall examine whether a shareholder is a related (connected) shareholder and whether such shareholder should abstain in accordance with the relevant provisions ;</u></p> <p data-bbox="863 1342 1359 1678">(3) <u>If a related (connected) shareholder disagrees with the convener's decision, such shareholder shall have the right to petition the People's Court for a ruling on whether a related-party (connected) relationship exists and whether he/she is entitled to vote. However, pending a final and effective ruling by the People's Court, such shareholder shall not vote, and the number of shares with voting rights he/she represents shall not be counted toward the total valid votes cast;</u></p>

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No.	Before amendment	After amendment
		<p>(4) <u>a related (connected) shareholder required to abstain may participate in the discussions of the related-party (connected) transaction concerned and may provide explanations and clarifications to the shareholders' meeting regarding the rationale for the transaction, its basic terms, and whether it is fair and lawful;</u></p> <p>(5) <u>for voting on a related-party (connected) transaction at a shareholders' meeting, an ordinary resolution shall be valid only if it is passed by a majority of the voting rights held by the non-related (non-connected) shareholders present. However, if the related-party (connected) transaction involves a matter that under these Articles of Association requires a special resolution, it shall be valid only if it is passed by two-thirds or more of the voting rights held by the shareholders present other than related (connected) shareholder(s).</u></p>
58	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 68 The list of director candidates shall be submitted to the shareholders' meeting for voting in the form of a proposal.</u></p> <p><u>When voting on director elections at a shareholders' meeting, cumulative voting may be implemented in accordance with these Articles of Association or a resolution of the shareholders' meeting. Cumulative voting shall be adopted when a single shareholder and its concerted parties hold an aggregate interest of 30% or more of the shares, or when electing two or more independent directors.</u></p> <p><u>Cumulative voting refers to a system under which, in the election of directors at the shareholders' meeting, each share carries a number of votes equal to the number of directors to be elected, and shareholders may concentrate their votes on specific candidates. The number of votes each shareholder possesses equals the number of shares held by such shareholder multiplied by the number of directors such shareholder is entitled to elect. Each shareholder may cast all of his/her votes for a single director candidate or distribute them among any director candidates he/she is entitled to elect. The candidates receiving most votes shall be elected, provided that the number of votes received by an elected director must exceed one-half of the total number of shares held by shareholders present at the shareholders' meeting who are entitled to vote.</u></p>

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No.	Before amendment	After amendment
		<p><u>Director candidates shall possess the qualifications prescribed by laws, regulations, and stock exchange rules, as well as the professional competence and knowledge appropriate for performing their duties.</u></p> <p><u>The methods and procedures for nominating director candidates are as follows:</u></p> <p>(1) <u>The incumbent board of directors, or shareholders holding individually or collectively 1% or more of the Company’s shares, may nominate candidates for non-employee representative directors (excluding independent directors) to serve on next board of directors or for additional directors, in a number not exceeding the number of directors to be elected. Such proposals shall be submitted to the incumbent board’s nomination committee for qualification review. Upon review confirming that the candidates meet the qualifications for directors, the board of directors shall submit the proposals to the shareholders’ meeting for voting. Employee directors shall be elected by the employee representative assembly and directly join the board of directors.</u></p> <p>(2) <u>The incumbent board of directors, or shareholders individually or collectively holding 1% or more of the Company’s shares on a continuous basis, may submit proposals to the shareholders’ meeting nominating candidates for independent directors. Such proposals shall be submitted to the incumbent board’s nomination committee for qualification review. Upon review confirming that the candidates meet the qualifications for independent directors, the board of directors shall submit the proposals to the shareholders’ meeting for voting.</u></p>

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No.	Before amendment	After amendment
		(3) <u>The proposals submitted by the board of directors or shareholders with nomination rights to the convener of the shareholders' meeting shall include relevant materials such as the identity documents, resumes, and basic information of the director candidates. The board of directors shall announce the resumes and basic information of the candidate directors to shareholders prior to the convening of the shareholders' meeting. Director candidates shall provide written confirmation prior to the announcement of the notice of the shareholders' meeting, agreeing to accept the nomination, confirming that the information publicly disclosed about the director candidates is true, accurate, and complete, and undertaking to perform their duties diligently upon election.</u>
59	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 69 Except for proposals deliberated under the cumulative voting system, all proposals at a shareholders' meeting shall be voted on individually. Where multiple proposals concern the same matter, voting shall proceed in the chronological order of their submission. No proposal shall be deferred or left unvoted upon, except where the meeting is adjourned or unable to pass resolutions due to force majeure or other special circumstances.</u>
60	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 70 When deliberating on proposals at a shareholders' meeting, no amendments may be made to the proposals. If any amendment is made, it shall be regarded as a new proposal and may not be voted on at the same meeting.</u>
61	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 71 Each voting right may only be exercised in one of the following ways: in-person, online, or by other voting means. Where multiple votes are cast for the same voting right, the first valid vote cast shall prevail.</u>

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62	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 73 Shareholders present at a shareholders' meeting shall, with respect to any proposal submitted for voting, indicate one of the following opinions: for, against, or abstain. This does not apply where a securities depository and clearing institution, acting as the nominal holder of shares under the Inter-connected Mechanism for Trading on the Mainland and Hong Kong Stock Markets, submits votes in accordance with the instructions of the actual holders.</u></p> <p><u>Blank, incorrectly filled, or illegible ballot papers, as well as ballot papers not cast, shall be deemed as the voter's waiver of voting rights. The voting results for the number of shares represented thereby shall be counted as "abstentions."</u></p> <p><u>If the stock exchange where the Company's shares are listed stipulates that any shareholder must abstain from voting on a particular resolution, or restricts any shareholder to voting only for (or against) a particular resolution, any votes cast by or on behalf of such shareholder in violation of such stipulation or restriction shall be disregarded.</u></p>
63	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 74 Prior to voting on proposals at a shareholders' meeting, two shareholder representatives shall be elected to participate in vote counting and scrutiny. Any shareholder who is related (connected) to the matter under consideration, or such shareholder's proxy, shall be ineligible to participate in vote counting or scrutiny. If, due to reasons such as the number of attending shareholders or recusals, fewer than two shareholder representatives are available for vote counting and scrutiny, the shortfall may be filled by members of the Company's audit committee.</u></p> <p><u>When voting on proposals at a shareholders' meeting, the lawyer and shareholder representatives shall jointly be responsible for vote counting or scrutiny. The voting results shall be announced at the meeting and recorded in the minutes.</u></p> <p><u>Shareholders or their proxies who vote via online or other means shall have the right to verify their own voting results through the corresponding voting system.</u></p>

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64	<p><b>Article 47</b> The following matters shall be passed by special resolution at the shareholders' meeting:</p> <p>(1) an increase or reduction of the registered share capital of the Company;</p> <p>(2) the <b>merger</b>, division, dissolution and liquidation of the Company;</p> <p>(3) amendments to these Articles of Association;</p> <p>(4) other matters which are provided for by the laws, administrative regulations or these Articles of Association and resolved by ordinary resolutions in shareholders' meeting to be of material effect to the Company, which are to be passed by special resolutions.</p>	<p><b>Article 76</b> The following matters shall be passed by special resolution at the shareholders' meeting:</p> <p>(1) an increase or reduction of the registered share capital of the Company;</p> <p>(2) the <del>merger</del>, division, <b>spin-off</b>, merger, dissolution and liquidation of the Company;</p> <p>(3) amendments to these Articles of Association;</p> <p><b>(4) <u>the Company's purchases or disposals of material assets or the provision of guarantees to others within one year, which are more than 30% of the latest audited total assets of the Company;</u></b></p> <p><b>(5) <u>share incentive plan;</u></b></p> <p><del>(4)</del> other matters which are provided for by the laws, administrative regulations or these Articles of Association and resolved by ordinary resolutions in shareholders' meeting to be of material effect to the Company, which are to be passed by special resolutions.</p>

No.	Before amendment	After amendment
65	<p><b>Article 48</b> Shareholders who request to <b>convene</b> an extraordinary shareholders' meeting or a class shareholders' meeting shall follow the procedures set out below:</p> <p>(1) shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to request the board of directors to convene an extraordinary shareholders' meeting or a class shareholders' meeting. Such request shall be done in writing.</p> <p>The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary shareholders' meeting or a class shareholders' meeting within 10 days after receiving the request.</p> <p>If the board of directors agrees to convene an extraordinary shareholders' meeting or a class shareholders' meeting, it shall give notice of the convening of the shareholders' meeting or the class shareholders' meeting within 5 days of such resolution of the board of directors, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.</p> <p>(2) if the board of directors does not agree to convene an extraordinary shareholders' meeting or a class shareholders' meeting or does not provide feedback within 10 days of the receipt of the aforesaid written requisitions, shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to propose to the audit committee to convene an extraordinary shareholders' meeting or a class shareholders' meeting and shall submit their request in writing. If the audit committee agrees to convene an extraordinary shareholders' meeting or a class shareholders' meeting, it shall, within 5 days of receipt of such request, issue a notice of convening the shareholders' meeting or the class shareholders' meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p>	<p><b>Article 77</b> Shareholders who request to <del>convene</del><b>hold</b> an extraordinary shareholders' meeting or a class shareholders' meeting shall follow the procedures set out below:</p> <p>(1) shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to request the board of directors to convene an extraordinary shareholders' meeting or a class shareholders' meeting. Such request shall be done in writing.</p> <p>The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary shareholders' meeting or a class shareholders' meeting within 10 days after receiving the request.</p> <p>If the board of directors agrees to convene an extraordinary shareholders' meeting or a class shareholders' meeting, it shall give notice of the convening of the shareholders' meeting or the class shareholders' meeting within 5 days of such resolution of the board of directors, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.</p> <p>(2) if the board of directors does not agree to convene an extraordinary shareholders' meeting or a class shareholders' meeting or does not provide feedback within 10 days of the receipt of the aforesaid written requisitions, shareholders who individually or collectively hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting shall have the right to propose to the audit committee to convene an extraordinary shareholders' meeting or a class shareholders' meeting and shall submit their request in writing. If the audit committee agrees to convene an extraordinary shareholders' meeting or a class shareholders' meeting, it shall, within 5 days of receipt of such request, issue a notice of convening the shareholders' meeting or the class shareholders' meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p>

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	<p>(3) if the audit committee fails to issue the notice of the shareholders' meeting or the class shareholders' meeting within the prescribed period, the audit committee shall be deemed not to convene and preside over the shareholders' meeting or the class shareholders' meeting, and shareholders who individually or collectively hold 10% or more voting rights of all the shares having the right to vote in such a meeting for 90 or more consecutive days may convene and preside over the meeting on their own.</p>	<p>(3) if the audit committee fails to issue the notice of the shareholders' meeting or the class shareholders' meeting within the prescribed period, the audit committee shall be deemed not to convene and preside over the shareholders' meeting or the class shareholders' meeting, and shareholders who individually or collectively hold 10% or more voting rights of all the shares having the right to vote in such a meeting for 90 or more consecutive days may convene and preside over the meeting on their own.</p>
66	<p><b>Article 49</b> The audit committee has the right to propose to the board of directors to convene an extraordinary shareholders' meeting, and the proposal to the board of directors shall be in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give a written feedback on whether to agree or disagree with the meeting within 10 days upon receipt of the <b>proposal</b>.</p> <p>When the board of directors agrees to convene an extraordinary shareholders' meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of the audit committee.</p> <p>When the board of directors does not agree to convene an extraordinary shareholders' meeting or does not provide feedback within 10 days upon receipt of the written proposal, the board of directors shall be considered to be unable or fail to perform the duty of convening an extraordinary shareholders' meeting. The audit committee can convene and preside over the meeting on its own.</p> <p>Expenses for the shareholders' meetings convened by the audit committee or the shareholders by themselves shall be borne by the Company.</p>	<p><b>Article 78</b> The audit committee has the right to propose to the board of directors to convene an extraordinary shareholders' meeting, and the proposal to the board of directors shall be in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give a written feedback on whether to agree or disagree with the meeting within 10 days upon receipt of the <del>proposal</del><b>request</b>.</p> <p>When the board of directors agrees to convene an extraordinary shareholders' meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of the audit committee.</p> <p>When the board of directors does not agree to convene an extraordinary shareholders' meeting or does not provide feedback within 10 days upon receipt of the written proposal, the board of directors shall be considered to be unable or fail to perform the duty of convening an extraordinary shareholders' meeting. The audit committee can convene and preside over the meeting on its own.</p> <p>Expenses for the shareholders' meetings convened by the audit committee or the shareholders by themselves shall be borne by the Company.</p>

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67	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 79 Independent non-executive directors shall have the right to propose the convening of an extraordinary shareholders' meeting to the board of directors, subject to the approval of more than half of all independent non-executive directors. Upon receiving a proposal from independent non-executive directors to convene an extraordinary shareholders' meeting, the board of directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, provide a written response within 10 days indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.</u></p> <p><u>If the board of directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice convening the shareholders' meeting within 5 days after passing the relevant board resolution. If the board of directors disagrees to convene the extraordinary shareholders' meeting, it shall state the reasons and make an announcement.</u></p>
68	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 80 If the audit committee or shareholders decide to convene a shareholders' meeting on their own initiative, they shall notify the board of directors in writing and at the same time file a record with the Shanghai Stock Exchange.</u></p> <p><u>The audit committee or the convening shareholders shall submit relevant supporting documentation to the Shanghai Stock Exchange when issuing the notice of the shareholders' meeting and when making announcement on the resolution of the shareholders' meeting.</u></p> <p><u>The shareholding percentage of the convening shareholders shall not fall below 10% until the resolution of the shareholders' meeting has been announced.</u></p> <p><u>For a shareholders' meeting convened by the audit committee or shareholders on their own initiative, the board of directors and the company secretary shall render necessary assistance. The board of directors shall provide the register of shareholders as of the record date.</u></p>

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69	<p><b>Article 50</b> A shareholders’ meeting shall be presided by the chairman of the board of directors. If the chairman of the board of directors <b>cannot attend the meeting</b>, the meeting shall be chaired by a director elected jointly by more than half of the directors.</p> <p>The convener of the audit committee (i.e., the chairman of the audit committee) shall preside over the shareholders’ meeting convened by the audit committee itself. If the convener of the audit committee is unable to perform his duties or does not perform his duties, a member of the audit committee jointly elected by more than half of the members of the audit committee shall preside.</p> <p>A shareholders’ meeting convened by the shareholders themselves shall be presided over by the convener or a representative elected by the convener.</p>	<p><b>Article 81</b> A shareholders’ meeting shall be presided by the chairman of the board of directors. If the chairman of the board of directors <del>cannot attend the meeting</del> <b>cannot perform his duties or does not perform his duties</b>, the meeting shall be chaired by a director elected jointly by more than half of the directors.</p> <p>The convener of the audit committee (i.e., the chairman of the audit committee) shall preside over the shareholders’ meeting convened by the audit committee itself. If the convener of the audit committee is unable to perform his duties or does not perform his duties, a member of the audit committee jointly elected by more than half of the members of the audit committee shall preside.</p> <p>A shareholders’ meeting convened by the shareholders themselves shall be presided over by the convener or a representative elected by the convener.</p> <p><b><u>If, during the conduct of a shareholders’ meeting, the chairman of the meeting violates these rules to the extent that the meeting cannot proceed, the meeting may, with the consent of shareholders with voting rights holding more than half of the votes present at the meeting, elect another person to act as the chairman and continue the meeting.</u></b></p>
70	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><b>Article 82</b> <u>The Company shall formulate the rules of procedure of shareholders’ meetings which specifies the rules of calling, convening the shareholders’ meeting and the voting procedure in the shareholders’ meeting and other matters including the notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formulation of resolutions, meeting minutes and its signing, announcement, the principle of conferring powers on the board of directors and the specific content of such powers of the shareholders’ meeting. The rules of procedure of shareholders’ meetings shall be drafted by the board of directors and approved by the shareholders’ meeting and shall be attached as the appendix of these Articles of Association.</u></p>
71	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><b>Article 83</b> <u>At an annual shareholders’ meeting, the board of directors shall report to the shareholders on its work over the past year, and each independent non-executive director shall also deliver a work report.</u></p>

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72	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 84 Directors and senior managerial officers shall provide explanations and clarifications in response to shareholders' inquiries at the shareholders' meeting.</u>
73	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 85 The chairman of the meeting shall, before voting, announce the number of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held by them. The number of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held by them shall be determined based on the meeting registration.</u>
74	<b>Article 51</b> The chairman of the meeting shall announce the vote and the result of each proposal and <b>the decision on</b> whether a resolution of the shareholders' meeting is passed.	<p><b>Article 86</b> <u>The on-site session of a shareholders' meeting shall not conclude earlier than the closing of online or other voting means.</u> The chairman of the meeting shall announce the vote and the result of each proposal and <del>the decision on</del> <u>announce</u> whether a resolution of the shareholders' meeting is passed.</p> <p><u>Prior to the formal announcement of voting results, all parties involved in the voting process at the meeting venue, online voting platform or other voting channels, including companies, vote counters and scrutineers, shareholders, and online service providers, shall maintain confidentiality regarding the votes cast.</u></p>
75	<b>Article 53</b> The resolutions of the shareholders' meeting shall be recorded in the minutes, which shall be signed by <b>the presiding officer and</b> the directors present at the meeting. The minutes of the meeting together with the signature book of the shareholders attending the meeting shall be <b>kept at the Company.</b>	<p><b>Article 88</b> <u>The minutes of the shareholders' meeting shall be prepared by the secretary to the board of directors and shall include the following:</u></p> <ol style="list-style-type: none"> <li>(1) <u>the time, place, agenda, and name of the convener of the meeting;</u></li> <li>(2) <u>the name of the chairman of the meeting and the names of directors and senior managerial officers attending the meeting;</u></li> <li>(3) <u>the number of shareholders and proxies present, the total number of shares with voting rights represented by them, and the proportion such shares bear to the total shares of the Company;</u></li> </ol>

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		<p>(4) <u>the deliberation process, summary of discussions, and voting results for each proposal;</u></p> <p>(5) <u>any queries or suggestions raised by shareholders and the corresponding responses or explanations provided;</u></p> <p>(6) <u>the names of the lawyer, vote counters and scrutineers; and</u></p> <p>(7) <u>any other matters required to be recorded in the minutes pursuant to these Articles of Association.</u></p> <p><u>The Company shall stipulate in the Articles of Association other content that needs to be recorded in the minutes of shareholders' meeting based on actual circumstances.</u></p> <p><u>The convener shall ensure that the contents of the minutes are true, accurate and complete.</u> The resolutions of the shareholders' meeting shall be recorded in the minutes, which shall be signed by <del>the presiding officer and the directors attending or</del> present at the meeting, <u>the secretary to the board of directors, the convener or its representatives and the presiding officer.</u> The minutes of the meeting together with <u>and</u> the signature book of the shareholders attending the meeting <u>in person, powers of attorney for proxies, and valid records of voting conducted online or by other means</u> shall be kept at the Company <del>maintained together</del> <u>for a period of no less than 10 years.</u></p>
76	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 89 The convener shall ensure that the shareholders' meeting proceeds continuously until a final resolution is adopted. If the shareholders' meeting is suspended or unable to reach a resolution due to force majeure or other exceptional circumstances, necessary measures shall be taken to either resume the meeting as soon as possible or directly terminate the meeting, and an announcement shall be made promptly. At the same time, the convener shall report the matter to the regional office of the CSRC where the Company is located and the Shanghai Stock Exchange.</u></p>

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77	<b>Article 54</b> Where any shareholder of the Company is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.	<b>Article 90</b> Where any shareholder of the Company is, under the <u>Hong Kong</u> Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.
78	<b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b>	<b><u>Article 91 Resolutions of a shareholders' meeting shall be announced promptly following the meeting. The announcement shall specify the number of shareholders and proxies present, the total number of shares with voting rights represented at the meeting and their proportion of the Company's total shares with voting rights, the voting methods used, the voting results for each proposal, and the detailed content of each resolution passed. If a proposal is not adopted, or if the shareholders' meeting amends a resolution of a previous shareholders' meeting, a special note to that effect shall be included in the announcement of the resolutions of the meeting.</u></b>
79	<b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b>	<b><u>Article 92 Where a proposal concerning the election of directors is approved at the shareholders' meeting, the newly elected directors shall take office on the date when the resolution is passed at the shareholders' meeting.</u></b>
80	<b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b>	<b><u>Article 93 Where a proposal concerning the distribution of cash dividends, issuance of bonus shares, or transfer of capital reserve into share capital is approved at the shareholders' meeting, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting.</u></b>
81	<p><b>Article 56</b> If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a shareholders' meeting and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles <b>58</b> to <b>62</b> of these Articles of Association.</p> <p>Upon filing with the CSRC, the transfer of all or part of the shares held by shareholders of the domestic invested shares of the Company to overseas investors, or the conversion of all or part of the domestic invested shares held by them into foreign invested shares and have them listed and traded on an overseas stock exchange shall not be deemed to be a proposed change or abrogation of the rights of the class shareholders of the Company.</p>	<p><b>Article 95</b> If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a shareholders' meeting and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles <del>58</del><u>97</u> to <del>62</del><u>101</u> of these Articles of Association.</p> <p>Upon filing with the CSRC, the transfer of all or part of the shares held by shareholders of the domestic invested shares of the Company to overseas investors, or the conversion of all or part of the domestic invested shares held by them into foreign invested shares and have them listed and traded on an overseas stock exchange shall not be deemed to be a proposed change or abrogation of the rights of the class shareholders of the Company.</p>

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82	<p><b>Article 58</b> Whether or not the class shareholders so affected have voting rights at the shareholders’ meeting, they shall have the right to vote at the meeting of class shareholders in respect of the matters mentioned in paragraphs (2) to (8) and (11) to (12) of Article <b>57</b> of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of the class shareholders.</p> <p>An interested shareholder mentioned in the preceding paragraph refers to:</p> <p>(1) in the case where the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, “interested shareholder” shall mean the controlling shareholder of the Company;</p> <p>(2) in the case where the Company repurchases its shares by way of agreement other than through a stock exchange in accordance with the provisions of these Articles of Association, “interested shareholder” shall mean the holder of the relevant shares;</p> <p>(3) in the reorganization of the Company, “interested shareholder” shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who enjoys benefits which are different from those enjoyed by other shareholders of the same class.</p>	<p><b>Article 97</b> Whether or not the class shareholders so affected have voting rights at the shareholders’ meeting, they shall have the right to vote at the meeting of class shareholders in respect of the matters mentioned in paragraphs (2) to (8) and (11) to (12) of Article <b>57<del>96</del></b> of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of the class shareholders.</p> <p>An interested shareholder mentioned in the preceding paragraph refers to:</p> <p>(1) in the case where the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, “interested shareholder” shall mean the controlling shareholder of the Company;</p> <p>(2) in the case where the Company repurchases its shares by way of agreement other than through a stock exchange in accordance with the provisions of these Articles of Association, “interested shareholder” shall mean the holder of the relevant shares;</p> <p>(3) in the reorganization of the Company, “interested shareholder” shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who enjoys benefits which are different from those enjoyed by other shareholders of the same class.</p>
83	<p><b>Article 59</b> A resolution of the meeting of class shareholders shall be passed in accordance with Article <b>58</b> by two-thirds or more of the voting rights of the class shareholders present and having the right to vote in the meeting.</p>	<p><b>Article 98</b> A resolution of the meeting of class shareholders shall be passed in accordance with Article <b>58<del>97</del></b> by two-thirds or more of the voting rights of the class shareholders present and having the right to vote in the meeting.</p>
84	Chapter 7 Board of Directors	<p>Chapter 7 Board of Directors</p> <p><b><u>Section 1 Relevant Provisions on Board of Directors</u></b></p>

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85	<p><b>Article 64</b> Directors shall be elected or replaced at shareholders’ meeting and may be removed at the shareholders’ meeting before the expiration of their term of office. Each term of office of the director shall be 3 years. Upon the expiry of the term, a director shall be eligible for re-election and reappointment.</p> <p><b>The period during which a written notice of intention to propose a person for election as director and a written notice by that person of his willingness to be elected are to be given to the Company shall be at least 7 days, such period shall commence on the day after the date when the notice of the shareholders’ meeting convened for such election is dispatched and end no later than 7 days prior to the date of such meeting.</b></p> <p>The chairman of the board of directors shall be elected and removed by more than one-half of the directors.</p> <p>Subject to relevant laws and administrative regulations, the Company in shareholders’ meeting shall have the power by ordinary resolution to remove any director before the expiration of his term of office (but without prejudice to any claim for damages under any contract).</p> <p>Directors need not hold any shares of the Company.</p>	<p><b>Article 103</b> <u>Directors who are not employee representatives</u> shall be elected or replaced at shareholders’ meeting and may be removed at the shareholders’ meeting before the expiration of their term of office. Each term of office of the director shall be 3 years. Upon the expiry of the term, a director shall be eligible for re-election and reappointment.</p> <p><u>A director’s term of office shall commence from the date when he/she takes office and end upon expiry of the term of the current session of the board of directors.</u></p> <p><u>Directors may concurrently hold senior management positions. However, the total number of directors concurrently holding senior management positions, together with directors representing employees, shall not exceed half of the total number of the Company’s directors.</u></p> <p>The period during which a written notice of intention to propose a person for election as director and a written notice by that person of his willingness to be elected are to be given to the Company shall be at least 7 days, such period shall commence on the day after the date when the notice of the shareholders’ meeting convened for such election is dispatched and end no later than 7 days prior to the date of such meeting.</p> <p>The chairman of the board of directors shall be elected and removed by more than one-half of the directors.</p> <p>Subject to relevant laws and administrative regulations, the Company in shareholders’ meeting shall have the power by ordinary resolution to remove any director before the expiration of his term of office (but without prejudice to any claim for damages under any contract). <b>The removal takes effect on the date the resolution is made. If a director is removed before the expiration of their term without just cause, the director may demand compensation from the Company.</b></p> <p>Directors need not hold any shares of the Company.</p>
86	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><b>Article 104</b> <u>A director who fails to attend two consecutive meetings of the board of directors in person or by proxy shall be deemed as unable to perform his/her duties. The board of directors shall propose to the shareholders’ meeting for the removal of such director.</u></p>

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87	<p><b>Article 65</b> The director may resign before the expiration of his/her term. The director shall submit a written resignation report to the Company.</p> <p><b>If the resignation of a director causes the Company’s board of directors to fall below the minimum quorum, the former director shall, before the newly elected director takes office, still perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules and these Articles of Association.</b></p> <p><b>Except in the circumstances set out in the preceding paragraph, the resignation of a director shall take effect from the date the Company receives the resignation report.</b></p>	<p><b>Article 105</b> The director may resign before the expiration of his/her term. The director shall submit a written resignation report to the Company. <u><b>The resignation shall take effect on the date the Company receives the resignation report. The Company will disclose the relevant circumstances within two trading days.</b></u></p> <p>If the resignation of a director causes the Company’s board of directors to fall below the minimum quorum, the former director shall, before the newly elected director takes office, still perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules and these Articles of Association:</p> <p>Except in the circumstances set out in the preceding paragraph, the resignation of a director shall take effect from the date the Company receives the resignation report.</p> <p><u><b>Unless otherwise provided by relevant laws and normative documents, if any of the following circumstances occurs, the original director shall continue to perform their duties in accordance with the provisions of relevant laws and regulations, relevant requirements of stock exchanges and the Articles of Association until the newly elected director assumes office:</b></u></p> <p>(1) <u><b>the director’s term has expired but a timely re-election has not been conducted, or the director’s resignation during their term results in the number of board members falling below the statutory minimum</b></u></p> <p>(2) <u><b>the resignation of an audit committee member results in the number of audit committee members falling below the statutory minimum, or there is a lack of an accounting professional to serve as the convener;</b></u></p> <p>(3) <u><b>the resignation of an independent director results in the proportion of independent directors on the Company’s board of directors or its special committees failing to comply with laws, regulations, or the provisions of the Articles of Association, or there is a lack of an accounting professional among the independent directors.</b></u></p>

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		<u>If a director resigns, the Company shall complete a by-election within 60 days to ensure the composition of the board of directors and its special committees complies with laws, regulations, and the provisions of the Articles of Association.</u>
88	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 106 The Company has a system in place to manage the departure of directors, which specifies safeguard measures for pursuing and recovering liability for unfulfilled public commitments and other outstanding matters. When a director’s resignation takes effect or his/her term of office expires, he/she shall complete all formalities of transfer to the board of directors, and his/her obligation of fidelity to the Company and the shareholders shall remain in force for a period of twelve months after the expiration of his/her term of office. The liabilities that a director shall bear for performing his/her duties during his/her term of office shall not be exempted or terminated due to his/her departure.</u>
89	<p><b>Article 66</b> The board of directors shall have the following duties and powers:</p> <p>(1) to be responsible for convening shareholders’ meeting and to report its work to the shareholders’ meeting;</p> <p>(2) to implement the resolutions passed at the shareholders’ meeting;</p> <p>(3) to determine the business plans and investment proposals of the Company;</p> <p>(4) to formulate the plans for profit distribution and plans for making up losses of the Company;</p> <p>(5) to formulate proposals for the increase or reduction of the registered capital of the Company and proposals for the issue of debentures of the Company;</p> <p>(6) to prepare proposals for material acquisitions by the Company, repurchase of the Company’s shares or the merger, division, dissolution and change of corporate form of the Company;</p>	<p><b>Article 107</b> The board of directors shall have the following duties and powers:</p> <p>(1) to be responsible for convening shareholders’ meeting and to report its work to the shareholders’ meeting;</p> <p>(2) to implement the resolutions passed at the shareholders’ meeting;</p> <p>(3) to determine the business plans and investment proposals of the Company;</p> <p>(4) to formulate the plans for profit distribution and plans for making up losses of the Company;</p> <p>(5) to formulate proposals for the increase or reduction of the registered capital of the Company and proposals for the issue of debentures <u>or other securities and for listing</u> of the Company;</p> <p>(6) to prepare proposals for material acquisitions by the Company, repurchase of the Company’s shares or the merger, division, dissolution and change of corporate form of the Company;</p>

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	<p>(7) to determine the establishment of the internal management structure of the Company;</p> <p>(8) to <b>appoint or dismiss</b> the <b>manager</b> of the Company and according to the nomination by the <b>manager</b>, to appoint or dismiss the deputy managers, chief financial officer, <b>the secretary of the board</b> and other senior managerial officers and to determine matters relating to their remuneration and rewards and penalties;</p> <p>(9) to establish the basic management system of the Company;</p> <p>(10) to formulate proposals for the amendment of these Articles of Association;</p> <p>(11) to decide on matters such as external investments, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions and external donations within the authority of the shareholders' meeting;</p> <p>(12) to perform other duties as authorized by laws, administrative regulations, departmental rules and regulations, the securities regulatory rules of the places where the Company's shares are listed, these Articles of Association or shareholders' meeting.</p>	<p>(7) to determine the establishment of the internal management structure of the Company;</p> <p>(8) to <b><u>determine the appointment or dismissal of appoint or dismiss the manager <del>general manager</del>, the secretary to the board of directors and other senior managerial officers of the Company and determine their remuneration and rewards and penalties;</u></b> of the Company and according to the nomination by the <b><u>manager general manager</u></b>, to <b><u>determine the appointment or dismissal of appoint or dismiss the deputy <del>general</del> managers</u></b>, chief financial officer, <del>the secretary of the board</del> and other senior managerial officers and to determine matters relating to their remuneration and rewards and penalties;</p> <p>(9) to establish the basic management system of the Company;</p> <p>(10) to formulate proposals for the amendment of these Articles of Association;</p> <p>(11) to decide on matters such as external investments, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, <b><u>related-party</u></b> (connected) transactions and external donations within the authority of the shareholders' meeting;</p> <p><b><u>(12) to manage matters relating the information disclosure of the Company;</u></b></p> <p><b><u>(13) to propose to shareholders' meeting on the appointment or change of the accounting firm providing audit services to the Company;</u></b></p> <p><b><u>(14) to receive the work report of the general manager of the Company and review the work performance of the general manager;</u></b></p> <p>(+215) to perform other duties as authorized by laws, administrative regulations, departmental rules and regulations, the securities regulatory rules of the places where the Company's shares are listed, these Articles of Association or shareholders' meeting.</p> <p><b><u>Any matters that are beyond the scope of authorization of the shareholders' meeting shall be submitted for consideration at the shareholders' meeting.</u></b></p>

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90	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 108</u> The board of directors of the Company shall explain to the shareholders' meeting in relation to any non-standard audit opinions issued by the certified public accountant on the Company's financial reports.
91	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 109</u> The board of directors shall formulate the Rules of Procedure for the Board of Directors in order to ensure that the board of directors can implement resolutions of the shareholders' meeting, improve working efficiency and guarantee scientific decision-making. The Rules of Procedure for the Board of Directors shall be an appendix of these Articles of Association, prepared by the board of directors and implemented after approval at the shareholders' meeting.
92	<del>Article 67</del> The board of directors shall perform its duties in accordance with the laws, regulations, relevant policies of the State and these Articles of Association and resolutions of the shareholders' meetings.	<u>Article 110</u> The board of directors shall perform its duties in accordance with the laws, regulations, relevant policies of the State and these Articles of Association and resolutions of the shareholders' meetings <u>establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, entrusted wealth management, related-party (connected) transactions and external donations; and arrange relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders' meeting for approval.</u>
93	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 111</u> Where a transaction of the Company (excluding the provision of guarantees and financial assistance) meets any of the following standards but does not meet the standard for submitting to the shareholders' meeting for consideration as required in Article 44, it shall be submitted to the board of directors for consideration and approval:  (1) <u>the total assets involved in the transaction (in case of the book value and the appraised value, the higher shall prevail) account for 10% or more of the Company's latest audited total assets;</u>  (2) <u>the net assets involved in the transaction subject (such as equity) (in case of the book value and the appraised value, the higher shall prevail) account for 10% or more of the Company's latest audited net assets and the absolute amount exceeds RMB10 million;</u>

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		<p>(3) <u>the transaction amount (including debts and expenses assumed) accounts for 10% or more of the Company’s latest audited net assets and the absolute amount exceeds RMB10 million;</u></p> <p>(4) <u>profit generated from transaction accounts for 10% or more of the Company’s audited net profit for the latest accounting year and the absolute amount exceeds RMB1 million;</u></p> <p>(5) <u>the revenue related to the transaction subject (such as equity) in the latest accounting year accounts for 10% or more of the audited revenue of the Company in the latest accounting year and the absolute amount exceeds RMB10 million;</u></p> <p>(6) <u>the net profit related to the transaction subject (such as equity) in the latest accounting year accounts for 10% or more of the audited net profit of the Company in the latest accounting year and the absolute amount exceeds RMB1 million.</u></p> <p><u>If the data involved in the calculation of the above indicators is negative, the absolute value shall be taken for calculation.</u></p> <p><u>The scope of the above “transaction” shall be the same as provided in Article 44.</u></p> <p><u>For other matters involving external guarantees except those to be submitted to the shareholders’ meeting for consideration and approval as provided in Article 43, in addition to being considered and approved by a majority of all directors, they shall also be considered and approved by two-thirds or more of the directors present at the board meeting, and shall be promptly disclosed.</u></p> <p><u>For other matters involving financial assistance except those to be submitted to the shareholders’ meeting for consideration and approval as provided in Article 45, in addition to being considered and approved by a majority of all directors, they shall also be considered and approved by two-thirds or more of the directors present at the board meeting, and shall be promptly disclosed.</u></p>

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94	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 112 The “daily transaction” in this article shall mean any of the following transactions relating to daily business operations of the Company</u></p> <p><u>(1) purchase of raw materials, fuels and power;</u></p> <p><u>(2) receipt of services;</u></p> <p><u>(3) sale of products and goods;</u></p> <p><u>(4) provision of services;</u></p> <p><u>(5) contracting of projects;</u></p> <p><u>(6) other transactions relating to daily business operations</u></p> <p><u>For the above transactions involved in asset swap, the provisions of Article 111 shall apply.</u></p> <p><u>The Company shall submit to the board of directors for consideration and approval and disclose promptly if a contract related to daily transactions entered by the Company meets one of the following criteria:</u></p> <p><u>(1) contracts involving matters in items (1) and (2) in paragraph (1) of this Article and a contract value accounting for 50% or more of the latest audited total assets of the Company with the absolute amount of more than RMB500 million;</u></p> <p><u>(2) contracts involving matters in items (3) to (5) in paragraph (1) of this Article and a contract value accounting for 50% or more of the audited revenue from principal businesses of the Company in the latest accounting year with the absolute amount of more than RMB500 million;</u></p> <p><u>(3) other contracts that the Company or the stock exchange considers to have material effect on the financial position and operation results of the Company.</u></p>

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95	<p><b>Article 68</b> The chairman of the board of directors shall exercise the following powers:</p> <p>(1) to preside over the shareholders’ meetings and to convene and preside over the meetings of the board of directors;</p> <p>(2) to supervise and review the implementation of the resolutions of the board of directors;</p> <p>(3) other powers conferred by the board of directors.</p>	<p><b>Article 113</b> The chairman of the board of directors shall exercise the following powers:</p> <p>(1) to preside over the shareholders’ meetings and to convene and preside over the meetings of the board of directors;</p> <p>(2) to supervise and review the implementation of the resolutions of the board of directors;</p> <p>(3) other powers conferred by the board of directors.</p> <p><b><u>If the chairman of the board of directors is unable to perform or fails to perform his duties, a director shall be jointly elected by a majority of the directors to perform the duties of the chairman of the board of directors.</u></b></p>
96	<p><b>Article 69</b> Meetings of the board of directors shall be held at least twice a year and shall be convened by the chairman of the board of directors and written notice of meeting shall be served on all directors 10 days prior to the meeting.</p> <p>An extraordinary meeting of the board of directors may be convened upon requisition by shareholders with 10% or more of voting rights, one-third or more of the directors of the Company or by the audit committee. The chairman of the board shall convene and chair a meeting of the board of directors within 10 days from the date of receipt of the proposal.</p>	<p><b>Article 114</b> Meetings of the board of directors shall be held at least twice a year and shall be convened by the chairman of the board of directors and written notice of meeting shall be served on all directors 10 days prior to the meeting.</p> <p>An extraordinary meeting of the board of directors may be convened upon requisition by shareholders with 10% or more of voting rights, one-third or more of the directors, <b>more than half of independent directors</b> of the Company or by the audit committee. The chairman of the board shall convene and chair a meeting of the board of directors within 10 days from the date of receipt of the proposal.</p> <p><b><u>Notice of an extraordinary board meeting shall be given in writing 3 days in advance. However, with the consent of all directors, the above notice period may be waived by the board of directors at its discretion. A director raises no objection to his/her failure to receive the notice before or at the commencement of the meeting shall be deemed to have received the notice of the meeting.</u></b></p>
97	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><b>Article 115</b> The notice of a board meeting shall include the following:</p> <p>(1) <b><u>the date and venue of the meeting;</u></b></p> <p>(2) <b><u>the duration of the meeting;</u></b></p> <p>(3) <b><u>the reasons for holding the meeting and the matters to be discussed;</u></b></p> <p>(4) <b><u>the date of issuing the notice.</u></b></p>

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98	<p><b>Article 70</b> Meetings of the board of directors shall only be held if more than half of the directors are present at the meeting. Voting on board resolutions shall be on a one vote per person basis. The resolutions of the board of directors shall be passed by a simple majority of the directors.</p> <p>Where a director is <b>connected</b> with the entity involved in resolutions of the board meeting, he/she shall not vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another director. The board meeting can be held by more than half of the directors that are not <b>connected</b>. The resolutions of the board meeting shall be passed by more than half of the directors that are not <b>connected</b>.</p> <p>If the number of directors that are not <b>connected</b> present at the board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.</p>	<p><b>Article 116</b> Meetings of the board of directors shall only be held if more than half of the directors are present at the meeting. Voting on board resolutions shall be on a one vote per person basis. The resolutions of the board of directors shall be passed by a simple majority of the directors.</p> <p>Where a director is <del>connected</del><u>related (connected)</u> with the entity <u>or individuals</u> involved in resolutions of the board meeting, <u>the director shall promptly report to the board of directors in writing, he/she</u><del>The said related (connected)</del> <u>director</u> shall not vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another director. The board meeting can be held by more than half of the directors that are not <del>connected</del><u>related (connected)</u>. The resolutions of the board meeting shall be passed by more than half of the directors that are not <del>connected</del><u>related (connected)</u>.</p> <p>If the number of directors that are not <del>connected</del><u>related (connected)</u> present at the board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.</p>
99	<p><b>Article 71</b> Voting on board meetings may be conducted by registered ballot or any ways permitted by laws, regulations or securities regulatory rules of the places where the Company's shares are listed.</p> <p><b>With the consent of the convenor (chairman) and provided that the directors could fully express their views, extraordinary board meetings may be held and resolutions could be passed by means of video conference, teleconference or written summons, with the resolutions signed by the participating directors. Board meetings may also be held on site and by other means at the same time.</b></p>	<p><b>Article 117</b> <u>Board meetings may be held on site, by means of by written summons or by other means recognized by all directors. If a board meeting is held on site, the venue may use telephone, video and other methods to facilitate directors' participation in the meeting. Directors who participate in the meeting by the above means are deemed to have attended the on-site meeting.</u> Voting on board meetings may be conducted by registered ballot, <u>a show of hands</u> or any ways permitted by law, regulations or securities regulatory rules of the places where the Company's shares are listed.</p> <p><del>With the consent of the convenor (chairman) and provided that the directors could fully express their views; extraordinary board meetings may be held and resolutions could be passed by means of video conference, teleconference or written summons, with the resolutions signed by the participating directors. Board meetings may also be held on site and by other means at the same time.</del></p>

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100	<p><b>Article 73</b> The board of directors shall cause the matters resolved at the meeting to be recorded in the minutes of the meeting. The directors present at the meeting and the person recording the minutes shall sign on such minutes. The minutes of the board meeting shall be kept as corporate files for a term of ten years.</p> <p>The directors are liable for the resolutions passed at the meeting of the board of directors. If a resolution of the board of directors contravenes the laws, administrative regulations or these Articles of Association as a result of which the Company sustains substantial losses, the directors participating in the passing of such resolutions shall be liable to compensate the Company provided that if it can be proved that a director expressly objected to the resolution when the resolution was put to vote and that such objection was recorded in the minutes of the meeting, such director may be exempted from such liability.</p>	<p><b>Article 119</b> The board of directors shall cause the matters resolved at the meeting to be recorded in the minutes of the meeting. The directors present at the meeting and the person recording the minutes shall sign on such minutes. The minutes of the board meeting shall be kept as corporate files for a term of ten years.</p> <p>The directors are liable for the resolutions passed at the meeting of the board of directors. If a resolution of the board of directors contravenes the laws, administrative regulations, or these Articles of Association <b><u>or resolutions of the shareholders’ meeting</u></b> as a result of which the Company sustains substantial losses, the directors participating in the passing of such resolutions shall be liable to compensate the Company provided that if it can be proved that a director expressly objected to the resolution when the resolution was put to vote and that such objection was recorded in the minutes of the meeting, such director may be exempted from such liability.</p>
101	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><b><u>Section 2 Independent Directors</u></b></p> <p><b><u>Article 121 Independent directors shall perform their duties diligently in accordance with provisions of laws, administrative regulations, the rules of the securities regulatory authorities and stock exchange in the places where the Company’s shares are listed, and these Articles of Association. They shall play a role in decision-making, supervision and balance, and professional consultation in the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.</u></b></p>

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No.	Before amendment	After amendment
102	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p data-bbox="863 342 1345 438"><u>Article 122 Independent directors shall maintain their independence. The following persons shall not serve as independent directors:</u></p> <p data-bbox="863 470 1345 566">(1) <u>employees of the Company or its affiliated enterprises, as well as their spouses, parents, children and other major social relations;</u></p> <p data-bbox="863 597 1345 757">(2) <u>natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or are among the top ten shareholders of the company and their spouses, parents or children;</u></p> <p data-bbox="863 789 1345 949">(3) <u>shareholders who directly or indirectly hold 5% or more of the issued shares of the Company or persons who are among the top five shareholders of the company and their spouses, parents and children;</u></p> <p data-bbox="863 981 1345 1119">(4) <u>persons employed in the affiliated enterprises of the controlling shareholder or actual controller of the Company and their spouses, parents and children;</u></p> <p data-bbox="863 1151 1345 1374">(5) <u>persons who have significant business dealings with the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, or persons who are employed in entities with significant business dealings and their controlling shareholders and actual controllers;</u></p> <p data-bbox="863 1406 1345 1757">(6) <u>persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all project team members of the intermediary agency providing the services, review personnel at all levels, persons signing reports, partners, directors, senior managerial officers and principal persons in charge;</u></p> <p data-bbox="863 1789 1345 1885">(7) <u>persons who have had any of the circumstances listed in items (1) to (6) within the last twelve months;</u></p>

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		<p>(8) <u>other persons who are not independent as stipulated by laws, administrative regulations, the regulations of the securities regulatory authorities of the places where the Company's shares are listed, the rules of the stock exchange and these Articles of Association as well as the Working System on Independent Non-executive Directors of the Company.</u></p> <p><u>The affiliated enterprises of the controlling shareholder or actual controller of the company referred to in items (4) to (6) shall not include enterprises that are under the control of the same state-owned asset management institution as the Company, where relevant provisions consider to have no affiliated relationship with the Company in accordance with the relevant provisions.</u></p> <p><u>“Major social relations” refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of spouses of children, etc; “employed” refers to acting as directors, supervisors (if any), senior managerial officers and other staff; “significant business dealings” refer to matters that need to be submitted to the shareholders’ meeting for consideration in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or these Articles of Association, or other material matters identified by the Shanghai Stock Exchange.</u></p> <p><u>Independent directors shall conduct an annual self-examination of their independence and submit the self-examination results to the board of directors. The board shall assess the independence of the independent directors in office each year and issue a special opinion, which shall be disclosed in conjunction with the annual report.</u></p>

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No.	Before amendment	After amendment
103	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 123 To serve as an independent director of the Company, the following conditions must be met:</u></p> <ol style="list-style-type: none"> <li data-bbox="863 427 1359 517">(1) <u>be qualified to serve as a director of the Company in accordance with laws, administrative regulations and other relevant provisions;</u></li> <li data-bbox="863 540 1359 597">(2) <u>meet the independence requirements stipulated in these Articles of Association;</u></li> <li data-bbox="863 621 1359 710">(3) <u>possess basic knowledge of the operation of a listed company and be familiar with relevant laws, regulations and rules;</u></li> <li data-bbox="863 734 1359 823">(4) <u>Have at least five years of experience in law, accounting or economics necessary to perform the duties of an independent director;</u></li> <li data-bbox="863 846 1359 904">(5) <u>have good personal character and no record of major bad faith or other bad records;</u></li> <li data-bbox="863 927 1359 1115">(6) <u>other conditions as stipulated by laws, administrative regulations, the regulations of the securities regulatory authorities of the places where the Company's shares are listed, the rules of the stock exchange and these Articles of Association.</u></li> </ol>
104	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 124 Independent directors, as members of the board of directors, are obligated to be faithful and diligent to the Company and all shareholders and to perform the following duties prudently:</u></p> <ol style="list-style-type: none"> <li data-bbox="863 1289 1359 1347">(1) <u>participate in board decisions and express clear opinions on matters discussed;</u></li> <li data-bbox="863 1370 1359 1557">(2) <u>supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior managerial officers, and protect the legitimate rights and interests of minority shareholders;</u></li> <li data-bbox="863 1581 1359 1698">(3) <u>provide professional and objective advice on the Company's operation and development to promote the improvement of the board's decision-making level;</u></li> <li data-bbox="863 1721 1359 1870">(4) <u>other duties as stipulated by laws, administrative regulations, the regulations of the securities regulatory authorities of the places where the Company's shares are listed, the rules of the stock exchange and these Articles of Association.</u></li> </ol>

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No.	Before amendment	After amendment
105	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 125 Independent directors exercise the following special powers:</u></p> <p>(1) <u>independently engage an intermediary agency to audit, consult or verify specific matters of the Company;</u></p> <p>(2) <u>propose to the board of directors to convene an extraordinary shareholders' meeting;</u></p> <p>(3) <u>propose to convene a board meeting;</u></p> <p>(4) <u>publicly solicit shareholder rights from shareholders in accordance with laws;</u></p> <p>(5) <u>express independent opinions on matters that may harm the interests of the Company or minority shareholders;</u></p> <p>(6) <u>other powers as prescribed by laws, administrative regulations, the regulations of the securities regulatory authorities of the places where the Company's shares are listed, the rules of the stock exchange and these Articles of Association.</u></p> <p><u>Where an independent director exercises the powers listed in items (1) to (3) of the preceding paragraph, it shall be subject to the consent of more than half of all independent directors.</u></p> <p><u>Where an independent director exercises the powers listed in Paragraph 1, the Company shall disclose them in a timely manner. If the above-mentioned powers cannot be exercised normally, the Company will disclose the specific circumstances and reasons.</u></p>
106	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 126 The following matters shall be submitted to the board of directors for consideration with the consent of more than half of all independent directors of the Company:</u></p> <p>(1) <u>related-party (connected) transactions that should be disclosed;</u></p> <p>(2) <u>plans for the Company and relevant parties to change or waive commitments;</u></p>

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		<p>(3) <u>decisions and measures taken by the board of directors of the Company in connection with the Company being acquired;</u></p> <p>(4) <u>other matters as prescribed by laws, administrative regulations, the regulations of the securities regulatory authorities of the places where the Company's shares are listed, the rules of the stock exchange and these Articles of Association.</u></p>
107	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 127 The Company has established a special meeting mechanism attended by all independent directors. If the related-party (connected) transactions and other matters are considered by the board of directors, it shall be approved in advance by the special meeting of independent directors.</u></p> <p><u>The Company shall regularly or irregularly convene a special meeting of independent directors. The matters listed in items (1) to (3) in paragraph (1) of Article 125 and Article 126 of these Articles of Association shall be considered at a special meeting of independent directors.</u></p> <p><u>Other matters of the Company may be studied and discussed at the special meeting of independent directors as needed.</u></p> <p><u>The special meeting of independent directors shall be convened and presided over by an independent director recommended by more than half of the independent directors; if the convener fails or is unable to perform his/her duties, two or more independent directors may convene the meeting and recommend a representative to preside over the meeting.</u></p> <p><u>The special meeting of independent directors shall make minutes of the meeting as stipulated and the opinions of independent directors shall be recorded in the minutes of the meeting. Independent directors shall sign on the minutes of the meeting for confirmation.</u></p> <p><u>The Company shall provide convenience and support for the convening of special meeting of independent directors.</u></p>

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108	<p><b>Article 75</b> The board of directors of the Company shall establish an audit committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law.</p> <p>The audit committee comprises five members, who are directors not holding senior management positions within the Company. Among them, independent directors must constitute a majority. An independent director with professional accounting expertise serves as the convener of the committee. All members of the audit committee, including the convener, shall be elected by the board of directors.</p> <p>The audit committee conducts its affairs by convening meetings. Members of the audit committee unable to attend may authorize another person in writing to attend on their behalf. The audit committee shall hold meetings at least once per quarter. An interim meeting may be convened upon the request of two or more members, or when the convener deems it necessary. A meeting of the audit committee requires the presence of two-thirds or more of its members to proceed.</p> <p>In principle, notice of a meeting of the audit committee along with relevant materials and information must be provided to all members no later than three days before the meeting date. In urgent situations requiring a prompt meeting, notice may be given at any time via telephone or other oral means. Meetings of the audit committee shall be convened and chaired by the chairman of the audit committee. If the chairman is unable or unwilling to perform the duties, a majority of the committee members may jointly recommend one member to convene and chair the meeting.</p> <p>Resolutions of the audit committee shall be adopted by affirmative votes of a majority of its members. Each member of the audit committee shall have one vote in the voting on resolutions.</p> <p>Resolutions of the audit committee shall be recorded in the meeting minutes in accordance with the relevant regulations, and all attending members shall sign the minutes.</p>	<p style="text-align: center;"><b><u>Section 3 Special Committees of Board of Directors</u></b></p> <p><b>Article 128</b> The board of directors of the Company shall establish an audit committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law.</p> <p>The audit committee comprises five members, who are directors not holding senior management positions within the Company. Among them, independent directors must constitute a majority. An independent director with professional accounting expertise serves as the convener of the committee. All members of the audit committee, including the convener, shall be elected by the board of directors.</p> <p><b><u>Article 129 The audit committee is responsible for reviewing the Company’s financial information and its disclosure, supervising and evaluating internal and external audit and internal controls. The following matters shall be submitted to the board of directors for deliberation upon having been approved by a majority of all members of the audit committee:</u></b></p> <ol style="list-style-type: none"> <li><b><u>(1) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;</u></b></li> <li><b><u>(2) engagement or dismissal of the accounting firm responsible for the Company’s audit work;</u></b></li> <li><b><u>(3) appointment or removal of the chief financial officer of the Company;</u></b></li> <li><b><u>(4) changes in accounting policies or accounting estimates, or corrections of major accounting errors, arising from reasons other than changes in accounting standards;</u></b></li> <li><b><u>(5) other matters prescribed by laws, administrative regulations, relevant rules of the securities regulatory authorities and stock exchanges in the places where the Company’s shares are listed and these Articles of Association.</u></b></li> </ol>

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No.	Before amendment	After amendment
		<p><b>Article 130</b> The audit committee conducts its affairs by convening meetings. Members of the audit committee unable to attend may authorize another person in writing to attend on their behalf. The audit committee shall hold meetings at least once per quarter. An interim meeting may be convened upon the request of two or more members, or when the convener deems it necessary. A meeting of the audit committee requires the presence of two-thirds or more of its members to proceed.</p> <p>In principle, notice of a meeting of the audit committee along with relevant materials and information must be provided to all members no later than three days before the meeting date. In urgent situations requiring a prompt meeting, notice may be given at any time via telephone or other oral means. Meetings of the audit committee shall be convened and chaired by the chairman of the audit committee. If the chairman is unable or unwilling to perform the duties, a majority of the committee members may jointly recommend one member to convene and chair the meeting.</p> <p>Resolutions of the audit committee shall be adopted by affirmative votes of a majority of its members. Each member of the audit committee shall have one vote in the voting on resolutions.</p> <p>Resolutions of the audit committee shall be recorded in the meeting minutes in accordance with the relevant regulations, and all attending members shall sign the minutes.</p> <p><b><u>The rules of procedure for the audit committee shall be developed by the board of directors.</u></b></p>
109	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><b><u>Article 131 The board of directors of the Company shall establish the strategy committee, the nomination committee, the compensation and appraisal committee and other special committees. These committees shall perform their duties in accordance with these Articles of Association and the authorization granted by the board of directors. Proposals of the special committees shall be submitted to the board of directors for consideration and resolution. The rules of procedure for the special committees shall be formulated by the board of directors. All members of such special committees shall be directors. In the compensation and appraisal committee and the nomination committee, independent directors shall constitute the majority, and the convener shall be an independent director.</u></b></p>

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110	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 132 The strategy committee shall be composed of five members. It is responsible for studying and making recommendations on the Company's long-term development strategy and major investment decisions. Its main duties include:</u></p> <p>(1) <u>to study and make recommendations on the Company's long-term development strategy plans and direction;</u></p> <p>(2) <u>to study and make recommendations on material investment, financing, capital operation plans and material asset operation projects that, according to these Articles of Association, require the approval of the board of directors;</u></p> <p>(3) <u>to study and make recommendations on the Company's medium- to long-term Environmental, Social and Governance (ESG) development strategy, major principles and policies; and to supervise and evaluate the execution and performance of the Company's ESG strategy;</u></p> <p>(4) <u>to study and make recommendations on other significant matters affecting the Company's development;</u></p> <p>(5) <u>to conduct inspections on the implementation of the matters mentioned above;</u></p> <p>(6) <u>other matters stipulated by laws, administrative regulations, relevant rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, these Articles of Association and the Rules of Procedure for the Strategy Committee of the Company, or as authorized by the board of directors.</u></p>

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111	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 133 The nomination committee shall be composed of five members. It is responsible for formulating the selection criteria and procedures for directors and senior managerial officers, conducting the screening and review of candidates for directors and senior managerial officers as well as their qualifications, and making recommendations to the board of directors on the following matters:</u></p> <p>(1) <u>nominating or appointing/dismissing directors;</u></p> <p>(2) <u>appointing or removing senior managerial officers;</u></p> <p>(3) <u>other matters stipulated by laws, administrative regulations, relevant rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, these Articles of Association, and the Rules of Procedure for the Nomination Committee of the Company.</u></p> <p><u>If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, the opinions of the nomination committee and the specific reasons for non-adoption shall be recorded in the resolution of the board of directors and disclosed accordingly.</u></p>

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112	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 134 The compensation and appraisal committee shall be composed of five members. It is responsible for formulating appraisal standards and conducting appraisals for directors and senior managerial officers, as well as formulating and reviewing compensation policies and plans for directors and senior managerial officers, including the compensation determination mechanism, decision-making processes, payment and withholding arrangements, etc. It shall make recommendations to the board of directors on the following matters:</u></p> <p>(1) <u>compensation for directors and senior managerial officers;</u></p> <p>(2) <u>formulating or modifying equity incentive plans or employee stock ownership plans, and determining the conditions for granting or exercising incentive rights;</u></p> <p>(3) <u>arrangements for directors and senior managerial officers to participate in shareholding plans in subsidiaries intended to be spun off;</u></p> <p>(4) <u>other matters stipulated by laws, administrative regulations, relevant rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, these Articles of Association, and the Rules of Procedure for the Compensation and Appraisal Committee of the Company.</u></p> <p><u>If the board of directors does not adopt or does not fully adopt the recommendations of the compensation and appraisal committee, the opinions of the compensation and appraisal committee and the specific reasons for non-adoption shall be recorded in the resolution of the board of directors and disclosed accordingly.</u></p>
113	Article 76 The Company shall have a secretary of the board of directors. The secretary of the board of directors shall be a senior managerial officer of the Company.	<p><b>Article 135</b> The Company shall have a secretary of the board of directors. The secretary of the board of directors shall be a senior managerial officer of the Company.</p> <p><u>The secretary of the board of directors shall comply with the provisions of laws, administrative regulations, departmental rules and these Articles of Association.</u></p>

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114	<p><b>Chapter 9 The Company’s Manager</b></p> <p><b>Article 78</b> The Company shall have 1 manager, 6 deputy managers, who shall be appointed or dismissed by the board of directors.</p>	<p><b>Chapter 9 <del>The Company’s Manager</del> <u>Senior Managerial Officers</u></b></p> <p><b>Article 137</b> The Company shall have 1 <u>general</u> manager, <u>1 to 106</u> deputy <u>general</u> managers, who shall be appointed or dismissed by the board of directors. <u>The general manager shall serve a term of three years for each tenure and may be reappointed for consecutive terms upon re-election.</u></p>
115	<p><b>Article 79</b> The <b>manager</b> shall be accountable to the board of directors and shall perform the following functions:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production and business operation of the Company and to organize the implementation of the resolutions of the board of directors;</li> <li>(2) to organize the implementation of the annual business plan and investment program of the Company;</li> <li>(3) to prepare plans for the establishment of the internal management structure of the Company;</li> <li>(4) to prepare the basic management systems of the Company;</li> <li>(5) to formulate specific rules and regulations of the Company;</li> <li>(6) to propose the appointment or dismissal of the <b>deputy manager(s)</b> and the chief financial officer of the company;</li> <li>(7) to appoint or dismiss principal management personnel other than those whose appointment or dismissal shall be decided by the board of directors;</li> <li>(8) other powers conferred by these Articles of Association and the board of directors.</li> </ol>	<p><b>Article 138</b> The <del>manager</del><b> general manager</b> shall be accountable to the board of directors and shall perform the following functions:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production and business operation of the Company, to organize the implementation of the resolutions of the board of directors, <u>and report his/her work to the board of directors;</u></li> <li>(2) to organize the implementation of the annual business plan and investment program of the Company;</li> <li>(3) to prepare plans for the establishment of the internal management structure of the Company;</li> <li>(4) to prepare the basic management systems of the Company;</li> <li>(5) to formulate specific rules and regulations of the Company;</li> <li>(6) to propose <u>to the board of directors</u> the appointment or dismissal of the <del>deputy manager(s)</del> <b>deputy general manager(s)</b> and the chief financial officer of the company;</li> <li>(7) to <u>determine the appointment or dismissal of</u> <del>appoint or dismiss</del> principal management personnel other than those whose appointment or dismissal shall be decided by the board of directors;</li> <li>(8) other powers conferred by these Articles of Association and the board of directors.</li> </ol>
116	<p><b>Article 80</b> The <b>manager</b> may attend the meetings of the board of directors</p>	<p><b>Article 139</b> The <del>manager</del><b> general manager</b> may attend the meetings of the board of directors</p>

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117	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 140 The general manager shall formulate the Working Rules for the General Manager, which shall be implemented upon approval by the board of directors.</u></p> <p><u>The Working Rules for the General Manager shall include the following:</u></p> <p>(1) <u>the conditions, procedures and participants for general manager meetings;</u></p> <p>(2) <u>specific responsibilities and division of duties of the general manager and other senior managerial officers;</u></p> <p>(3) <u>authority for the use of funds and assets of the Company, the execution of significant contracts, and the reporting system to the board of directors;</u></p> <p>(4) <u>other matters deemed necessary by the board of directors.</u></p>
118	<b>Article 81</b> In performing their duties, the manager and the <b>deputy managers</b> shall not alter the resolutions of the shareholders' meeting or of the board of directors or exceed the scope of his authority.	<b>Article 141</b> In performing their duties, the <b>general</b> manager and the <b>deputy general</b> managers <del>deputy-managers</del> shall not alter the resolutions of the shareholders' meeting or of the board of directors or exceed the scope of his authority. <u>The deputy general manager assists the general manager in his/her work and is accountable to the general manager. Delegated by the general manager, the deputy general manager is responsible for overseeing specific areas of work and may sign relevant business documents within the scope of his/her duties. When the general manager is unable to perform his/her duties, the deputy general manager may, upon the general manager's authorization, act on behalf of the general manager in exercising his/her powers.</u>
119	<b>Article 82</b> In performing their duties, the manager and the <b>deputy managers</b> of the Company shall act in <b>good faith and diligently</b> according to laws, regulations and these Articles of Association.	<b>Article 142</b> In performing their duties, the <b>general</b> manager and the <b>deputy general managers</b> <del>deputy-managers</del> of the Company shall <u>fulfill the duties of loyalty and diligence</u> act <del>in good faith and diligently</del> according to laws, regulations and these Articles of Association. <u>The provisions of these Articles of Association regarding the departure management system for directors shall apply equally to senior managerial officers.</u>

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120	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 143 The general manager and other senior managerial officers may resign prior to the expiration of their terms of office. The specific procedures and measures for the general manager’s resignation shall be governed by the labor contract entered into between the general manager and the Company.</u>
121	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 144 Persons holding administrative positions other than that of director or supervisor (if any) in the controlling shareholder or the actual controller of the Company shall not serve as senior managerial officers of the Company.</u></p> <p><u>Senior managerial officers of the Company shall receive their salaries solely from the Company, and their salaries shall not be disbursed by the controlling shareholder.</u></p>
122	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 145 If, in performing their duties for the Company, senior managerial officers cause damage to others, the Company shall bear the liability for compensation; if such senior managerial officers act with intent or gross negligence, they shall also bear liability for compensation.</u></p> <p><u>If senior managerial officers violate laws, administrative regulations, departmental rules or the provisions of these Articles of Association in performing their duties for the Company, thereby causing losses to the Company, they shall bear liability for compensation.</u></p>
123	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 146 Senior managerial officers of the Company shall faithfully perform their duties and safeguard the utmost interests of the Company and all shareholders.</u></p> <p><u>If senior managerial officers of the Company fail to faithfully perform their duties or breach their duty of good faith, thereby causing damage to the interests of the Company or the public shareholders, they shall bear liability for compensation in accordance with the law.</u></p>

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124	<p><b>Chapter 10 Qualifications and Obligations of the Directors, General Manager and Other Officers of the Company</b></p> <p><b>Article 83</b> A person may not serve as a director, general manager or other officer of the Company if any of the following circumstances apply:</p> <p>(1) the person lacks civil capacity or such capacity is otherwise being restricted;</p> <p>(2) the person has been convicted of an offence of corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, or the person has been deprived of political rights due to conviction and less than 5 years have elapsed since the expiration of the enforcement period; where probation has been granted, less than 2 years have elapsed since the date of completion of the probationary period;</p> <p>(3) the person is a former director or factory manager or manager of a company or an enterprise which has become insolvent and such person is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;</p> <p>(4) the person was the legal representative of a company or an enterprise whose business license has been revoked or which was ordered to close as a result of the violation of the laws and who is personally liable, where less than 3 years have elapsed since the date of revocation of the business license of such company or enterprise or such company or enterprise being ordered to close;</p> <p>(5) the person has a relatively large amount of personal indebtedness which is due and outstanding and has been listed as a dishonest person subject to enforcement by the People’s Court;</p> <p>(6) a person who is under a penalty of prohibited access to the securities market imposed by the CSRC, which is still effective;</p>	<p><b>Chapter 10 Qualifications and Obligations of the Directors, <del>General Manager and Other</del> <u>Senior Managerial</u> Officers of the Company</b></p> <p><b>Article 147 <u>Directors of the Company shall be natural persons.</u></b> A person may not serve as a director, general manager or other officer of the Company if any of the following circumstances apply:</p> <p>(1) the person lacks civil capacity or such capacity is otherwise being restricted;</p> <p>(2) the person has been <b><u>sentenced to criminal punishment due to</u></b> <del>convicted of an offence of</del> corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, or the person has been deprived of political rights due to conviction and less than 5 years have elapsed since the expiration of the enforcement period; where probation has been granted, less than 2 years have elapsed since the date of completion of the probationary period;</p> <p>(3) the person is a former director or factory manager or manager of a company or an enterprise which has become insolvent and such person is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;</p> <p>(4) the person was the legal representative of a company or an enterprise whose business license has been revoked or which was ordered to close as a result of the violation of the laws and who is personally liable, where less than 3 years have elapsed since the date of revocation of the business license of such company or enterprise or such company or enterprise being ordered to close;</p> <p>(5) the person has a relatively large amount of personal indebtedness which is due and outstanding and has been listed as a dishonest person subject to enforcement by the People’s Court;</p> <p>(6) a person who is under a penalty of prohibited access to the securities market imposed by the CSRC, which is still effective;</p>

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	<p>(7) other circumstances restricted by the laws, administrative regulations or departmental rules.</p> <p>In case that the election, or appointment of any director, or the engagement of general manager or other senior managerial officer is in violation of the provisions in this Article, the said election, appointment or engagement shall be void. <b>Where any of the circumstances in the first paragraph of this Article happens to any director, other senior managerial officer during his/her term of office, the Company shall remove him/her from such office.</b></p>	<p>(7) <b><u>Having been publicly recognized by a stock exchange as unsuitable to serve as a director or senior managerial officers of a company, where the specified period has not yet expired;</u></b></p> <p>(78) other circumstances restricted by the laws, administrative regulations or departmental rules.</p> <p>In case that the election, or appointment of any director, or the engagement of general manager or other senior managerial officer is in violation of the provisions in this Article, the said election, appointment or engagement shall be void. <b><u>If a director or senior managerial officer, during his/her term of office, falls under any circumstance specified in <del>Where any of the circumstances the subparagraphs (1) to (6) of</del> the first paragraph of this Article, happens to any director, other senior managerial officer during his/her term of office, the Company shall remove him/her from such office: he/she shall immediately cease performing his/her duties and be removed from his/her position by the Company in accordance with the relevant provisions; if they fall under the circumstances specified in subparagraph (7) or (8) of the first paragraph of this Article, the Company shall remove them from their position within 30 days from the date such fact occurs, unless otherwise stipulated by the Shanghai Stock Exchange.</u></b></p> <p><b><u>If a relevant director who should be removed from their position but has not yet been removed participates in meetings of the board of directors and its special committees or special meetings for independent directors and casts a vote, such vote shall be invalid.</u></b></p>

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125	<p><b>Article 84</b> The directors shall comply with the provisions of laws administrative regulations and these Articles of Association, bear the following responsibilities of diligence to the Company and shall exercise the reasonable care that the management shall typically have for the Company’s best interests in performing their duties:</p> <p>(1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations, departmental rules and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;</p> <p>(2) to be fair to all shareholders;</p> <p>(3) to timely understand the business operations and management of the Company;</p> <p>(4) to ensure that the information disclosed by the Company is true, accurate and complete;</p> <p>(5) to provide the status and information to the audit committee honestly, and not to hinder the audit committee from exercising their powers;</p> <p>(6) other responsibilities of diligence stipulated in the laws, administrative regulations and these Articles of Association.</p> <p>This article concerning the duty of diligence shall also apply to senior managerial officers.</p>	<p><b>Article 148</b> The directors shall comply with the provisions of laws administrative regulations and these Articles of Association, bear the following responsibilities of diligence to the Company and shall exercise the reasonable care that the management shall typically have for the Company’s best interests in performing their duties:</p> <p>(1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations, departmental rules and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;</p> <p>(2) to be fair to all shareholders;</p> <p>(3) <b><u>to carefully review the Company's various operational and financial reports as well as media coverage, to timely understand and continuously monitor the business operations and management of the Company as well as significant events that have occurred or may occur and their impacts, to promptly report any issues identified in the Company's operating activities to the board of directors. Responsibility shall not be evaded on the grounds of not being directly involved in operation and management or being unaware or unfamiliar with the matters;</u></b></p> <p>(4) to <b><u>sign written confirmation opinions on the regular reports of the Company and</u></b> ensure that the information disclosed by the Company is true, accurate and complete. <b><u>To actively promote the standardized operation of the Company, urge the Company to fulfill information disclosure obligations in accordance with laws and regulations, promptly correct and report any non-compliant conduct of the Company, and support the Company in fulfilling its social responsibilities;</u></b></p> <p>(5) to provide the status and information to the audit committee honestly, and not to hinder the audit committee from exercising their powers;</p>

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		<p>(6) <u>to ensure sufficient time and energy to participate in the Company's affairs. In principle, attendance at board meetings shall be in person. If unable to attend in person due to justifiable reasons, a proxy shall be selected prudently, and the scope of authorization and decision-making intentions shall be specific and clear. Blanket authorization is not permitted.</u></p> <p>(7) <u>to exercise prudent judgment regarding the potential risks and benefits of matters to be considered by the board of directors, and express clear opinions on the matters under consideration. If voting against or abstaining on a board resolution, the reasons, basis, suggestions for improvement or remedial measures underlying the voting intention shall be clearly disclosed.</u></p> <p>(8) <u>to keep close eyes on whether the Company is experiencing issues such as the misappropriation of funds by related-party (connected) parties or potential related-party (connected) parties, which infringe upon the Company's interests. If any irregularities are identified, they shall promptly report to the board of directors and take appropriate measures.</u></p> <p>(9) <u>to diligently review the Company's financial and accounting reports, and monitor whether there are significant compilation errors or omissions, whether major accounting data and financial indicators have experienced substantial fluctuations, and whether the explanations for such fluctuations are reasonable. If there are doubts regarding the financial and accounting reports, they shall actively investigate or request the board of directors to supplement the necessary materials or information.</u></p> <p>(610) other responsibilities of diligence stipulated in the laws, administrative regulations and these Articles of Association.</p> <p>This article concerning the duty of diligence shall also apply to senior managerial officers.</p>

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126	<p><b>Article 85</b> The directors shall comply with the relevant provisions of the laws, administrative regulations, and these Articles of Association, and shall fulfill the fiduciary obligation to the Company as follows, and shall take measures to avoid conflicts between their own interests and the Company’s interests, and shall not use their powers to gain undue benefits:</p> <p>(1) not to take advantage of his/her functions and powers to bribe or accept other illegal income;</p> <p>(2) not to misappropriate the property of the Company or the funds of the Company;</p> <p>(3) not to deposit the Company’s assets or funds in an account opened in his/her own name or in the name of any other individual;</p> <p>(4) not to conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the shareholders’ meeting, and without being approved by a resolution of the board of directors or the shareholders’ meeting in accordance with the provisions of these Articles of Association;</p> <p>(5) not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except where they have been reported to the board of directors or the shareholders’ meeting and approved by a resolution of the shareholders’ meeting, or where the Company, according to the laws, administrative regulations, or the provisions of these Articles of Association, cannot utilize such business opportunities;</p> <p>(6) not to operate for themselves or others any business identical with that of the Company, without reporting to the board of directors or the shareholders’ meeting and obtaining approval through a resolution of the shareholders’ meeting;</p> <p>(7) not to accept and embezzle commission arising from the Company’s involved transactions with others;</p>	<p><b>Article 149</b> The directors shall comply with the relevant provisions of the laws, administrative regulations, and these Articles of Association, and shall fulfill the fiduciary obligation to the Company as follows, and shall take measures to avoid conflicts between their own interests and the Company’s interests, and shall not use their powers to gain undue benefits:</p> <p>(1) not to take advantage of his/her functions and powers to bribe or accept other illegal income;</p> <p>(2) <b><u>to protect the safety and integrity of the Company's assets, and</u></b> not to misappropriate the property of the Company or the funds of the Company;</p> <p>(3) not to deposit the Company’s assets or funds in an account opened in his/her own name or in the name of any other individual;</p> <p>(4) not to conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the shareholders’ meeting, and without being approved by a resolution of the board of directors or the shareholders’ meeting in accordance with the provisions of these Articles of Association;</p> <p>(5) not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except where they have been reported to the board of directors or the shareholders’ meeting and approved by a resolution of the shareholders’ meeting, or where the Company, according to the laws, administrative regulations, or the provisions of these Articles of Association, cannot utilize such business opportunities;</p> <p>(6) not to operate for themselves or others any business identical with that of the Company, without reporting to the board of directors or the shareholders’ meeting and obtaining approval through a resolution of the shareholders’ meeting;</p> <p>(7) not to accept and embezzle commission arising from the Company’s involved transactions with others;</p>

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	<p>(8) not to disclose the secrets of the Company without authorization;</p> <p>(9) not to damage the interests of the Company by taking advantage of his/her <b>position</b>;</p> <p>(10) other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The income derived by the directors in violation of this Article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.</p> <p>This Article concerning the fiduciary duty shall also apply to senior managerial officers.</p> <p>Close family members of directors and senior managerial officers, enterprises directly or indirectly controlled by directors, senior managerial officers or their close family members, and <b>connected</b> persons having other <b>connected</b> relationships with directors and senior managerial officers, when entering into contracts or conducting transactions with the Company, are subject to the provisions of subparagraph (4) of the second paragraph of this Article.</p>	<p>(8) <b><u>to maintain confidentiality of commercial secrets</u></b>, not to disclose the secrets of the Company without authorization, <b><u>not to divulge any material information of the Company that has not yet been disclosed, not to seek improper benefits by using insider information, and to fulfill the non-compete obligations agreed upon with the Company after termination of employment</u></b>;</p> <p>(9) not to damage the interests of the Company by taking advantage of his/her <b><u>related-party(connected) relationships</u></b> position, <b><u>not exploit their positions to impair the Company's interests for the benefit of the actual controller, shareholders, employees, themselves, or any other third party</u></b>;</p> <p>(10) other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The income derived by the directors in violation of this Article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.</p> <p>This Article concerning the fiduciary duty shall also apply to senior managerial officers.</p> <p>Close family members of directors and senior managerial officers, enterprises directly or indirectly controlled by directors, senior managerial officers or their close family members, and <b><u>related (connected) parties</u></b> <del>persons</del> having other <b><u>related-party (connected)</u></b> relationships with directors and senior managerial officers, when entering into contracts or conducting transactions with the Company, are subject to the provisions of subparagraph (4) of the second paragraph of this Article.</p>
127	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><b><u>Article 150 Without the authorization stipulated in these Articles of Association or the lawful authorization of the board of directors, no director may act in the name of the Company or the board of directors in a personal capacity. When a director acts in a personal capacity under circumstances where a third party could reasonably assume that the director is acting on behalf of the Company or the board of directors, the director shall declare his/her position and identity in advance.</u></b></p>

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128	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 151 If a director, in the performance of their duties for the Company, causes harm to others, the Company shall bear liability for compensation; if the director acts with intent or gross negligence, they shall also bear liability for compensation.</u></p> <p><u>If a director, in the performance of their duties for the Company, violates laws, administrative regulations, departmental rules or the provisions of these Articles of Association, thereby causing losses to the Company, they shall bear liability for compensation.</u></p>
129	<b>Article 86</b> The Company shall establish the financial accounting system of the Company in accordance with the provisions of the <b>Accounting Law of the PRC</b> and relevant laws, administrative regulations and state regulations.	<b>Article 152</b> The Company shall establish the financial accounting system of the Company in accordance with the provisions of the <del>Accounting Law of the PRC</del> and relevant laws, administrative regulations and <u>relevant authorities of the state regulations.</u>
130	<b>Article 87</b> The Company shall <b>prepare a financial accounting report</b> at the end of each accounting year <b>and shall be audited by an accounting firm in accordance with law.</b> The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the provisions of the Ministry of Finance of the PRC.	<p><b>Article 153</b> The Company shall <del>prepare a financial accounting report</del> <u>submit and disclose its annual report to the regional office of the China Securities Regulatory Commission and the stock exchange within four months</u> after the end of each accounting year, <del>and shall be audited by an accounting firm in accordance with law</del> <u>and submit and disclose its interim report within two months after the end of the first half of each accounting year</u> The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the provisions of the Ministry of Finance of the PRC.</p> <p><u>The aforementioned annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, and requirements of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed.</u></p>
131	<b>Article 88</b> The financial report prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each annual shareholders' meeting.	<p>Article 88 The financial report prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each annual shareholders' meeting.</p> <p>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</p>

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132	<p><b>Article 89</b> The financial report of the Company shall be made available at the registered address of the Company for inspection by shareholders 20 days prior to the holding of the annual shareholders’ meeting. Each shareholder of the Company shall be entitled to obtain the financial report mentioned in these Articles of Association.</p> <p>Copies of the director’s report, aforesaid financial report, together with the balance sheet and profit and loss account, shall be provided to the holders of H shares at least 21 days prior to the annual shareholders’ meeting.</p>	<p><del>Article 89</del> The financial report of the Company shall be made available at the registered address of the Company for inspection by shareholders 20 days prior to the holding of the annual shareholders’ meeting. Each shareholder of the Company shall be entitled to obtain the financial report mentioned in these Articles of Association.</p> <p>Copies of the director’s report, aforesaid financial report, together with the balance sheet and profit and loss account, shall be provided to the holders of H shares at least 21 days prior to the annual shareholders’ meeting.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
133	<p><b>Article 90</b> The Company shall announce two financial reports in each accounting year. The interim report shall be announced within 60 days after the first 6 months of an accounting year and the annual financial report shall be announced within 120 days after the end of the accounting year.</p>	<p><del>Article 90</del> The Company shall announce two financial reports in each accounting year. The interim report shall be announced within 60 days after the first 6 months of an accounting year and the annual financial report shall be announced within 120 days after the end of the accounting year.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
134	<p><b>Article 91</b> No accounting books other than those provided by law <b>shall</b> be established by the Company. No funds of the Company shall be deposited under any account opened in the name of any individual.</p>	<p><b>Article 154</b> No accounting books other than those provided by law <del>will shall</del> be established by the Company. No funds of the Company shall be deposited under any account opened in the name of any individual.</p>
135	<p><b>Article 92</b> The Company shall have an internal audit system, and have full-time audit staff, for the carrying out of internal audit and supervision on the financial matters and economic activities of the Company.</p>	<p><b>Article 155</b> The Company shall have an internal audit system, <u><b>specifying the leadership structure, scope of authority, staffing, funding, utilization of audit results, and accountability mechanisms for internal audit activities,</b></u> and have full-time audit staff, for the carrying out of internal audit and supervision on the financial matters and economic activities of the Company.</p>

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136	<p><b>Article 93</b> The internal audit system of the Company <b>and the duties of the auditors</b> shall be implemented upon the approval of the board of directors. The <b>head of audit</b> shall be responsible <b>and report</b> to the board of directors.</p>	<p><b>Article 165</b> The internal audit system of the Company <del>and the duties of the auditors</del> shall be implemented upon the approval of the board of directors, <b>and disclosed to the public</b>. The <del>Company's internal audit function</del> <b>head of audit</b> shall be responsible <del>and report</del> to the board of directors.</p> <p><b><u>The Company's internal audit function conducts supervision and inspection of the Company's business activities, risk management, internal controls, financial information and other relevant matters.</u></b></p> <p><b><u>During the process of supervision and inspection of the Company's business activities, risk management, internal controls and financial information, the internal audit function shall be subject to the oversight and guidance of the audit committee. If the internal audit function identifies any significant issues or leads, it shall report them directly to the audit committee immediately. The audit committee participates in the performance evaluation of the head of the internal audit function.</u></b></p>
137	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><b>Article 157</b> <b><u>The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit function. Based on the evaluation report and related materials issued by the internal audit function and reviewed by the audit committee, the Company shall issue an annual internal control evaluation report.</u></b></p>
138	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><b>Article 158</b> <b><u>When the audit committee communicates with external auditing entities such as accounting firms and state audit institutions, the internal audit function shall actively collaborate and provide necessary support and assistance.</u></b></p>
139	<p><b>Article 98</b> After the Company has made good its losses and made appropriation to its statutory reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings.</p> <p>Where the Company pays any dividends to the shareholders in breach of the Company Law, shareholders shall return dividends paid in breach of the Company Law to the Company.</p> <p>No profit shall be distributed for <b>any</b> shares issued by the Company and held by the Company.</p>	<p><b>Article 163</b> After the Company has made good its losses and made appropriation to its statutory reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings.</p> <p>Where the Company pays any dividends to the shareholders in breach of the Company Law, shareholders shall return dividends paid in breach of the Company Law to the Company; <b><u>if losses are caused to the Company, the shareholders and the directors and senior managerial officers responsible shall be liable for compensation.</u></b></p> <p>No profit shall be distributed for any shares issued by the Company and held by the Company.</p>

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140	<p><b>Article 99</b> The reserve fund of the Company shall be used for making up losses of the Company, expansion of the production and operation of the Company and conversion into additional registered capital of the Company.</p> <p>To make up for the Company’s losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first. If they are still insufficient, the capital reserve fund may be utilized in accordance with the regulations.</p> <p>When the statutory reserve fund is converted into registered capital, the amount remaining in such statutory reserve fund shall not be less than 25% of the registered capital of the Company prior to the conversion.</p>	<p><b>Article 164</b> The reserve fund of the Company shall be used for making up losses of the Company, expansion of the production and operation of the Company and conversion into additional registered capital of the Company.</p> <p>To make up for the Company’s losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first. If they are still insufficient, the capital reserve fund may be utilized in accordance with the regulations.</p> <p>When the statutory reserve fund is converted into registered capital, the amount remaining in such statutory reserve fund shall not be less than 25% of the registered capital of the Company prior to the conversion.</p> <p><u>Where, after making up losses in accordance with the provisions of paragraph 2 of this Article, the Company still records losses, it may reduce its registered capital to cover the losses. When reducing the registered capital to cover losses, the Company shall not make distributions to shareholders, nor shall it release shareholders from their obligations to contribute capital or pay for shares.</u></p> <p><u>Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of the Article 24 of these Articles of Association shall not apply. However, an announcement shall be made in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date the shareholders' meeting passes the resolution to reduce the registered capital.</u></p> <p><u>After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches fifty percent of the Company’s registered capital.</u></p>

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141	<p>Article 100 Dividends of the Company of each year shall be paid within 6 months after the end of each financial year to each shareholder in proportion to their respective shareholding. The annual dividends shall be passed by shareholders in shareholders' meeting, and the amount of dividends to be distributed shall be proposed by the Board of Directors.</p> <p>The Board of Directors may determine to distribute interim dividends after approval by the shareholders in shareholders' meeting.</p> <p>After the resolution on the profit distribution plan is made at the shareholders' meeting of the Company, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the shareholders' meeting.</p>	<p>Article 165 Dividends of the Company of each year shall be paid within 6 months after the end of each financial year to each shareholder in proportion to their respective shareholding. The annual dividends shall be passed by shareholders in shareholders' meeting, and the amount of dividends to be distributed shall be proposed by the Board of Directors.</p> <p>The Board of Directors may determine to distribute interim dividends after approval by the shareholders in shareholders' meeting.</p> <p>After the resolution on the profit distribution plan is made at the shareholders' meeting of the Company, <u>or after the specific plan has been formulated by</u> the board of directors of the Company <del>shall complete</del> <u>based on the conditions and cap for interim dividends in the following year as approved by the annual shareholders' meeting,</u> the distribution of dividends (or shares) <u>shall be completed</u> within two months after the shareholders' meeting.</p>

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142	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 166 The Company's profit distribution policy is as follows:</u></p> <p><u>(1) Principles of profit distribution</u></p> <p><u>From the perspective of sustainable development, the Company shall establish continuous, stable, scientific and predictable return plans and mechanisms for investors by comprehensively considering factors such as the characteristics of the industry, the stage of development, its own business model, profitability, debt repayment capacity, whether there are significant capital expenditure arrangements, and investor returns. The Company shall make active and clear institutional arrangements for profit distribution to ensure the continuity and stability of its profit distribution policy, thereby enabling investors to share in the Company's growth and development achievements and obtain reasonable investment returns. The Company aims to follow a residual dividend policy.</u></p> <p><u>(2) Forms of profit distribution</u></p> <p><u>The Company may distribute dividends in the form of cash, stocks, a combination of cash and stocks, or other lawful methods, with priority given to cash dividends. However, profit distribution shall not exceed the scope of cumulative distributable profits. Provided that the Company's cash expenditure plans are met, interim cash dividends may be distributed based on the current operating profits and cash flow conditions.</u></p> <p><u>(3) Conditions for profit distribution and cash dividend ratio</u></p> <p><u>The Company shall maintain the continuity and stability of its profit distribution policy. When the Company is profitable during the annual reporting period and the retained earnings in the parent company's financial statements are positive, the ratio of total cash dividends (including interim cash dividends already distributed) to the net profit attributable to the Company's shareholders in the consolidated financial statements for the year shall, in principle, not be less than 10%.</u></p>

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No.	Before amendment	After amendment
		<p><u>The Company may refrain from profit distribution under any of the following circumstances:</u></p> <ol style="list-style-type: none"> <li data-bbox="863 438 1359 570">1. <u>the audit report for the most recent year contains a modified opinion or an unqualified opinion with a paragraph emphasizing a material uncertainty related to going concern;</u></li> <li data-bbox="863 602 1359 734">2. <u>the gearing ratio exceeds 80% as at the end of the period and the net cash flow from operating activities for the period is negative in the Company's consolidated financial statements;</u></li> <li data-bbox="863 761 1359 825">3. <u>other circumstances stipulated by laws, regulations or these Articles of Association.</u></li> </ol> <p><u>(4) Intervals for profit distribution</u></p> <p><u>The Company shall conduct profit distribution at least once per financial year and may distribute interim cash dividends based on profitability and capital needs.</u></p> <p><u>(5) Conditions for stock dividend distribution</u></p> <p><u>The Company's primary form of dividend distribution shall be cash dividends. In addition to fulfilling the aforementioned cash dividend distribution requirements, if the Company meets the stipulated conditions for cash dividends, experiences rapid growth in operating revenue, and has a share price that does not match its share capital scale, and the distribution of stock dividends is conducive to the overall interests of all shareholders, the board of directors may propose a profit distribution plan involving stock dividends for consideration at the shareholders' meeting.</u></p>

APPENDIX V                      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY

No.	Before amendment	After amendment
		<p>(6)        <u>Protection of public investors</u></p> <p><u>If there is a situation where shareholders have misappropriated the Company’s funds in violation of regulations, the Company shall deduct the cash dividends distributable to such shareholders to repay the misappropriated funds.</u></p> <p>(7)        <u>Decision-making mechanism for profit distribution plans</u></p> <p>1.        <u>Formulation procedures and decision-making procedures on the Company’s profit distribution policy</u></p> <p>(1)        <u>The board of directors shall, based on the Company’s stage of development, current operational conditions, and funding requirements for project investments, properly balance the Company’s short-term interests and long-term development while fully considering the interests of shareholders, so as to determine a reasonable profit distribution plan.</u></p> <p>(2)        <u>If independent directors believe that a specific cash dividend plan may harm the rights and interests of the Company or minority shareholders, they shall have the right to express independent opinions. If the board of directors does not adopt or only partially adopts the opinions of independent directors, the independent directors’ opinions and the specific reasons for non-adoption shall be recorded in the board resolution, and such information shall be disclosed.</u></p>

APPENDIX V                      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
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No.	Before amendment	After amendment
		<p>(3)     <u>The audit committee shall supervise the board of directors’ implementation of the cash dividend policy and shareholder return plan, as well as compliance with corresponding decision-making procedures and information disclosure requirements. If the audit committee discovers that the board of directors has failed to strictly implement the cash dividend policy and shareholder return plan, has not strictly followed the corresponding decision-making procedures, or has failed to provide truthful, accurate and complete information disclosure, it shall express clear opinions and urge timely rectification.</u></p> <p>(4)     <u>A profit distribution plan that has been passed through the aforementioned procedures shall be submitted by the board of directors to the shareholders’ meeting for deliberation. When the shareholders’ meeting deliberates on a profit distribution plan, the Company shall, in accordance with relevant regulations of the stock exchange, provide online or other methods to facilitate the participation of public investors in the shareholders’ meeting.</u></p> <p>2.     <u>Decision-making procedures for adjustments to the profit distribution policy</u></p> <p><u>Where adjustments to the profit distribution policy are necessary due to significant changes in the Company’s external operating environment or its own operational conditions, the Company may adjust its profit distribution policy, provided that the adjusted policy does not violate the relevant rules of the securities regulatory authorities and stock exchanges in the places where the Company’s shares are listed.</u></p> <p>(1)     <u>The board of directors shall formulate a proposal for adjusting the profit distribution policy, fully demonstrate the necessity of such adjustment, and specify the purposes of retained profits.</u></p>

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AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY

No.	Before amendment	After amendment
		<p>(2) <u>The independent directors of the Company shall express clear opinions on the proposal for adjusting the profit distribution policy, and such proposal shall be approved by a majority of all independent directors. In case of disagreement, the independent directors shall state the facts and reasons for their objection, request the board of directors to reformulate the adjustment proposal, and, if necessary, may propose convening a shareholders' meeting.</u></p> <p>(3) <u>The audit committee shall provide a clear opinion on the proposal for adjusting the profit distribution policy. If it agrees with the proposal, a resolution shall be passed; if it disagrees, the audit committee shall state the facts and reasons for its objection and recommend that the board of directors reformulate the profit distribution adjustment proposal. If necessary, it may propose convening a shareholders' meeting.</u></p> <p>(4) <u>The proposal for adjusting the profit distribution policy shall be approved by two-thirds or more of the voting rights held by shareholders (including shareholder proxies) present at the shareholders' meeting. When issuing the notice for convening the shareholders' meeting, the opinions of the independent directors and the audit committee must be announced. When the shareholders' meeting deliberates on the proposal for adjusting the profit distribution policy, the Company shall, in accordance with relevant regulations of the stock exchange, provide online or other methods to facilitate the participation of public investors in the shareholders' meeting.</u></p>

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No.	Before amendment	After amendment
143	<p><b>Article 102</b> The Company shall appoint an <b>independent</b> accounting firm which meets the requirements of the Securities Law and the <b>Listing Rules</b> to audit the accounting statements, verify the net assets of the Company and to provide other relevant consultation services. The accounting firm shall be engaged with a term of one year and is renewable upon reappointment.</p> <p><b>Employing</b> an accounting firm for the Company must be decided by a resolution passed at the shareholders' meeting. The board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting.</p>	<p><b>Article 168</b> The Company shall appoint an <b>independent</b> accounting firm which meets the requirements of the Securities Law and the <del>Listing Rules</del> <b>Hong Kong Listing Rules</b> to audit the accounting statements, verify the net assets of the Company and to provide other relevant consultation services. The accounting firm shall be engaged with a term of one year and is renewable upon reappointment.</p> <p><del>Employing</del> <b>The appointment or dismissal of</b> an accounting firm for the Company must be decided by a resolution passed at the shareholders' meeting. The board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting.</p>
144	<p>Newly added, and the numbering of the subsequent chapters and articles shall be adjusted accordingly.</p>	<p><u>Chapter 13 Notices and Announcements</u></p> <p><u>Article 172 Notices of the Company shall be issued in the following forms:</u></p> <p>(1) <u>delivered by designated personnel;</u></p> <p>(2) <u>sent by mail;</u></p> <p>(3) <u>issued by means of announcement;</u></p> <p>(4) <u>other forms recognized by laws, regulations, the regulatory authorities of the places where the Company's shares are listed, or stipulated in these Articles of Association.</u></p>
145	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><u>Article 173 For notices issued by the Company by means of announcement, such notices shall be deemed received by all relevant persons upon the announcement being made.</u></p>
146	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><u>Article 174 Notices for convening shareholders' meetings of the Company shall be issued by means of announcement.</u></p>
147	<p>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</p>	<p><u>Article 175 Notices for convening board meetings shall be delivered by designated personnel, or sent by mail, fax or email.</u></p>

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No.	Before amendment	After amendment
148	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 176 Where a notice of the Company is delivered by designated personnel, the date of receipt signed (or company chop affixed) by the recipient on the delivery receipt shall be the date of service. Where a notice of the Company is sent by mail, the third business day after its delivery to the post office shall be the date of service. Where a notice of the Company is sent by fax, the date indicated on the transmission report generated by the Company's fax machine shall be the date of service. Where a notice of the Company is sent by email, the date on which the email is sent shall be the date of service. Where a notice of the Company is issued by means of announcement, the date of the first publication of the announcement shall be the date of service.</u>
149	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 177 The accidental omission to send a meeting notice to any person entitled to receive such notice, or the failure of such person to receive the notice, shall not invalidate the meeting or any resolutions passed at the meeting.</u>
150	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 178 For announcements issued to shareholders holding A shares or announcements required to be published within the Chinese mainland under relevant regulations or these Articles of Association, the Company shall designate at least one newspaper specified by the China Securities Regulatory Commission, such as China Securities Journal, Securities Daily or Securities Times, as the newspaper for publishing the Company's announcements and other information requiring disclosure; and the website of Shanghai Stock Exchange (www.sse.com.cn) as the website for publishing the Company's announcements and other information requiring disclosure. For announcements issued to shareholders holding H shares or announcements required to be published in Hong Kong under relevant regulations or these Articles of Association, such announcements shall be published in accordance with the methods prescribed by the Hong Kong Listing Rules. Information disclosed by the Company through other public media shall not precede the designated newspapers and website, and press releases or responses to media inquiries shall not replace official announcements of the Company.</u>

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No.	Before amendment	After amendment
151	<p><b>Article 106</b> The merger of the Company may take the forms of merger of absorption and merger by establishment of a new company.</p> <p>A company that absorbs another 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 new establishment whereby the merged companies shall be dissolved.</p> <p>In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within 10 days from the date of the merger resolution and shall make announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days thereof.</p> <p>The creditors shall, within 30 days since the date of receiving a written notice or within 45 days since the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts or to provide a corresponding guarantee.</p> <p>After completion of the merger, the creditor's rights and debts of the parties involved in the merger shall be assumed by the company surviving the merger or the new company established after the merger.</p>	<p><b>Article 179</b> The merger of the Company may take the forms of merger of absorption and merger by establishment of a new company.</p> <p>A company that absorbs another 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 new establishment whereby the merged companies shall be dissolved.</p> <p>In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within 10 days from the date of the merger resolution and shall make announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days thereof.</p> <p>The creditors shall, within 30 days since the date of receiving a written notice or within 45 days since the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts or to provide a corresponding guarantee.</p> <p>After completion of the merger, the creditor's rights and debts of the parties involved in the merger shall be assumed by the company surviving the merger or the new company established after the merger. <b><u>A merger of the Company involving payment of consideration not exceeding ten percent of the Company's net assets may be implemented without a resolution of the shareholders' meeting, unless otherwise stipulated in these Articles of Association. If a merger is conducted in accordance with the preceding provision without a resolution of the shareholders' meeting, it shall be approved by a resolution of the board of directors.</u></b></p>

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No.	Before amendment	After amendment
152	<p><b>Article 110</b> Upon the occurrence of subparagraphs (1) and (2) as described in Article <b>109</b> of these Articles of Association, the Company may continue to exist by amending these Articles of Association o r b y a resolution of the shareholders’ meeting.</p> <p>Amendments to these Articles of Association pursuant to the preceding paragraph or by a resolution of the shareholders’ meeting shall be approved by votes representing two-thirds or more of the voting rights held by the shareholders present at the shareholders’ meeting.</p>	<p><b>Article 183</b> Upon the occurrence of subparagraphs (1) and (2) as described in Article <del>109</del> <b>182</b> of these Articles of Association, the Company may continue to exist by amending these Articles of Association o r b y a resolution of the shareholders’ meeting.</p> <p>Amendments to these Articles of Association pursuant to the preceding paragraph or by a resolution of the shareholders’ meeting shall be approved by votes representing two-thirds or more of the voting rights held by the shareholders present at the shareholders’ meeting.</p>
153	<p><b>Article 111</b> In the event that the Company is dissolved under the provisions of subparagraph (1), (2), (4) or (5) of Article <b>109</b>, it should be liquidated. The directors shall be the liquidation obligors of the Company, and a liquidation committee shall be established for liquidation within 15 days from the date of occurrence of the event for dissolution. The members of such liquidation committee shall be directors except as otherwise provided in these Articles of Association or as resolved by the shareholders’ meeting to elect other persons. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes any losses to the Company or creditors, it shall be liable for the compensation.</p> <p><b>In case of liquidation, if no liquidation committee is established on time to proceed with the liquidation or liquidation is not carried out after the establishment of the liquidation committee, stakeholders may apply to the People’s Court to designate relevant personnel for setting up the liquidation committee to proceed with the liquidation.</b></p>	<p><b>Article 184</b> In the event that the Company is dissolved under the provisions of subparagraph (1), (2), (4) or (5) of Article <del>109</del> <b>182 of these Articles of Association</b>, it should be liquidated. The directors shall be the liquidation obligors of the Company, and a liquidation committee shall be established for liquidation within 15 days from the date of occurrence of the event for dissolution. The members of such liquidation committee shall be directors except as otherwise provided in these Articles of Association or as resolved by the shareholders’ meeting to elect other persons. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes any losses to the Company or creditors, it shall be liable for the compensation.</p> <p><del>In case of liquidation, if no liquidation committee is established on time to proceed with the liquidation or liquidation is not carried out after the establishment of the liquidation committee, stakeholders may apply to the People’s Court to designate relevant personnel for setting up the liquidation committee to proceed with the liquidation.</del></p>

**APPENDIX V      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
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No.	Before amendment	After amendment
154	<p><b>Article 113</b> During the liquidation period, the liquidation committee shall exercise the following functions and powers:</p> <p>(1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;</p> <p>(2) to give notice and make announcement to the creditors;</p> <p>(3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;</p> <p>(4) to effect payment of all taxes due and taxes incurred during the liquidation process;</p> <p>(5) to settle debts and indebtedness;</p> <p>(6) to <b>deal with</b> the assets remaining after settlement of debts by the Company;</p> <p>(7) to represent the Company in any civil proceedings.</p>	<p><b>Article 186</b> During the liquidation period, the liquidation committee shall exercise the following functions and powers:</p> <p>(1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;</p> <p>(2) to give notice and make announcement to the creditors;</p> <p>(3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;</p> <p>(4) to effect payment of all taxes due and taxes incurred during the liquidation process;</p> <p>(5) to settle debts and indebtedness;</p> <p>(6) to <del>deal with</del> <b>distribute</b> the assets remaining after settlement of debts by the Company;</p> <p>(7) to represent the Company in any civil proceedings.</p>
155	<p><b>Article 117</b> Members of the liquidation committee shall have loyalty and diligence obligations in performing their liquidation duties.</p> <p>Members of the liquidation committee who are negligent in performing their liquidation duties and cause any losses to the Company are liable to indemnify the Company. They are liable to indemnify <b>the Company and</b> its creditors in respect of any loss arising from their willful or material default.</p>	<p><b>Article 190</b> Members of the liquidation committee shall have loyalty and diligence obligations in performing their liquidation duties.</p> <p>Members of the liquidation committee who are negligent in performing their liquidation duties and cause any losses to the Company are liable to indemnify the Company. They are liable to indemnify <del>the Company and</del> its creditors in respect of any loss arising from their willful or material default.</p>
156	<p><b>Article 120</b> The Company shall adopt <b>an appointment system in each level of the management staff, and</b> a contract system with <b>other</b> staff of the Company. The Company shall have autonomy in deciding <b>the allocation of staff, and shall have the right to recruit and dismiss management staff and general staff</b> on its own accord in accordance with the provisions of laws, regulations and contract.</p>	<p><b>Article 193</b> The Company shall adopt <del>an appointment system in each level of the management staff, and</del> a contract system with <del>all other staff of the Company, and concurrently</del> <b>adopt an appointment system with the senior managerial officers</b>. The Company shall have autonomy in deciding <del>the allocation of staff, and shall have the right to recruit and dismiss management staff and general staff</del> <b>the recruitment, appointment and dismissal of staff</b> on its own accord in accordance with <b>its operation and development needs and</b> the provisions of laws, regulations and contract.</p>

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No.	Before amendment	After amendment
157	<p><b>Article 122</b> The staff and workers of the Company shall have the right to establish a trade union, carry out trade union activities and protect the legal rights and interests of the staff and workers of the Company according to laws. The Company shall provide necessary conditions for the activities of the trade union. The Company shall also provide funds for the trade union in accordance with the laws of the PRC for the carrying out of trade union activities.</p> <p>The trade union of the Company shall enter into contracts with the Company on behalf of the staff and workers of the Company collectively in accordance with the law in relation to the labor remuneration, working hours, welfare, insurance, labor safety and hygiene of the staff and workers.</p>	<p><b>Article 195</b> The staff and workers of the Company shall have the right to establish a trade union, carry out trade union activities and protect the legal rights and interests of the staff and workers of the Company according to laws. The Company shall provide necessary conditions for the activities of the trade union. The Company shall also provide funds for the trade union in accordance with the laws of the PRC for the carrying out of trade union activities.</p> <p>The trade union of the Company shall enter into contracts with the Company on behalf of the staff and workers of the Company collectively in accordance with the law in relation to the labor remuneration, working hours, welfare, insurance, labor safety and hygiene of the staff and workers.</p>
158	<p><b>Article 123</b> This chapter is formulated to suit the needs of the development of socialistic market economy, establishing modern state-owned enterprise regulating system with Chinese characteristics, governing the organization and action of company, protecting the legal interests of investors, the Company and creditors, as well as pursuant to relevant laws, rules and regulations, including but not limited to, the Company Law, the Enterprise State-owned Asset Law of the People's Republic of China, and the Articles of Association of the Chinese Communist Party (the "Party Articles").</p>	<p><b>Article 196</b> This chapter is formulated to suit the needs of the development of socialistic market economy, establishing modern state-owned enterprise regulating system with Chinese characteristics, governing the organization and action of company, protecting the legal interests of investors, the Company and creditors, as well as pursuant to relevant laws, rules and regulations, including but not limited to, the Company Law, the Enterprise State-owned Asset Law of the People's Republic of China, and the Articles of Association of the Chinese Communist Party (the "Party Articles").</p>
159	<p><b>Article 124</b> These Articles of Association constitute a legal document that governs the organization and action of company, with binding power over investor, company, leading members of party organization (and disciplinary inspection organization), directors, as well as senior management.</p>	<p><b>Article 197</b> These Articles of Association constitute a legal document that governs the organization and action of company, with binding power over investor, company, leading members of party organization (and disciplinary inspection organization), directors, as well as senior management.</p>
160	<p><b>Article 126</b> The Company sets up Chinese Communist Party Commission of Zhejiang Expressway Co., Ltd. (the "Party Commission") and Chinese Communist Party Disciplinary Inspection Commission of Zhejiang Expressway Co., Ltd. (the "Disciplinary Commission").</p>	<p><b>Article 199</b> The Company sets up Chinese Communist Party Commission of Zhejiang Expressway Co., Ltd. (the "Party Commission") and Chinese Communist Party Disciplinary Inspection Commission of Zhejiang Expressway Co., Ltd. (the "Disciplinary Commission").</p>
161	<p><b>Article 139</b> The newspapers in which the announcements are published as required by these Articles of Association, refer to the newspapers designated or required by the relevant laws, regulations or rules. Where the announcements are given to the shareholders of H shares according to the provisions, then such announcements shall at the same time be published in the newspapers designated by the <b>Listing Rules</b> in accordance with the requirements of "newspaper publications" as defined in the Listing Rules.</p>	<p><b>Article 212</b> The newspapers in which the announcements are published as required by these Articles of Association, refer to the newspapers designated or required by the relevant laws, regulations or rules. Where the announcements are given to the shareholders <b>holding</b> of H shares according to the provisions, then such announcements shall at the same time be published in the newspapers designated by the <del>Listing Rules</del> <b>Hong Kong Listing Rules</b> in accordance with the requirements of "newspaper publications" as defined in the Listing Rules.</p>

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No.	Before amendment	After amendment
162	<p><b>Article 140</b> The “Accounting Firm” referred to in these Articles of Association shall have the same meaning as “Auditor”; the “Independent Directors” referred to in these Articles of Association shall have the same meaning as “Independent Non-executive Directors” as de fined in the <b>Listing Rules</b>; the “audit committee” referred to in these Article s of Association shall have the same meaning as “audit committee” as de fined in the <b>Listing Rules</b>.</p>	<p><b>Article 213</b> The “Accounting Firm” referred to in these Articles of Association shall have the same meaning as “Auditor”; the “Independent Directors” referred to in these Articles of Association shall have the same meaning as “Independent Non-executive Directors” as de fined in the <del>Listing Rules</del> <b>Hong Kong Listing Rules</b>; the “audit committee” referred to in these Article s of Association shall have the same meaning as “audit committee” as de fined in the <del>Listing Rules</del> <b>Hong Kong Listing Rules</b>. <b><u>The chairperson of each special committee of the board of directors specified in these Articles of Association shall serve as the convener of that committee.</u></b></p>
163	<p><b>Article 141</b> The term “controlling shareholder” referred to in these Articles of Association refers to a shareholder whose shares account for over 50% of the total share capital of the Company; or who holds certain shares and the voting rights of such shares are sufficient to significantly influence the resolutions of the shareholders’ meeting, even if the shareholding of such shares is not over 50%.</p>	<p><b>Article 214</b> The term “controlling shareholder” referred to in these Articles of Association refers to a shareholder whose shares account for over 50% of the total share capital of the Company; or who holds certain shares and the voting rights of such shares are sufficient to significantly influence the resolutions of the shareholders’ meeting, even if the shareholding of such shares is not over 50%.</p> <p><b><u>For the purposes of these Articles of Association, “actual controller” refers to any natural person, legal person or other organization that is capable of actually controlling the actions of the Company through investment relationships, agreements or other arrangements.</u></b></p> <p><b><u>For the purposes of these Articles of Association, “related-party (connected) relationship” refers to the relationship between the Company’s controlling shareholder, actual controller, directors, or senior managerial officer and any enterprise directly or indirectly controlled by them, as well as any other relationship that may lead to the transfer of the Company’s interests, and includes the relationship between related parties or connected persons as defined by the listing rules of the stock exchanges where the Company’s shares are listed. However, enterprises under state control shall not be deemed to have a related-party relationship solely on the ground of being under the same state control.</u></b></p>
164	<p><b>Article 142</b> The expression of “or more” used in these Articles of Association shall include the original number, while the expressions of “more than”, “over”, “fall below”, “less than” and “below” shall not include the figure mentioned.</p>	<p><b>Article 215</b> The expressions of “or more” and <b>“at least”</b> used in these Articles of Association shall include the original number, while the expressions of “more than”, “over”, “fall below”, <b>“exceeding”</b>, “less than” and “below” shall not include the figure mentioned.</p>

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No.	Before amendment	After amendment
165	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 216 These Articles of Association are written in Chinese. In the event of any discrepancy between the interpretation of these Articles of Association and that of any other language version or different edition, the Chinese version most recently approved and registered with the company registration authority shall prevail.</u>
166	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<u>Article 218 These Articles of Association have been considered and approved at the shareholders' meeting, and shall come into force on the date the Company's A shares are issued and listed on the Shanghai Stock Exchange. The previous articles of association of the Company shall automatically become null and void from the effective date of these Articles of Association.</u>

Except for the above-mentioned proposed amendments, the content of the other chapters and articles of the Articles of Association shall remain unchanged. The final amendments shall be subject to the approval by the competent registration authority in charge of the Company.

The full text of the proposed amendments was prepared in the Chinese language. The English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the proposed amendments, the Chinese version shall prevail.

## Comparison Table of Amendments to the Rules of Procedure for the Board of Directors

No.	Before amendment	After amendment
1	<p>Article 1 To regulate the decision-making procedures and conduct of the board of directors, and ensure its efficient operation and scientific decision-making, the Rules of Procedure for the board of directors of the Company (“these Rules”) are formulated in accordance with the Company Law of the People's Republic of China (“Company Law”), the Securities Law of the People's Republic of China (“Securities Law”), <b>the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)</b>, the Articles of Association of Zhejiang Expressway Co., Ltd. (the “Company”) (the “Articles of Association”), and the relevant provisions of the <b>Corporate Governance Guidelines</b>.</p>	<p><b>Article 1</b> To regulate the decision-making procedures and conduct of the board of directors <u>of Zhejiang Expressway Co., Ltd. (the “Company”)</u>, and ensure its efficient operation and scientific decision-making, the Rules of Procedure for the board of directors of the Company (“these Rules”) are formulated in accordance with the Company Law of the People's Republic of China (“Company Law”), the Securities Law of the People's Republic of China (“Securities Law”), <del>the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)</del> <b>the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”)</b>, the Articles of Association of Zhejiang Expressway Co., Ltd. (the “Company”) (the “Articles of Association”), <del>the Corporate Governance Guidelines for Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (“SSE Listing Rules”)</del> and <del>other</del> <b>the relevant provisions of the Corporate Governance Guideline</b>.</p>
2	<p>Chapter II Directors</p> <p><b>Section I Appointment and Removal of Directors</b></p> <p>Article 4 The Company shall establish a board of directors in accordance with the law. The board of directors shall consist of nine directors, including three independent non-executive directors and one employee director. The employee director shall be elected by the employee representative assembly. Independent non-executive directors shall <b>not be shareholders of the Company, employees of shareholder entities, internal personnel of the Company, individuals associated with the Company, or persons with interests related to the Company’s management.</b></p>	<p>Chapter II <b>Appointment and Removal of</b> Directors</p> <p>Section I Appointment and Removal of Directors</p> <p><b>Article 4</b> The Company shall establish a board of directors in accordance with the law. The board of directors shall consist of nine directors, including three independent non-executive directors and one employee director. The employee director shall be elected by the employee representative assembly. Independent non-executive directors shall <b>satisfy the qualification requirements as stipulated by laws, regulations and the Articles of Association</b> <del>not be shareholders of the Company, employees of shareholder entities, internal personnel of the Company, individuals associated with the Company, or persons with interests related to the Company’s management.</del></p>
3	<p>Article 5 <b>The board of directors</b> shall select individuals with extensive knowledge and experience and willing to allocate sufficient time and attention to the affairs of the Company, to serve as directors. Directors <b>shall possess knowledge and relevant work experience in areas such as development strategy, finance and law, and</b> shall comply with the provisions of the Articles of Association.</p>	<p><b>Article 5</b> <del>The board of directors Company</del> shall select individuals with extensive knowledge and experience and willing to allocate sufficient time and attention to the affairs of the Company, to serve as directors. Directors <del>shall possess knowledge and relevant work experience in areas such as development strategy, finance and law, and</del> shall comply with the provisions of the Articles of Association.</p>

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AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY**

No.	Before amendment	After amendment
4	<p>Article 6 The change of directors shall adhere to the following principles:</p> <p>(1) re-election upon the expiry of the designated term, with eligibility for re-election;</p> <p>(2) all directors appointed to fill temporary vacancies shall be subject to election by shareholders at the first general meeting following their appointment;</p> <p>(3) a director who fails to attend board meetings in person for two consecutive meetings without delegating another director to attend, or abstains from voting at four consecutive board meetings, shall be deemed unable to perform their duties, and the board of directors shall recommend their removal at a shareholders' meeting;</p> <p>(4) a director may resign before the expiry of their term. A director shall submit a written resignation report to the Company for resignation;</p> <p>(5) if the resignation of a director results in the number of board members falling below the statutory minimum, the resignation shall take effect only after a successor director fills the vacancy caused by the resignation. <b>The board of directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy caused by the resignation.</b></p>	<p><b>Article 6</b> The change of directors shall adhere to the following principles:</p> <p>(1) re-election upon the expiry of the designated term, with eligibility for re-election;</p> <p>(2) all directors appointed to fill temporary vacancies shall be subject to election by shareholders at the first general meeting following their appointment;</p> <p>(3) a director who fails to attend board meetings in person for two consecutive meetings without delegating another director to attend, or abstains from voting at four consecutive board meetings, shall be deemed unable to perform their duties, and the board of directors shall recommend their removal at a shareholders' meeting;</p> <p>(4) a director may resign before the expiry of their term. A director shall submit a written resignation report to the Company for resignation;</p> <p>(5) if the resignation of a director results in the number of board members falling below the statutory minimum, the resignation shall take effect only after a successor director fills the vacancy caused by the resignation. <u>The board of directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy caused by the resignation. <b>If a director tenders a resignation, the Company shall complete the by-election within 60 days to ensure that the composition of the board of directors and its special committees is in compliance with the provisions of laws, regulations and the Articles of Association.</b></u></p>
5	<p>Article 9 A <b>director may concurrently serve as a manager or hold other senior management positions. The total number of directors who hold specific operational and management positions within the Company, including employee directors, shall not exceed half of the total number of directors.</b></p>	<p><b>Article 9</b> <del>A director</del><b>Directorship</b> may be concurrently <b>held by</b> <del>serve as a manager or hold other senior management members positions;</del> <u>but</u> <del>The the</del> total number of directors <b>concurrently holding the senior management positions, together with directors held by employee representatives, who hold specific operational and management positions within the Company, including employee directors, shall <b>must</b> not exceed half of the total number of directors <u>of the Company.</u></b></p>

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No.	Before amendment	After amendment
6	<p>Article 13 A director who <b>tenders his/her resignation</b> or <b>whose</b> term of office expires shall not be ipso facto discharged <b>from his/her obligations to the Company and its shareholders</b> for a reasonable period of time <b>before or after his/her resignation report has become effective</b> or after the expiration of his/her term of office, <b>and his/her</b> obligation to maintain the confidentiality of the Company's trade secrets shall remain in effect after the expiration of his/her term of office until such secrets become public information. The duration of the other obligations shall be determined on an equitable basis, depending on the length of time between the occurrence of the event and the departure from office, and the circumstances and conditions under which the relationship with the Company ends.</p>	<p><b>Article 13</b> <del>When a director's</del> <u>A director who tenders his/her resignation</u> <del>resignation takes effect</del> or whose <u>his/her</u> term of office expires, <u>he/she</u> shall <u>complete all handover formalities with the board of directors, and his/her duty of loyalty to the Company and the shareholders shall</u> not be ipso facto discharged <del>from his/her obligations to the Company and its shareholders</del> for a reasonable period of time <del>before or after his/her resignation report has become effective</del> or after the expiration of his/her term of office, <u>and shall remain in force for a period of twelve months.</u> <del>and his</del> <u>His</u>/her obligation to maintain the confidentiality of the Company's trade secrets shall remain in effect after the expiration of his/her term of office until such secrets become public information. The duration of the other obligations shall be determined on an equitable basis, depending on the length of time between the occurrence of the event and the departure from office, and the circumstances and conditions under which the relationship with the Company ends.</p>
7	<p>Article 14 In the event of the resignation or change of a director, <b>the stock exchange shall be promptly notified, and an announcement shall be made. If an independent director resigns or is removed, the Company shall promptly inform the stock exchange of the reasons for such change.</b></p>	<p><b>Article 14</b> In the event of the resignation or change of a director, <u>the Company shall notify the stock exchange as soon as possible and make an announcement</u><del>the stock exchange shall be promptly notified, and an announcement shall be made. If an independent director resigns or is removed, the Company shall promptly inform the stock exchange of the reasons for such change.</del></p> <p><u>Prior to the expiration of the term of office of an independent non-executive director, the Company may remove such director from his/her office in accordance with statutory procedures. If an independent non-executive director is removed before the expiry of his/her term, the Company shall promptly disclose the specific reasons and basis for such removal. If the independent non-executive director raises objections, the Company shall disclose them in a timely manner.</u></p> <p><u>An independent non-executive director may resign before the expiration of his/her term of office. An independent non-executive director shall submit a resignation report to the board of directors in writing, explaining any circumstances related to the resignation or deemed necessary to bring to the attention of the shareholders and creditors of the Company. The Company shall disclose the reasons for the resignation of the independent non-executive director and any relevant matters of concern.</u></p>

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No.	Before amendment	After amendment
8	<p>Article 15 A director who resigns without permission prior to the expiration of his/her term shall be liable to compensate the Company for any losses arising therefrom.</p>	<p><del>Article 15 A director who resigns without permission prior to the expiration of his/her term shall be liable to compensate the Company for any losses arising therefrom.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
9	<p><b>Section 2 Rights and Obligations of Directors</b></p> <p>Article 16 Directors of the Company shall be entitled to the following rights:</p> <p>(1) to attend meetings of the board of directors, and exercise their voting right;</p> <p>(2) to understand the operations and financial status of the Company;</p> <p>(3) to understand their responsibilities as a director of a listed company and to be provided regularly by the board secretary with the latest relevant information published by the regulatory authorities;</p> <p>(4) in the case of an independent director who is required to provide an opinion, the independent director can request to consult independent professional institutions for advice at the expense of the Company;</p> <p>(5) to act for and on behalf of the Company in accordance with the Articles of Association or by authorization of the board of directors;</p> <p>(6) to deal with the business of the Company in accordance with the Articles of Association or by authorization of the board of directors;</p> <p>(7) to take other positions or professional office when required by duties without any contravention to these Rules;</p> <p>(8) other rights approved by the shareholders' meetings or stipulated in the Articles of Association.</p>	<p><b>Section 2 Rights and Obligations of Directors</b></p> <p>Article 16 Directors of the Company shall be entitled to the following rights:</p> <p>(1) <del>to attend meetings of the board of directors, and exercise their voting right;</del></p> <p>(2) <del>to understand the operations and financial status of the Company;</del></p> <p>(3) <del>to understand their responsibilities as a director of a listed company and to be provided regularly by the board secretary with the latest relevant information published by the regulatory authorities;</del></p> <p>(4) <del>in the case of an independent director who is required to provide an opinion, the independent director can request to consult independent professional institutions for advice at the expense of the Company;</del></p> <p>(5) <del>to act for and on behalf of the Company in accordance with the Articles of Association or by authorization of the board of directors;</del></p> <p>(6) <del>to deal with the business of the Company in accordance with the Articles of Association or by authorization of the board of directors;</del></p> <p>(7) <del>to take other positions or professional office when required by duties without any contravention to these Rules;</del></p> <p>(8) <del>other rights approved by the shareholders' meetings or stipulated in the Articles of Association.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

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No.	Before amendment	After amendment
10	<p>Article 17 Directors of the Company shall abide by the fiduciary principles in the discharge of his/her duties, and not to place himself/herself in a position where his/her own interests may conflict with his/her obligations. Such principles include (but are not limited to) the performance of the following obligations:</p> <p>(1) to act honestly in the best interests of the Company and its shareholders as a whole, he/she should not only consider the interests or intentions of the shareholders he/she represents;</p> <p>(2) to exercise powers within the scope of his/her powers and not to engage in any ultra vires acts;</p> <p>(3) to exercise the discretion vested in him/her personally and shall not excise such discretion under anyone’s direction;</p> <p>(4) to treat shareholders of the same class and shareholders of different classes fairly;</p> <p>(5) not to directly or indirectly conclude any contract or conduct any transaction with the Company without reporting to the board of directors or 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;</p> <p>(6) not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, except for those that have been reported to the board of directors or shareholders’ meeting and had obtained approval from the shareholders’ meeting, or where the Company is not able to utilize such business opportunities in accordance with laws, administrative regulations or the provisions of the Articles of Association;</p>	<p><del>Article 17 Directors of the Company shall abide by the fiduciary principles in the discharge of his/her duties, and not to place himself/herself in a position where his/her own interests may conflict with his/her obligations. Such principles include (but are not limited to) the performance of the following obligations:</del></p> <p><del>(1) to act honestly in the best interests of the Company and its shareholders as a whole, he/she should not only consider the interests or intentions of the shareholders he/she represents;</del></p> <p><del>(2) to exercise powers within the scope of his/her powers and not to engage in any ultra vires acts;</del></p> <p><del>(3) to exercise the discretion vested in him/her personally and shall not excise such discretion under anyone’s direction;</del></p> <p><del>(4) to treat shareholders of the same class and shareholders of different classes fairly;</del></p> <p><del>(5) not to directly or indirectly conclude any contract or conduct any transaction with the Company without reporting to the board of directors or 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;</del></p> <p><del>(6) not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, except for those that have been reported to the board of directors or shareholders’ meeting and had obtained approval from the shareholders’ meeting, or where the Company is not able to utilize such business opportunities in accordance with laws, administrative regulations or the provisions of the Articles of Association;</del></p>

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No.	Before amendment	After amendment
	(7) not to leverage their positions to bribe or accept other illegal income and not to expropriate the Company's property in any form or appropriate monies of the Company;	<del>(7) not to leverage their positions to bribe or accept other illegal income and not to expropriate the Company's property in any form or appropriate monies of the Company;</del>
	(8) not to take as their own any commission for any transaction between others and the Company;	<del>(8) not to take as their own any commission for any transaction between others and the Company;</del>
	(9) not to conduct for themselves or others any businesses similar to those of the Company without reporting to the board of directors or the shareholders' meeting and obtaining approval from the shareholders' meeting;	<del>(9) not to conduct for themselves or others any businesses similar to those of the Company without reporting to the board of directors or the shareholders' meeting and obtaining approval from the shareholders' meeting;</del>
	(10) not to deposit the Company's funds in an account opened in his/her own name or in the name of any other individuals and not to leverage his/her related relations to harm the interests of the Company;	<del>(10) not to deposit the Company's funds in an account opened in his/her own name or in the name of any other individuals and not to leverage his/her related relations to harm the interests of the Company;</del>
	(11) not to disclose any secret of the Company without authorization.	<del>(11) not to disclose any secret of the Company without authorization.</del>
		<b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b>

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No.	Before amendment	After amendment
11	<p><b>Article 18</b> Apart from performing duties and undertaking certain obligations as a director, a director who has taken specific position of operation and management shall have the following obligations:</p> <p>(1)        to implement the resolutions of the board of directors as authorized by the board of directors, and to assist the Chairman in supervising the implementation of the board of directors' resolutions;</p> <p>(2)        to assist the general manager in implementing the board of directors' resolutions;</p> <p>(3)        to assist all professional committees under the board of directors in conducting their work, and to facilitate the communications between the board of directors and its professional committees, management and all departments of the Company;</p> <p>(4)        to complete the daily work of his/her own management unit;</p> <p>(5)        to handle other matters entrusted by the board of directors.</p>	<p><del>Article 18</del> Apart from performing duties and undertaking certain obligations as a director, a director who has taken specific position of operation and management shall have the following obligations:</p> <p><del>(1)</del>        to implement the resolutions of the board of directors as authorized by the board of directors, and to assist the Chairman in supervising the implementation of the board of directors' resolutions;</p> <p><del>(2)</del>        to assist the general manager in implementing the board of directors' resolutions;</p> <p><del>(3)</del>        to assist all professional committees under the board of directors in conducting their work, and to facilitate the communications between the board of directors and its professional committees, management and all departments of the Company;</p> <p><del>(4)</del>        to complete the daily work of his/her own management unit;</p> <p><del>(5)</del>        to handle other matters entrusted by the board of directors.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

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No.	Before amendment	After amendment
12	<p><b>Article 19</b> If a director causes damages to others in performing his/her duties for the Company, the Company shall be liable for compensation; and the director shall also be liable for compensation if he/she is found to have conducted intentional misconduct or gross negligence.</p> <p>If a director violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties for the Company and causes losses to the Company, such director shall be liable for compensation.</p> <p>The Company has a system in place to manage the departure of Directors, which specifies safeguard measures for pursuing and recovering liability for unfulfilled public commitments and other outstanding matters. The liabilities that a director shall bear for performing his/her duties during his/her term of office shall not be exempted or terminated due to his/her departure.</p>	<p><del>Article 19</del> If a director causes damages to others in performing his/her duties for the Company, the Company shall be liable for compensation; and the director shall also be liable for compensation if he/she is found to have conducted intentional misconduct or gross negligence.</p> <p><del>If a director violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties for the Company and causes losses to the Company, such director shall be liable for compensation.</del></p> <p><del>The Company has a system in place to manage the departure of Directors, which specifies safeguard measures for pursuing and recovering liability for unfulfilled public commitments and other outstanding matters. The liabilities that a director shall bear for performing his/her duties during his/her term of office shall not be exempted or terminated due to his/her departure.</del></p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
13	<p><b>Section 3 Directors' Remuneration</b></p> <p><b>Article 20</b> Each of the directors is entitled to an appropriate remuneration based on his/her own situation which reflects the time spent and obligation undertaken by each director during his/her term of service at the board of directors. The Company shall, with the prior approval of shareholders in shareholders' meeting, enter into a contract in writing with each of the Company's directors in respect of his/her emoluments.</p>	<p><b>Section 3 Directors' Remuneration</b></p> <p><del>Article 20</del> Each of the directors is entitled to an appropriate remuneration based on his/her own situation which reflects the time spent and obligation undertaken by each director during his/her term of service at the board of directors. The Company shall, with the prior approval of shareholders in shareholders' meeting, enter into a contract in writing with each of the Company's directors in respect of his/her emoluments.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>
14	<p><b>Article 21</b> The Company shall, in principle, offer salary grade only to directors undertaking operation and management positions. Other directors shall only obtain allowances from the Company.</p>	<p><del>Article 21</del> The Company shall, in principle, offer salary grade only to directors undertaking operation and management positions. Other directors shall only obtain allowances from the Company.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

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<b>No.</b>	<b>Before amendment</b>	<b>After amendment</b>
15	<b>Article 22 The Department of Human Resources and the Remuneration Committee of the Company shall assess the performance of all directors in the Company annually.</b>	<del>Article 22 The Department of Human Resources and the Remuneration Committee of the Company shall assess the performance of all directors in the Company annually.</del>  <b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b>

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No.	Before amendment	After amendment
16	<p>Article 25 The board of directors shall exercise the following functions and powers:</p> <p>(1) to be responsible for convening shareholders' meeting and to report its work to the shareholders' meeting;</p> <p>(2) to implement resolutions passed at the shareholders' meeting;</p> <p>(3) to determine the business plans and investment proposals of the Company;</p> <p>(4) to prepare the plans for profit distribution and plans for making up losses of the Company;</p> <p>(5) to formulate the proposals for increase or decrease of the Company's registered capital <b>and</b> for issuance of corporate bonds;</p> <p>(6) to <b>formulate</b> the plan for merger, division, dissolution <b>or</b> transformation of the Company;</p> <p>(7) to determine the establishment of the internal management structure of the Company;</p> <p>(8) to <b>appoint or dismiss</b> the Company's <b>manager</b>, <b>appoint or dismiss</b> the Company's <b>deputy managers</b>, head of finance <b>and</b> other senior management based on the nomination of the manager and determine their remunerations;</p>	<p><b>Article 17</b> The board of directors shall exercise the following functions and powers:</p> <p>(1) to be responsible for convening shareholders' meeting and to report its work to the shareholders' meeting;</p> <p>(2) to implement resolutions passed at the shareholders' meeting;</p> <p>(3) to determine the business plans and investment proposals of the Company;</p> <p>(4) to prepare the plans for profit distribution and plans for making up losses of the Company;</p> <p>(5) to formulate the proposals for increase or decrease of the Company's registered capital, <del>and</del> for issuance of corporate bonds <b><u>or other securities and for listing;</u></b></p> <p>(6) to <del>formulate</del> <b><u>prepare</u></b> the plan for <b><u>material acquisitions, acquisition of shares of the Company,</u></b> the merger, division, dissolution <del>or</del> <b><u>and</u></b> transformation of the Company;</p> <p>(7) to determine the establishment of the internal management structure of the Company;</p> <p>(8) to <b><u>determine the appointment or dismissal of</u></b> <del>appoint or dismiss</del> the Company's <del>manager</del>, <b><u>general manager, the secretary to the board of directors and other senior management and determine their remuneration, rewards and punishments;</u></b> <b><u>to determine the appointment or dismissal of</u></b> <del>appoint or dismiss</del> the Company's <del>deputy managers</del> <b><u>deputy general managers, chief financial officer</u></b> <del>head of finance and as well as</del> other senior <b><u>managers</u></b> <del>management</del> based on the nomination of the <del>manager</del> <b><u>general manager</u></b> and determine their remunerations, <b><u>rewards and punishments;</u></b></p>

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No.	Before amendment	After amendment
	(9) to establish the basic management system of the Company;	(9) to establish the basic management system of the Company;
	(10) to draw up proposals for the amendment to the Articles of Association;	(10) to draw up proposals for the amendment to the Articles of Association;
	(11) <b>to draw up proposals for any material acquisition or sale by the Company;</b>	<del>(11) to draw up proposals for any material acquisition or sale by the Company;</del>
	(12) <b>according to the requirements of laws, regulations, rules and these Articles of Association, and within the scope of authority delegated by shareholders in general meeting, to exercise the Company's powers to raise capital and to borrow money and to make decisions relating to the charging, leasing, subcontracting or transfer of the Company's important assets;</b>	<del>(12)</del> <del>(11)</del> <b>according to the requirements of laws, regulations, rules and these Articles of Association, and within the scope of authority delegated by shareholders in general shareholders' meeting, to exercise the Company's powers to raise capital and to borrow money and to make decisions relating to the Company's external investment, acquisition and disposal of assets, the charging, leasing, subcontracting or transfer of the Company's important assets, external guarantees, entrusted wealth management, related-party (connected) transactions, external donations and etc.;</b>
	(13) to perform other powers and functions conferred by shareholders in general meeting and these Articles of Association.	(12) <b><u>to manage matters relating the information disclosure of the Company;</u></b>
		(13) <b><u>to propose to shareholders' meeting on the appointment or change of the accounting firm providing audit to the Company;</u></b>
		(14) <b><u>to receive the work report of the general manager of the Company and review the work performance of the general manager;</u></b>
		<del>(13)</del> <del>(15)</del> <b><u>to perform other powers and functions conferred by shareholders in general meeting and these Articles of Association laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or shareholders' meeting.</u></b>

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No.	Before amendment	After amendment
17	<p>Article 27 The board of directors may from time to time establish committees or working groups consisting of two or more directors and authorize such committees or working groups to exercise certain powers, authorities and discretions of the board of directors itself. Such committees and working groups shall act within the scope of authorization granted by the board of directors and shall comply with the rules established by the board of directors from time to time. The board of directors may also resolve at any time to dissolve such committees or working groups or modify the scope of their authorization.</p> <p>The board of directors of the Company shall establish a strategy committee, an audit committee, a nomination committee and a remuneration committee, with separate <b>terms of reference</b>. Members of the aforementioned special committees shall be elected by the board of directors.</p>	<p><b>Article 19</b> The board of directors may from time to time establish committees or working groups consisting of two or more directors and authorize such committees or working groups to exercise certain powers, authorities and discretions of the board of directors itself. Such committees and working groups shall act within the scope of authorization granted by the board of directors and shall comply with the rules established by the board of directors from time to time. The board of directors may also resolve at any time to dissolve such committees or working groups or modify the scope of their authorization.</p> <p>The board of directors of the Company shall establish a strategy committee, an audit committee, a nomination committee and a remuneration <b>and appraisal</b> committee, with separate <del>terms of reference</del> <b>rules of procedure</b>. Members of the aforementioned special committees shall be elected by the board of directors.</p>
18	<p>Article 30 If the Chairman is <b>temporarily</b> unable to perform his/her duties <b>for any reason</b>, a director shall be jointly recommended by a majority of the directors to perform the duties of the Chairman.</p>	<p><b>Article 22</b> If the Chairman is <del>temporarily</del> unable to perform <b>or fails to perform</b> his/her duties <del>for any reason</del>, a director shall be jointly recommended by a majority of the directors to perform the duties of the Chairman.</p>
19	<p>Article 31 The board of directors shall have a board secretary, a board secretariat and a strategy committee, an audit committee, a nomination committee, and a remuneration committee to handle the daily administrative affairs and professional matters of the board of directors.</p>	<p><b>Article 23</b> The board of directors shall have a board secretary, a board secretariat and a strategy committee, an audit committee, a nomination committee, and a remuneration <b>and appraisal</b> committee to handle the daily administrative affairs and professional matters of the board of directors.</p>
20	<p>Article 32 Detailed work rules for the board secretary and each of the <b>professional</b> committees shall be separately stipulated.</p>	<p><b>Article 24</b> Detailed work rules/<b>rules of procedure</b> for the board secretary and each of the <del>professional</del> <b>special</b> committees shall be separately stipulated.</p>

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AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY**

No.	Before amendment	After amendment
21	<p>Article 33 Board meetings shall be held regularly at least four times a year, approximately once per quarter. It is anticipated that a majority of directors entitled to attend will be physically present or actively participate via other electronic means of communication for each such regular board meeting. Accordingly, regular board meetings shall not include obtaining board approval through circulation of written resolutions. Telephone conferences may be regarded as physical attendance, provided that participants can hear each other clearly.</p>	<p><b>Article 25</b> Board meetings shall be held regularly at least four times a year, approximately once per quarter. It is anticipated that a majority of directors entitled to attend will be physically present or actively participate via other electronic means of communication for each such regular board meeting. Accordingly, regular board meetings shall not include obtaining board approval through circulation of written resolutions. Telephone conferences may be regarded as physical attendance, provided that participants can hear each other clearly.</p> <p><b><u>Board meetings shall, in principle, be conducted on-site. Meetings may be convened via video conference, telephone or other means in accordance with the procedures when necessary, provided that all participating directors are guaranteed adequate communication and the ability to express their opinions.</u></b></p>
22	<p>Article 34 An interim board meeting <b>may</b> be convened under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1. <b>at the joint request</b> of one-third or more of the directors;</li> <li>2. upon the proposal of the Chairman;</li> <li>3. upon the proposal of shareholders representing one-tenth or more of the voting rights;</li> <li>4. upon the proposal of the audit committee.</li> </ol>	<p><b>Article 26</b> An interim board meeting <del>shall</del> <b>may</b> be convened under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1. <del>at the joint request</del> <b><u>upon the proposal</u></b> of one-third or more of the directors;</li> <li>2. upon the proposal of the Chairman;</li> <li>3. upon the proposal of shareholders representing one-tenth or more of the voting rights;</li> <li>4. upon the proposal of the audit committee;;</li> <li><b><u>5. upon the proposal of a majority of the independent non-executive directors.</u></b></li> </ol>
23	<p><b>Article 35</b> Prior to issuing the notice for a regular board meeting, the board secretary shall first circulate a letter to solicit opinions from all directors regarding the planned topics, so as to ensure that all directors have the opportunity to propose discussion matters for inclusion in the agenda of the regular board meeting.</p>	<p><del>Article 35</del> Prior to issuing the notice for a regular board meeting, the board secretary shall first circulate a letter to solicit opinions from all directors regarding the planned topics, so as to ensure that all directors have the opportunity to propose discussion matters for inclusion in the agenda of the regular board meeting.</p> <p><b>Deleted, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>

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No.	Before amendment	After amendment
24	Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.	<p><u>Article 27 Board meetings shall be convened and conducted in strict accordance with these Rules. All directors shall be notified in advance as required and provided with sufficient meeting materials, including all information, data and documents necessary for directors to vote on proposals, such as relevant background materials on meeting topics, review results at the meetings attended solely by independent non-executive directors (if any), opinions of special board committees (if any), etc. Inquiries raised by directors shall be promptly addressed, and supplementary meeting materials shall be provided before the meeting upon directors' requests.</u></p> <p><u>The Company shall issue notices of board meeting to independent non-executive directors in a timely manner and provide relevant meeting materials no later than the notice period for board meetings stipulated by laws, administrative regulations, the China Securities Regulatory Commission, the Articles of Association, or these Rules. Effective communication channels shall be established for independent non-executive directors.</u></p> <p><u>Prior to the convening of a board meeting, independent non-executive directors may communicate with the board secretary to inquire about matters to be considered, request supplementary materials, and provide opinions or suggestions. The board of directors and relevant personnel shall carefully study the questions, requests and opinions raised by independent non-executive directors and provide feedback on the implementation of amendments to the proposals in a timely manner.</u></p> <p><u>If two or more independent non-executive directors consider the meeting materials to be incomplete, inadequately substantiated, or not provided in a timely manner, they may submit a written request to the board of directors to postpone the meeting or delay deliberation of the relevant matter. The board of directors shall adopt such request.</u></p>

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No.	Before amendment	After amendment
25	<p>Article 36 Notice of regular board meetings shall, in principle, be issued at least 14 days in advance to allow all directors sufficient opportunity to schedule attendance. If the notice is issued less than 14 days before the meeting, the Chairman shall explain the reasons at the commencement of the meeting and obtain the consent of the directors. If three or more directors propose postponement of the board meeting due to the late issuance of the notice, the board of directors shall adopt such a proposal.</p> <p>Notice for convening an interim board meeting shall be given in writing at least 3 days in advance; however, <b>under circumstances where participating directors raise no objections or in cases of relative urgency</b>, the aforementioned notice period may be waived at the discretion of the board of directors.</p>	<p><b>Article 28</b> Notice of regular board meetings shall, in principle, be issued at least 14 days in advance to allow all directors sufficient opportunity to schedule attendance. If the notice is issued less than 14 days before the meeting, the Chairman shall explain the reasons at the commencement of the meeting and obtain the consent of the directors. If three or more directors propose postponement of the board meeting due to the late issuance of the notice, the board of directors shall adopt such a proposal.</p> <p>Notice for convening an interim board meeting shall be given in writing at least 3 days in advance; however, <del>under circumstances where participating directors raise no objections or in cases of relative urgency</del>, <b><u>upon the consent of all directors</u></b>, the aforementioned notice period may be waived at the discretion of the board of directors. <b><u>A director who does not raise an objection before or at the commencement of the meeting for not having received the notice shall be deemed to have received notice of the meeting.</u></b></p>
26	<p>Article 37 The notice of a board meeting shall include the following: the <b>time</b> and venue of the meeting; the purpose and topics of the meeting; and the date of issuance of the notice. The meeting notice shall be issued upon signature by the board secretary.</p>	<p><b>Article 29</b> The notice of a board meeting shall include the following: the <b>time date</b> and venue of the meeting; the <b>duration</b>, purpose and topics of the meeting; and the date of issuance of the notice. The meeting notice shall be issued upon signature by the board secretary.</p>
27	<p>Article 38 The Chairman shall ensure that all directors are notified in advance of board meetings within the prescribed time frame. <b>All</b> agenda and relevant meeting documents for regular board meetings shall be distributed to all directors in a timely manner and must be sent out at least three days (or within other agreed period) before the scheduled date of the board or its committee meetings. To the extent practicable, the above arrangements shall also be adopted for all other board meetings.</p>	<p><b>Article 30</b> The Chairman shall ensure that all directors are notified in advance of board meetings within the prescribed time frame. <b>The All</b> agenda and relevant meeting documents for regular board meetings shall be distributed to all directors in a timely manner and must be sent out at least three days (or within other agreed period) before the scheduled date of the board or its committee meetings. To the extent practicable, the above arrangements shall also be adopted for all other board meetings.</p>

No.	Before amendment	After amendment
28	<p>Article 40 <b>If a director is unable to attend a meeting for any reason, he or she may appoint another director in writing to attend the board meeting on his/her behalf; the power of attorney shall specify the scope of authorization.</b> The written power of attorney shall be delivered to the board secretary at least two days before the meeting. The board secretary shall process the registration of the authorization and announce it to the attendees at the commencement of the meeting.</p>	<p>Article 32 <del>If a director is unable to attend a meeting for any reason, he or she may appoint another director in writing to attend the board meeting on his/her behalf; the power of attorney shall specify the scope of authorization.</del> <b><u>Directors shall attend board meetings in person. If a director is unable to attend a board meeting in person for any reason, he/she shall exercise prudence in selecting and appointing another director in writing to attend the meeting on his/her behalf. A director shall not accept authorization from more than two directors to attend the same board meeting on their behalf. Independent non-executive directors shall not appoint non-independent non-executive directors to attend meetings on their behalf. For matters involving voting, the delegating director shall explicitly state in the power of attorney their position on each item, whether in favor, against, or abstaining. Directors shall not grant or accept authorizations that lack a clear voting indication, grant blanket authorization, or have an ambiguous scope of authorization. When deliberating on related-party (connected) transactions, related-party (connected) directors shall abstain from voting, and their voting rights shall not be counted in the total number of votes. Non-related-party (non-connected) directors shall not appoint related-party (connected) directors to attend meetings on their behalf. A director's responsibility for voting matters shall not be exempted due to appointing another director to attend on his/her behalf.</u></b> The written power of attorney shall be delivered to the board secretary at least two days before the meeting. The board secretary shall process the registration of the authorization and announce it to the attendees at the commencement of the meeting.</p>

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No.	Before amendment	After amendment
	<p>The power of attorney may be prepared by the board secretary in a standardized format and distributed together with the meeting notice. The power of attorney shall include the names of the delegating director and the delegated director, the specific meeting <b>(date, venue, and name)</b> for which the delegation is made, <b>the discussion topics on which the delegated director is authorized to participate and express opinions, the proposals on which the delegated director is authorized to vote, the voting position on specific proposals,</b> and the validity period of the power of attorney.</p>	<p>The power of attorney may be prepared by the board secretary in a standardized format and distributed together with the meeting notice. The power of attorney shall include the names of the delegating director and the proxy, the specific meeting <del>(date, venue, and name)</del> for which the delegation is made, <del>the discussion topics on which the delegated director is authorized to participate and express</del> opinions <b>to be expressed by the proxy, the voting indication</b> <del>proposals on which the delegated director is authorized to vote, the voting position on specific proposals,</del> and the validity period of the power of attorney.</p>
29	<p>Article 41 A sign-in system <b>must</b> be implemented for board meetings. All attendees must sign in personally, and may not be signed by others on their behalf. The sign-in book and other written materials of the meeting are archived and maintained together.</p>	<p><b>Article 33</b> A sign-in system <del>is must</del> be implemented for board meetings. All attendees must sign in personally, and may not be signed by others on their behalf. The sign-in book and other written materials of the meeting are archived and maintained together.</p>
30	<p>Article 42 Proposals requiring deliberation, discussion or resolution by the board of directors, submitted by the <b>directors, the audit committee, the general manager, or others,</b> shall first be submitted to the board secretary. The board secretary shall collect, categorize and organize the proposals, then present them to the Chairman for review. The Chairman shall decide whether to include the proposals in the meeting agenda.</p> <p>In principle, all submitted proposals shall be included in the agenda. For any proposal not included, the Chairman shall explain the reasons to the proposer. The content of the proposals shall be distributed together with the meeting notice to all directors and relevant personnel required to attend the meeting.</p>	<p><b>Article 34</b> Proposals requiring deliberation, discussion or resolution by the board of directors, submitted by the <b>Company</b> directors, <del>the audit committee, the general manager, or others</del> <b>based on operational and management needs,</b> shall first be submitted to the board secretary. The board secretary shall collect, categorize and organize the proposals, then present them to the Chairman for review. The Chairman shall decide whether to include the proposals in the meeting agenda.</p> <p>In principle, all submitted proposals shall be included in the agenda. For any proposal not included, the Chairman shall explain the reasons to the proposer. The content of the proposals shall be distributed together with the meeting notice to all directors and relevant personnel required to attend the meeting.</p>

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No.	Before amendment	After amendment
31	<p>Article 43 A proposal submitted to the board of directors shall meet the following conditions:</p> <p>(1) its content shall not conflict with any laws, regulations, or the Articles of Association, shall fall within the scope of the Company's business activities and the responsibilities of the board of directors;</p> <p>(2) the proposal must serve the interests of the Company and its shareholders;</p> <p>(3) it has a clear topic and specific matters for resolution; <b>and</b></p> <p>(4) <b>it must be submitted in writing.</b></p>	<p><b>Article 35</b> A proposal submitted to the board of directors shall meet the following conditions:</p> <p>(1) its content shall not conflict with any laws, regulations, or the Articles of Association, shall fall within the scope of the Company's business activities and the responsibilities of the board of directors;</p> <p>(2) the proposal must serve the interests of the Company and its shareholders; <b>and</b></p> <p>(3) it has a clear topic and specific matters for resolution; <b>and</b></p> <p>(4) <del>it must be submitted in writing.</del></p>
32	<p>Article 45 The quorum requirement for a meeting of a special committee or working group of the board of directors shall be two members of such committee or working group, or a <b>majority</b> of its membership, whichever is greater.</p>	<p><b>Article 37</b> The quorum requirement for a meeting of a special committee or working group of the board of directors shall be two members of such committee or working group, or a <b>majority <u>two-thirds or more</u></b> of its membership, whichever is greater.</p>
33	<p>Article 46 Meetings of the board of directors shall be chaired by the chairman of the board of directors. Where the chairman is unable to <b>preside for any reason</b>, a director shall be jointly elected by a majority of directors to convene and chair the board meeting.</p>	<p><b>Article 38</b> Meetings of the board of directors shall be <b><u>convened and</u></b> chaired by the chairman of the board of directors. Where the chairman is unable to <del>preside for any reason</del> <b><u>perform or fails to perform his/her duties</u></b>, a director shall be jointly elected by a majority of directors to convene and chair the board meeting.</p>

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No.	Before amendment	After amendment
34	<p>Article 47 Attendance at Meetings</p> <p>(1) Directors shall attend meetings of the board of directors in person. If a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf. The letter of appointment shall specify the scope of authorization.</p> <p>(2) A director attending on behalf of another shall exercise the rights of the director within the authorized scope. A director who neither attends a board meeting nor appoints a proxy shall be deemed to have waived his/her voting rights at that meeting.</p> <p>(3) The proxy appointed must himself/herself be a director. When <b>calculating</b> the quorum for a board meeting, the proxy and the director he/she represents shall be counted separately. <b>He/she</b> need not cast all his/her votes uniformly for or against a resolution. A director must also notify the Company of the termination of any proxy appointment.</p>	<p><b>Article 39</b> Attendance at Meetings</p> <p>(1) Directors shall attend meetings of the board of directors in person. If a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf. The letter of appointment shall specify the scope of authorization.</p> <p>(2) A director attending on behalf of another shall exercise the rights of the director within the authorized scope. A director who neither attends a board meeting nor appoints a proxy shall be deemed to have waived his/her voting rights at that meeting.</p> <p>(3) The proxy appointed must himself/herself be a director. When <del>calculating</del> <b>determining</b> the quorum for a board meeting, the proxy and the director he/she represents shall be counted separately. <del>He/she</del> <b>The proxy</b> need not cast all his/her votes uniformly for or against a resolution. A director must also notify the Company of the termination of any proxy appointment.</p>
35	<p><b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b></p>	<p><b><u>Article 40 Where a meeting of the board of directors cannot be duly convened, abnormal circumstances arise during a meeting, or there is a dispute regarding the validity of a resolution, the Company shall promptly disclose relevant matters, the claims of the disputing parties, the Company's current status, and other information conducive to investors' understanding of the Company's actual situation, along with a special legal opinion issued by a lawyer.</u></b></p>
36	<p>Article 48 Board meetings shall adopt a show-of-hands voting <b>or</b> written ballot voting method. Each director shall have one vote.</p>	<p><b>Article 41</b> Board meetings shall adopt a show-of-hands, <del>or</del> written ballot <b>or other</b> voting method <b>permitted by laws, regulations, and the regulatory rules of the stock exchange on which the Company's shares are listed.</b> Each director shall have one vote.</p>

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No.	Before amendment	After amendment
37	<p>Article 51 The procedure for convening a board meeting based on the agenda items specified in the meeting notice is as follows:</p> <ol style="list-style-type: none"> <li>(1) the proposer, the director responsible for the relevant matter, or other relevant personnel presents the background information;</li> <li>(2) attending directors raise questions and engage in discussion;</li> <li>(3) proposals are put to a vote; and</li> <li>(4) attending directors and proxy directors sign the resolution(s) <b>or</b> minutes of the meeting.</li> </ol>	<p><b>Article 44</b> The procedure for convening a board meeting based on the agenda items specified in the meeting notice is as follows:</p> <ol style="list-style-type: none"> <li>(1) the proposer, the director responsible for the relevant matter, or other relevant personnel presents the background information;</li> <li>(2) attending directors raise questions and engage in discussion;</li> <li>(3) proposals are put to a vote; and</li> <li>(4) attending directors and proxy directors sign the resolution(s) <b>or and</b> the minutes of the meeting.</li> </ol>
38	<p>Article 52 For non-major matters, the board of directors may adopt resolutions by means of written resolutions. The procedure for forming such a resolution is as follows:</p> <ol style="list-style-type: none"> <li>(1) a draft of the proposed resolution must be delivered to every director at least three days in advance by hand, facsimile, or <b>express</b> mail. However, this time limit may be waived by the board at its discretion if attending directors raise no objection or if the matter is urgent;</li> <li>(2) upon receiving the draft, all directors shall indicate their approval or disapproval on the document;</li> <li>(3) the signed draft shall be submitted to the board secretary by hand, facsimile, or mail;</li> <li>(4) the proposed resolution shall become a board resolution once the number of directors who have signed in approval reaches the quorum required for making the relevant decision;</li> <li>(5) a director signing in disapproval shall append a statement explaining the reasons and basis for the disapproval.</li> </ol>	<p><b>Article 45</b> For non-major matters, the board of directors may adopt resolutions by means of written resolutions. The procedure for forming such a resolution is as follows:</p> <ol style="list-style-type: none"> <li>(1) a draft of the proposed resolution must be delivered to every director at least three days in advance by hand, facsimile, <b>email</b>, or <b>express</b> mail. However, this time limit may be waived by the board at its discretion if attending directors raise no objection or if the matter is urgent;</li> <li>(2) upon receiving the draft, all directors shall indicate their approval or disapproval on the document;</li> <li>(3) the signed draft shall be submitted to the board secretary by hand, facsimile, <b>email</b>, or mail;</li> <li>(4) the proposed resolution shall become a board resolution once the number of directors who have signed in approval reaches the quorum required for making the relevant decision;</li> <li>(5) a director signing in disapproval shall append a statement explaining the reasons and basis for the disapproval.</li> </ol>

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No.	Before amendment	After amendment
39	Article 53 Where a director is deemed to be a <b>related party</b> in relation to a proposal, such director shall recuse themselves and abstain from voting on the proposal.	<b>Article 46</b> Where a director is deemed to be a related party <b><u>(connected person) within the meaning of the Hong Kong Listing Rules, the SSE Listing Rules or the Articles of Association</u></b> in relation to a proposal, such director shall recuse themselves and abstain from voting on the proposal. <b><u>In such cases where directors abstain from voting, the relevant board meeting shall be attended by a majority of the non-related (non-connected) directors, and any resolution passed must be approved by a majority of these non-related (non-connected) directors. If the number of non-related (non-connected) directors present at the meeting is less than three, voting on the relevant proposal shall not proceed, and the matter shall instead be submitted to the shareholders' meeting for consideration.</u></b>
40	Article 55 The board of directors shall make written decisions on each agenda item.  The board secretary shall prepare meeting <b>minutes and</b> resolutions for decisions made on matters discussed at the meeting, which shall be signed by the directors in attendance.	<b>Article 48</b> The board of directors shall make written decisions on each agenda item.  The board secretary shall prepare meeting <del>minutes and</del> resolutions for decisions made on matters discussed at the meeting, which shall be signed by the directors in attendance
41	<b>Newly added, and the numbering of the subsequent articles shall be adjusted accordingly.</b>	<b>Article 50</b> <b><u>Where an independent non-executive director votes against or abstains from voting on a proposal at a board meeting, he/she shall provide specific reasons and basis for doing so, along with an assessment of the legality and regulatory compliance of the matters involved in the proposal, any potential risks, and the impact on the Company and the interests of minority shareholders. When disclosing board resolutions, the Company shall simultaneously disclose the dissenting opinions of the independent non-executive director(s). Such opinions shall also be recorded in the board resolution and meeting minutes.</u></b>
42	Article 57 The opinions and explanations of directors regarding matters under discussion shall be accurately recorded in the meeting minutes, which shall be signed by the attending directors.	<b>Article 51</b> The opinions and explanations of directors regarding matters discussed shall be accurately recorded in the meeting minutes, which shall be signed by the attending directors, <b><u>the board secretary, the minute-taker, and other relevant parties.</u></b>

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No.	Before amendment	After amendment
43	Article 59 The minutes of meetings of the board of directors and its committees shall sufficiently detailed records of matters considered and decisions reached d by directors at such meetings, including any concerns raised or dissenting views expressed by directors. Where the opinions of independent directors differ from those of executive directors on matters discussed at a board meeting, the minutes shall clearly record <b>such differences</b> .	<b>Article 53</b> The minutes of meetings of the board of directors and its committees shall sufficiently detailed records of matters considered and decisions reached d by directors at such meetings, including any concerns raised or dissenting views expressed by directors. Where the opinions of independent <b>non-executive</b> directors differ from those of executive directors on matters discussed at a board meeting, the minutes shall clearly record <del>such differences</del> <b>this fact</b> .
44	<b>Added as a new article, and the numbering of subsequent articles should be adjusted accordingly.</b>	<b>Article 54</b> <u>If a director believes that a matter under consideration does not comply with laws or regulations, he/she shall raise this at the board meeting. If the board of directors insists on adopting a resolution approving such matter, the dissenting director shall promptly report the issue to the Shanghai Stock Exchange and relevant regulatory authorities.</u>
45	Article 62 Prior to the disclosure of board resolutions through proper channels, all meeting participants shall not disclose confidential information in any manner, nor shall they seek personal gain thereby. Should any such conduct occur, the individual(s) involved shall bear all consequences and may be held legally liable <b>depending on the circumstances</b> .	<b>Article 57</b> Prior to the disclosure of board resolutions through proper channels, all meeting participants shall not disclose confidential information in any manner, nor shall they seek personal gain thereby. Should any such conduct occur, the individual(s) involved shall bear all consequences and may be held legally liable <u>by the Company</u> <del>depending on the circumstances</del> <b>as appropriate</b> .
46	Article 63 Matters not provided for in these Rules shall be handled in accordance with the Company Law, the Articles of Association, <b>Corporate Governance Guidelines</b> , and other applicable laws and regulations.	<b>Article 58</b> Matters not provided for in these Rules shall be handled in accordance with the Company Law, the Articles of Association, <del>Corporate Governance Guidelines</del> ; and other applicable laws and regulations.
47	Article 64 For the purposes of these Rules, the term “accounting firm” shall have the same meaning as “auditor”; the term <b>“independent director”</b> shall have the same meaning as “independent non-executive director”; and the term “audit committee” shall have the same meaning as “audit committee” as defined in the Hong Kong Listing Rules.	<b>Article 59</b> For the purposes of these Rules, the term “accounting firm” shall have the same meaning as “auditor”; the term <del>“independent director”</del> <b>“independent non-executive director”</b> shall have the same meaning as <del>“independent non-executive director”</del> <b>“independent director” as defined in the Company Law</b> ; and the term “audit committee” shall have the same meaning as “audit committee” <b>as defined in the Hong Kong Listing Rules</b> .

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No.	Before amendment	After amendment
48	Article 65 These Rules shall take effect on the date determined by the board of directors upon its consideration and approval. These Rules shall be interpreted and amended by the board of directors of the Company.	<b>Article 60</b> These Rules <b>constitute an appendix to the Articles of Association</b> shall take effect on the date determined by the board of directors upon its deliberation and approval. <b><u>They shall be reviewed and approved by the shareholders' meeting, and shall take effect and be implemented from the date when the A shares of the Company are issued and listed on the Shanghai Stock Exchange. Upon the effectiveness of these Rules, the Company's previous Rules of Procedure for the board of directors shall be automatically repealed.</u></b> These Rules shall be interpreted and amended by the board of directors of the Company. <b><u>The board of directors may amend these Rules in accordance with the relevant laws, regulations, and the Articles of Association, and such amendments shall take effect upon approval by the shareholders' meeting.</u></b>

Except for the above-mentioned proposed amendments, the content of the other chapters and articles of the Rules of Procedure for the Board of Directors shall remain unchanged.

The full text of the proposed amendments was prepared in the Chinese language. The English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the proposed amendments, the Chinese version shall prevail.

**Rules of Procedure for Shareholders' Meeting of  
Zhejiang Expressway Co., Ltd. (Draft)**

**Chapter I    General Provisions**

**Article 1** In order to regulate the conduct of Zhejiang Expressway Co., Ltd. (hereinafter referred to as the “Company”) and ensure the lawful exercise of authority by the shareholders’ meeting, these rules are formulated in accordance with the requirements of laws, regulations and normative documents including the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (hereinafter referred to as the “Securities Law”), the Trial Measures for Administration of Overseas Securities Offering and Listing by Domestic Enterprises(《境內企業境外發行證券和上市管理試行辦法》), the Guidance on the Application of Regulatory Rules – No. 1 on Overseas Offerings and Listings《監管規則適用指引—境外發行上市類第1號》, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the Rules for Shareholders’ Meetings of Listed Companies(《上市公司股東會規則》), the Corporate Governance Guidelines for Listed Companies (《上市公司治理準則》) and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, as well as the provisions of the Articles of Association of Zhejiang Expressway Co., Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** Matters concerning the convening, proposal, notification and holding of shareholders’ meetings of the Company shall be governed by these rules.

**Article 3** The Company shall convene shareholders’ meetings in strict accordance with the relevant requirements of laws, administrative regulations, these rules and the Articles of Association, so as to ensure that shareholders are able to exercise their rights in accordance with the law.

The board of directors of the Company shall diligently fulfill its duties and organize shareholders’ meetings in a conscientious and timely manner. All directors of the Company shall perform their duties with due diligence to ensure that shareholders’ meetings are duly convened and exercise authority in accordance with the law.

**Article 4** The shareholders’ meeting shall exercise its authority within the scope prescribed by the Company Law and the Articles of Association.

**Article 5** Shareholders' meetings are categorized into annual shareholders' meetings and extraordinary shareholders' meetings. An annual shareholders' meeting shall be held once each year, within six months following the end of the previous fiscal year. Extraordinary shareholders' meetings are convened on an ad hoc basis. Under any of the following circumstances, the Company shall convene an extraordinary shareholders' meeting within two months from the date on which one of the following event occurs:

- (1) the number of directors falls below the quorum stipulated by the Company Law or below two-thirds of the number prescribed by the Articles of Association;
- (2) the Company's unrecovered losses reach one-third of its total share capital;
- (3) shareholders who individually or collectively hold 10% or more of the Company's shares request such a meeting;
- (4) the board of directors deems it necessary;
- (5) the Audit Committee proposes the convening of a meeting;
- (6) other circumstances specified by laws, administrative regulations, departmental regulations, or the Articles of Association.

The shareholding percentage referred to in item (3) of the preceding paragraph shall be calculated based on the number of shares held by the shareholder on the date the request is submitted.

If the Company is unable to convene a shareholders' meeting within the aforementioned period, it shall report to the regional office of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") where the Company is located and the Shanghai Stock Exchange, explaining the reasons and making an announcement.

**Article 6** When convening a shareholders' meeting, the Company shall engage a lawyer to issue a legal opinion on the following matters and make an announcement:

- (1) whether the procedures for convening and holding the shareholders' meeting comply with laws, administrative regulations, these rules, and the Articles of Association;
- (2) whether the qualifications of the attendees and the convener are lawful and valid;
- (3) whether the voting procedures and results of the shareholders' meeting are lawful and valid;
- (4) legal opinions on other relevant issues as requested by the Company.

## Chapter II   Convening of Shareholders' Meetings

**Article 7** The board of directors shall convene a shareholders' meeting within the time limit specified in Article 5 of these rules.

**Article 8** Independent non-executive directors shall have the right to propose the convening of an extraordinary shareholders' meeting to the board of directors, subject to the approval of more than half of all independent non-executive directors. Upon receiving a proposal from independent non-executive directors to convene an extraordinary shareholders' meeting, the board of directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, provide a written response within 10 days indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the board of directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice convening the shareholders' meeting within 5 days after passing the relevant board resolution. If the board of directors disagrees to convene the extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

**Article 9** The Audit Committee shall have the right to propose the convening of an extraordinary shareholders' meeting to the board of directors, and such proposal shall be submitted to the board of directors in writing. Upon receiving the proposal, the board of directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, provide a written response within 10 days indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the board of directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice convening the shareholders' meeting within 5 days after passing the relevant board resolution. Any changes to the original proposal in the notice shall require the consent of the Audit Committee.

If the board of directors disagrees to convene the extraordinary shareholders' meeting or fails to provide a written response within 10 days after receiving the proposal, it shall be deemed that the board of directors is unable or unwilling to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

**Article 10** Shareholders who individually or collectively hold 10% or more of the shares with voting rights at the proposed meeting shall have the right to request the board of directors to convene an extraordinary shareholders' meeting or a class shareholders' meeting, and such request shall be submitted to the board of directors in writing. Upon receiving the request, the board of directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, provide a written response within 10 days indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting or class shareholders' meeting.

If the board of directors agrees to convene the extraordinary shareholders' meeting or class shareholders' meeting, it shall issue a notice convening the shareholders' meeting or class shareholders' meeting within 5 days after passing the relevant board resolution. Any changes to the original request in the notice shall require the consent of the relevant shareholders.

If the board of directors disagrees to convene the extraordinary shareholders' meeting or class shareholders' meeting or fails to provide a written response within 10 days after receiving the request, shareholders who individually or collectively hold 10% or more of the shares with voting rights at the proposed meeting shall have the right to propose the convening of an extraordinary shareholders' meeting or a class shareholders' meeting to the Audit Committee, and such request shall be submitted to the Audit Committee in writing.

If the Audit Committee agrees to convene the extraordinary shareholders' meeting or class shareholders' meeting, it shall issue a notice convening the shareholders' meeting within 5 days after receiving the request. Any changes to the original request in the notice shall require the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the shareholders' meeting or class shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee will not convene and preside over the shareholders' meeting or class shareholders' meeting. In such case, shareholders who individually or collectively have held 10% or more of the shares with voting rights at the proposed meeting for a 90 consecutive days or more may convene and preside over the meeting on their own.

**Article 11** If the Audit Committee or shareholders decide to convene a shareholders' meeting on their own initiative, they shall notify the board of directors in writing and at the same time file a record with the Shanghai Stock Exchange.

The shareholding percentage of the convening shareholders shall not fall below 10% of the shares with voting rights at the proposed meeting until the resolution of the shareholders' meeting has been announced.

The Audit Committee or the convening shareholders shall submit relevant supporting documentation to the Shanghai Stock Exchange when issuing the notice of the shareholders' meeting and when making announcement on the resolution of the shareholders' meeting.

**Article 12** For a shareholders' meeting convened by the Audit Committee or shareholders on their own initiative, the board of directors and the company secretary shall render necessary assistance. The board of directors shall provide the register of shareholders as of the record date. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution for a copy by presenting the relevant notice convening the shareholders' meeting. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.

**Article 13** For a shareholders' meeting convened by the Audit Committee or shareholders on their own initiative, the necessary expenses for the meeting shall be borne by the Company.

### **Chapter III Proposals and Notices for Shareholders' Meetings**

**Article 14** The content of a proposal shall fall within the scope of authority of the shareholders' meeting, have a clear topic and specific matters for resolution, and comply with the relevant requirements of laws, administrative regulations and the Articles of Association.

**Article 15** When the Company convenes a shareholders' meeting, the board of directors, the Audit Committee, and shareholders holding individually or collectively one percent or more of the Company's shares shall have the right to submit proposals to the Company. Shareholders holding individually or collectively one percent or more of the Company's shares may submit an interim proposal in writing to the convener no later than ten days before the shareholders' meeting is held. The convener shall, within two days after receiving the proposal, issue a supplemental notice of the shareholders' meeting, announce the content of the interim proposal, and submit the interim proposal to the shareholders' meeting for consideration. However, this shall not apply if the interim proposal violates laws, administrative regulations or the provisions of the Articles of Association, or falls outside the scope of authority of the shareholders' meeting. The Company shall not increase the shareholding threshold for shareholders to submit interim proposals.

Except as provided in the preceding paragraph, the convener may not, after giving notice of a shareholders' meeting, modify the proposals already listed in the notice or add new proposals.

Proposals that are not listed in the notice of the shareholders' meeting or do not comply with the provisions of Article 14 of these rules shall not be voted upon or adopted as resolutions at the shareholders' meeting.

**Article 16** The convener shall notify all shareholders by way of announcement at least 21 days prior to the convening of an annual shareholders' meeting, and at least 15 days prior to the convening of an extraordinary shareholders' meeting.

Unless otherwise provided by laws, regulations, the regulatory rules of the listing venue, and the Articles of Association, notices of shareholders' meetings shall be given by way of announcement, provided that such method complies with the applicable laws and regulations as well as the listing rules of the exchange where the Company's shares are listed. If announcements are required to be made to shareholders of overseas-listed foreign shares under the Articles of Association, such announcements shall also be published in accordance with the methods prescribed by the Hong Kong Listing Rules.

When calculating the aforementioned periods of "21 days" or "15 days", the day on which the meeting is held shall be excluded, but the day on which the notice is issued shall be included.

**Article 17** The notice of a shareholders' meeting and any supplemental notice shall fully and completely disclose the specific content of all proposals, as well as all information or explanations necessary to enable shareholders to make reasonable judgments on the matters to be discussed.

**Article 18** Where the election of directors is to be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall fully disclose detailed information about the director candidates, which shall at least include the followings:

- (1) personal details such as educational background, work experience, and concurrent positions;
- (2) whether there is any related-party (connected) relationship with the Company or its controlling shareholder and actual controller;
- (3) the number of shares of the Company held;
- (4) whether he/she has been subject to penalties by the CSRC and other relevant authorities, or disciplinary actions by a stock exchange;
- (5) other information required to be disclosed under the regulatory rules of the place where the Company's shares are listed regarding the new appointment, re-election or re-designation of directors.

Unless the cumulative voting system is adopted for the election of directors, each director candidate shall be proposed as a separate proposal.

**Article 19** The notice of a shareholders' meeting shall specify the time and place of the meeting and determine the record date. The interval between the record date and the meeting date shall not exceed seven business days. Once the record date is determined, it shall not be changed.

**Article 20** After the notice of a shareholders' meeting has been issued, the meeting shall not be postponed or canceled without justifiable reason, and the proposals listed in the notice shall not be canceled. In the event of postponement or cancellation, the convener shall issue an announcement stating the reason at least two business days prior to the originally scheduled meeting date. If the listing rules of the stock exchange where the Company's shares are listed contain other provisions regarding the aforementioned matters, such provisions shall prevail.

#### **Chapter IV   Convening of Shareholders' Meetings**

**Article 21** The Company shall convene shareholders' meetings at its domicile or at a location specified in the Articles of Association.

A shareholders' meeting shall be held at a physical venue in the form of an on-site meeting. In addition, in accordance with laws, administrative regulations, the requirements of the regulatory authority of the stock exchange where the Company's shares are listed, or the provisions of the Articles of Association, the Company shall provide shareholders with convenience through secure, economical, and accessible means such as online or other methods. In addition to the on-site meeting, shareholders' meetings may also be conducted simultaneously by means of electronic communication. The time and location of the on-site meeting shall be chosen to facilitate shareholders' participation.

Shareholders may attend shareholders' meetings in person and exercise their voting rights, or appoint proxies to attend on their behalf and exercise voting rights within the scope of authorization.

After the notice of a shareholders' meeting has been issued, the location of the on-site meeting shall not be changed without justifiable reason. If a change is indeed necessary, the convener shall issue an announcement stating the reason at least two business days prior to the scheduled date of the on-site meeting.

**Article 22** The Company shall specify in the notice of the shareholders' meeting the voting time and procedures for online or other voting methods. The commencement time for online or other forms of voting shall not be earlier than 3:00 p.m. on the day preceding the on-site shareholders' meeting, and shall not be later than 9:30 a.m. on the day of the on-site shareholders' meeting. The end time shall not be earlier than 3:00 p.m. on the day the on-site shareholders' meeting concludes.

**Article 23** The board of directors and other conveners shall take necessary measures to ensure the proper order of shareholders' meetings. For actions that disrupt shareholders' meetings, provoke disturbances, or infringe upon the lawful rights and interests of shareholders, they shall take appropriate measures to stop such conducts, and promptly report the matter to relevant authorities for investigation and handling.

**Article 24** All shareholders registered on the record date or their proxies are entitled to attend the shareholders' meeting, and neither the Company nor the convener may refuse such attendance for any reason.

Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend, speak, and vote on their behalf.

**Article 25** Shareholders attending the meeting in person shall present valid identification or documentation verifying their shareholder status. Proxies attending the meeting on behalf of shareholders shall present the proxy's valid identification, along with the valid identification or documentation of the relevant shareholder and the shareholder's power of attorney.

**Article 26** The convener and the lawyer retained by the Company shall jointly verify the legitimacy of shareholder status based on the register of shareholders provided by the securities registration and clearing institution, and shall record the names of shareholders present at the meeting and the number of shares with voting rights held by them. Registration for the meeting shall cease before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held by them.

**Article 27** Where a shareholders' meeting requires directors and senior management to attend, such directors and senior management shall attend and respond to shareholders' inquiries at the meeting.

**Article 28** The shareholders' meeting shall be presided over by the chairman of the board of directors. Where the chairman is unable or fails to perform his/her duties, a director jointly recommended by a majority of the directors shall preside.

A shareholders' meeting convened by the audit committee on its own initiative shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his/her duties, a member of the audit committee jointly recommended by a majority of the members of the audit committee shall preside.

A shareholders' meeting convened by shareholders on their own initiative shall be presided over by the convener or a representative recommended by him/her.

If, during the conduct of a shareholders' meeting, the chairman of the meeting violates these rules to the extent that the meeting cannot proceed, the meeting may, with the consent of shareholders with voting rights holding more than half of the votes present at the meeting, elect another person to act as the chairman and continue the meeting.

**Article 29** At an annual shareholders' meeting, the board of directors shall report to the shareholders on its work over the past year, and each independent non-executive director shall also deliver a work report.

**Article 30** Directors and senior management shall provide explanations and clarifications in response to shareholders' inquiries at the shareholders' meeting.

**Article 31** The chairman of the meeting shall, before voting, announce the number of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held by them. The number of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held by them shall be determined based on the meeting registration.

**Article 32** A shareholder who is deemed to be a related party (connected person) in respect of the matters under consideration at a shareholders' meeting shall abstain from voting, and the shares with voting rights held by such shareholder shall not be counted in the total number of shares with voting rights present at the meeting. Resolution(s) of the shareholders' meeting shall fully disclose the voting results of the non-related (non-connected) shareholders.

A resolution of the shareholders' meeting on a related-party (connected) transaction shall be valid only if approved by more than half of the votes cast by the non-related (non-connected) shareholders present at the meeting. However, if such related-party (connected) transaction involves matters requiring a special resolution as stipulated in the Articles of Association, the resolution shall be valid only if approved by at least two-thirds of the votes cast by the non-related (non-connected) shareholders present at the meeting.

**Article 33** Shareholders (including shareholder proxies) shall exercise their voting rights based on the number of shares with voting rights they represent, with each share carrying one vote.

When the shareholders' meeting deliberates on significant matters affecting the interests of minority shareholders, the votes of minority shareholders shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

Shares of the Company held by the Company itself shall not carry voting rights and shall not be counted in the total number of shares with voting rights present at the shareholders' meeting.

Where a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) or 63(2) of the Securities Law, the portion of shares exceeding the prescribed proportion shall not carry voting rights for 36 months following the purchase and shall not be counted in the total number of shares with voting rights present at the shareholders' meeting.

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APPENDIX V      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY

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Subject to compliance with applicable laws, regulations, and the regulatory rules of the places where the Company's shares are listed, the Company's board of directors, independent non-executive directors, shareholders holding one percent or more of the shares with voting rights, or investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the CSRC may publicly solicit proxies from shareholders. Such solicitations shall fully disclose specific voting intentions and other relevant information to the solicited shareholders. Solicitation of proxies through compensation or disguised compensation is prohibited. Except under statutory conditions, the company shall not impose minimum shareholding thresholds for proxy solicitation.

**Article 34** When voting on director elections at a shareholders' meeting, cumulative voting system may be implemented in accordance with the Articles of Association or a resolution of the shareholders' meeting. Cumulative voting shall be adopted when a single shareholder and its concerted parties hold 30% or more of the shares, or when electing two or more independent non-executive directors.

The cumulative voting system referred to in the preceding paragraph means that when electing directors at a shareholders' meeting, each share shall have a number of votes equal to the number of directors to be elected, and shareholders may concentrate their votes. Directors shall be elected in order of the number of votes received, provided that each elected director must receive at least half of the total votes cast by shareholders (including shareholder proxies) present at the meeting and entitled to vote.

**Article 35** Except under the cumulative voting system, all proposals at a shareholders' meeting shall be voted on individually. Where multiple proposals concern the same matter, voting shall proceed in the chronological order of their submission. No proposal shall be deferred or left undecided, except where the meeting is adjourned or unable to pass resolutions due to force majeure or other special circumstances.

**Article 36** During deliberation of a proposal, no amendments shall be made thereto. Any alteration shall be deemed a new proposal and shall not be voted upon at the same meeting.

**Article 37** The same voting right may only be exercised in one of the following ways: in-person, online, or by other designated voting methods. Where duplicate votes are cast for the same voting right, the first vote cast shall prevail.

**Article 38** Shareholders present at a shareholders' meeting shall, with respect to the proposals submitted for voting, indicate one of the following opinions: for, against, or abstain. This does not apply where a securities registration and settlement institution, acting as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, submits votes according to the instructions of the beneficial owner(s).

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APPENDIX V      COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)  
AND ITS APPENDICES TO BE APPLIED UPON LISTING OF A SHARES OF THE COMPANY

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Ballots that are blank, incorrectly filled in, illegible, or uncast shall be deemed as the voter's waiver of voting rights. The voting result for the number of shares represented by such ballots shall be counted as "abstained".

If the stock exchange where the Company's shares are listed stipulates that any shareholder must abstain from voting on a particular resolution or restricts any shareholder to vote only for (or against) a particular resolution, any votes cast by or on behalf of such shareholder in violation of such stipulation or restriction shall not be counted.

**Article 39** Prior to voting on any proposal at a shareholders' meeting, two shareholder representatives shall be elected to participate in vote counting and scrutiny. Any shareholder who is related (connected) to the matter under consideration, or such shareholder's proxy, shall be ineligible to participate in vote counting and scrutiny. If fewer than two shareholder representatives are available for vote counting and scrutiny due to reasons such as the number of shareholders present or abstention, the shortfall may be filled by members of the Company's audit committee.

When voting on a proposal at a shareholders' meeting, the lawyer and shareholder representatives shall be jointly responsible for vote counting and scrutiny. The voting results shall be announced at the meeting and recorded in the minutes.

Shareholders or their proxies who vote online or by other means shall have the right to verify their own voting results through the corresponding voting system.

**Article 40** The on-site session of a shareholders' meeting shall not conclude earlier than the closing of online or other voting means. The chairman of the meeting shall announce the voting status and results of each proposal at the meeting venue and declare whether each proposal has been passed based on the voting results.

Prior to the formal announcement of voting results, all parties involved in the voting process at the meeting venue, online voting platform or other voting channels, including companies, vote counters and scrutineers, shareholders, and online service providers, shall maintain confidentiality regarding the votes cast.

**Article 41** Resolutions of a shareholders' meeting shall be announced promptly following the meeting. The announcement shall specify the number of shareholders and proxies present, the total number of shares with voting rights represented at the meeting and their proportion of the Company's total shares with voting rights, the voting methods used, the voting results for each proposal, and the detailed content of each resolution passed.

**Article 42** If a proposal is not adopted, or if the shareholders' meeting amends a resolution of a previous shareholders' meeting, a special note to that effect shall be included in the announcement of the resolutions of the meeting.

**Article 43** The minutes of the shareholders' meeting shall be prepared by the board secretary and shall include the following:

- (1) the time, place, agenda, and name of the convener of the meeting;
- (2) the name of the chairman of the meeting and the names of directors and senior management attending the meeting;
- (3) the number of shareholders and proxies present, the total number of shares with voting rights represented by them, and the proportion such shares bear to the total shares of the Company;
- (4) the deliberation process, summary of discussions, and voting results for each proposal;
- (5) any queries or suggestions raised by shareholders and the corresponding responses or explanations provided;
- (6) the names of the lawyer, vote counters and scrutineers; and
- (7) any other matters required to be recorded in the minutes pursuant to the Articles of Association.

Directors attending or observing the meeting, the board secretary, the convener or their representative, and the chairman of the meeting sign the minutes and guarantee their truthfulness, accuracy, and completeness. The minutes shall be kept together with the attendance register of shareholders present in person, forms of proxy, and valid records of voting conducted via online or other means, for a period of not less than ten years.

**Article 44** The convener shall ensure that the shareholders' meeting proceeds continuously until a final resolution is adopted. If the shareholders' meeting is suspended or unable to reach a resolution due to force majeure or other exceptional circumstances, necessary measures shall be taken to either resume the meeting as soon as possible or directly terminate the meeting, and an announcement shall be made promptly. At the same time, the convener shall report the matter to the regional office of the CSRC where the Company is located and the Shanghai Stock Exchange.

**Article 45** Where a proposal concerning the election of directors is approved at the shareholders' meeting, the newly elected directors shall assume their positions in accordance with the provisions of the Articles of Association of the Company.

**Article 46** Where a proposal concerning the distribution of cash dividends, issuance of bonus shares, or transfer of capital reserve into share capital is approved at the shareholders' meeting, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting.

**Article 47** Resolutions of the shareholders' meeting that violate laws or administrative regulations shall be null and void.

The controlling shareholder and the actual controller of the Company shall not restrict or obstruct minority shareholders from exercising their voting rights in accordance with the law, nor shall they harm the lawful rights and interests of the Company or such minority shareholders.

Where the convening procedures or voting methods of a shareholders' meeting violate laws, administrative regulations or the Articles of Association of the Company, or where the content of a resolution violates the Articles of Association of the Company, shareholders may, within 60 days from the date the resolution is adopted, petition the People's Court to revoke the resolution; however, this shall not apply if the convening procedures or voting methods of the shareholders' meeting involve only minor flaws that do not substantially affect the resolution.

Where disputes arise among the board of directors, shareholders or other relevant parties regarding matters such as the qualifications of the convener, the convening procedures, the legality of proposal content or the validity of shareholders' meeting resolutions, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling, such as revoking the resolution, the relevant parties shall implement the resolution of shareholders' meeting. The Company, its directors, and senior management shall diligently perform their duties, implement the resolution of the shareholders' meeting in a timely manner and ensure the normal operation of the Company.

If 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 regulatory authorities and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where the correction of prior matters is involved, the Company shall handle them promptly and fulfill the corresponding information disclosure obligations.

### **Chapter V   Implementation of Resolutions of Shareholders' Meeting**

**Article 48** Resolutions adopted at the shareholders' meeting shall be organized for implementation by the board of directors, and shall be assigned to the Company's management for specific execution in accordance with the content of the resolutions and the division of responsibilities.

**Article 49** The Company's chairman of the board of directors shall oversee and inspect the implementation of the resolutions of shareholders' meeting and, when necessary, may convene an interim meeting of the board of directors to receive and review reports on the implementation status of such resolutions.

### **Chapter VI   Supplementary Provisions**

**Article 50** These rules shall be annexed to the Articles of Association of the Company and, after being considered and approved at the shareholders' meeting of the Company, shall take effect and be implemented from the date of the issuance and listing of A shares of the Company on the Shanghai Stock Exchange.

**Article 51** Matters not covered by these rules shall be handled in accordance with the relevant provisions of laws, regulations, normative documents and the Articles of Association of the Company. In case of any discrepancy between these rules and the relevant provisions of laws, regulations, normative documents and the Articles of Association of the Company, the relevant provisions of laws, regulations, normative documents and the Articles of Association of the Company shall prevail.

**Article 52** An announcement, notice or supplemental notice of a shareholders' meeting as referred to in these rules means the disclosure of relevant information on media and the website of the stock exchange that meet the conditions prescribed by the securities regulatory authority of the place where the Company's shares are listed.

**Article 53** Any amendment to these rules shall be decided by the shareholders' meeting. The board of directors shall prepare the draft amendment, which shall become effective upon approval by the shareholders' meeting.

**Article 54** For the purposes of these rules, the terms "above" and "within" include the number itself, whereas the terms "exceeding", "less than" and "more than" exclude the number itself.

**Article 55** These rules shall be interpreted by the board of directors of the Company.

The full text of the Rules of Procedure for Shareholders' Meeting (Draft) of the Company was prepared in the Chinese language. The English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the Rules of Procedure for Shareholders' Meeting, the Chinese version shall prevail.

**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 Group. 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****(a) Interests in the Company and its associated corporation**

As at the Latest Practicable Date, none of the Directors, Supervisors and chief executives of the Company had an interest or short position in any shares, underlying shares or equity derivatives or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which is required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, Supervisors or chief executives of the Company was taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to Appendix C3 of the Listing Rules Model Code for Securities Transactions by Directors of Listed Companies.

As at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of the Company or their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

**(b) Substantial shareholders**

As at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, persons (other than the Directors and the chief executives of the Company) who had interests and short positions in the Shares and underlying Shares of

the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange, were set out as follows:

Substantial Shareholders	Capacity	Numbers held in domestic shares of the Company	Percentage of the issued domestic share capital of the Company
Communication Group <sup>Note (4)</sup>	Beneficial owner	4,014,778,800	100%

Substantial Shareholders	Capacity	Numbers held in H shares of the Company	Percentage of the issued H share capital of the Company
China Merchants Expressway	Beneficial owner	363,914,280(L)	18.39%
BlackRock, Inc.	Interest of controlled corporations	144,441,501(L) 10,276,000(S)	7.14% 0.51%
JPMorgan Chase & Co.	Person having a security interest in shares	148,328,222(L) 7,557,090(S) 83,583,409(P)	7.33% 0.37% 4.13%

*Notes:*

- (1) The letter "L" denotes the person's long position in such Shares.
- (2) The letter "S" denotes the person's short position in such Shares.
- (3) The letter "P" denotes the person's interests in a lending pool.
- (4) As at the Latest Practicable Date, Communications Group, being a controlling shareholder of the Company and holding 4,014,778,800 Domestic Shares, representing 66.49% of the total number of issued Shares of the Company, and Universal Cosmos, its associate holding 72,471,195 H Shares, representing 1.20% of the total number of issued Shares, held 67.69% of the total number of issued Shares of the Company in aggregate.

Save as disclosed above, as at the Latest Practicable Date, no other persons had any interests or short positions in the shares or underlying shares of the Company that were required to be recorded pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange. No Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. OTHER INTERESTS OF DIRECTORS

As at the Latest Practicable Date,

#### (a) Interests in service contracts

Each of the Directors and Supervisors has entered into a service agreement with the Company, which is effective from July 1, 2024 (except for Director Mr. ZHAO Xilong, whose term commences on December 19, 2025) to June 30, 2027.

Save as disclosed above, none of the Directors or Supervisors had or was proposed to have a service contract with any member of the Group or the Enlarged Group other than contracts expiring or determinable by the employer within one year without the payment of compensation other than the statutory compensation.

#### (b) Interests in assets

None of the Directors or Supervisors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group or the Enlarged Group since December 31, 2024, being the date to which the latest published audited financial statements of the Group were made up.

#### (c) Interests in contracts or arrangements

None of the Directors or Supervisors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which was subsisting and significant in relation to the business of the Group or the Enlarged Group taken as a whole.

### 4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group or the Enlarged Group other than those businesses to which the Directors and their associates were appointed to represent the interests of the Company and/or the Group.

### 5. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, there was no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

**6. EXPERT AND CONSENT**

The following is the qualification of the expert who has provided its opinion or advice, which are contained in this Circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, to the best knowledge of the Company, Gram Capital has no shareholding in any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. Gram Capital is a third party independent of the Company and its connected persons.

Gram Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter in the form and context in which it is included.

The letter from Gram Capital is set out on pages 97 to 127 of this Circular and is given as at the date of this Circular for incorporation herein.

Gram Capital has not, or has not had, direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, any member of the Group or the Enlarged Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group or the Enlarged Group since December 31, 2024, the date to which the latest published audited accounts of the Group was made up.

**7. MATERIAL ADVERSE CHANGES**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since December 31, 2024, being the date to which the latest published audited financial statements of the Group were made up.

**8. DOCUMENTS ON DISPLAY**

The following documents are available on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.zjec.com.cn](http://www.zjec.com.cn)) for a period of not less than 14 days commencing from the date of this Circular:

- (a) the Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. entered into between the Company and Oceanking Development on September 2, 2025;

- (b) the Supplemental Agreement (I) to the Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanbank Development Co., Ltd. entered into between the Company and Oceanbank Development on January 12, 2026; and
  
- (c) the Supplemental Agreement (II) to the Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanbank Development Co., Ltd. entered into between the Company and Oceanbank Development on January 30, 2026.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 0576)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “**EGM**”) of Zhejiang Expressway Co., Ltd. (the “**Company**”) will be held on Friday, March 20, 2026 at 10:00 a.m. at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People’s Republic of China (the “**PRC**”), for the purpose of considering and, if thought fit, passing with or without modification or amendment the following resolutions. Unless otherwise defined, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated February 5, 2026, which contains details of the following resolutions:

### **AS SPECIAL RESOLUTIONS**

1. To consider and approve the resolution in relation to the Plan for Absorption and Merger of Oceanking Development through Share Swap by Zhejiang Expressway, including:
  - 1.01 Parties to the Transaction
  - 1.02 Class and par value of shares to be issued for the Share Swap
  - 1.03 Share Swap targets and the Record Date for Merger Implementation
  - 1.04 Issue Price and Conversion Price
  - 1.05 Conversion Ratio
  - 1.06 Number of shares to be issued for Share Swap
  - 1.07 Listing and trading of A Shares of Zhejiang Expressway
  - 1.08 Treatment of fractional shares
  - 1.09 Treatment of shares of Oceanking Development with restricted rights
  - 1.10 Arrangement for lock-up period of shares
  - 1.11 Protection mechanism for the Dissenting Shareholders of Zhejiang Expressway

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- 1.12 Protection mechanism for the Dissenting Shareholders of Oceanking Development
- 1.13 Disposal of claims and debts involved in the Transaction
- 1.14 Arrangements for the Transition Period of the Absorption and Merger transaction
- 1.15 Arrangements for the transfer or closing of relevant assets involved in the Transaction
- 1.16 Arrangement for employees
- 1.17 Arrangement for retained undistributed profits in the Absorption and Merger transaction
- 1.18 Validity period of the resolution
2. To consider and approve the resolution in relation to entering into of the conditional Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. and its Supplemental Agreements
3. To consider and approve the resolution in relation to Price Stabilization Plan for A Shares of Zhejiang Expressway Co., Ltd.
4. To consider and approve the resolution in relation to Shareholder Dividend Return Plan for the Three Years Following the Transaction
5. To consider and approve the resolution in relation to the dilution of immediate returns from the Transaction and the proposed remedial measures
6. To consider and approve the resolution in relation to abolishment of the Supervisory Committee and amendments to the Articles of Association
7. To consider and approve the resolution in relation to the formulation of the Articles of Association (Draft) and its appendices to be applied upon listing of A Shares of the Company
8. To consider and approve the resolution in relation to proposed grant of specific mandate to the Board of Directors at the General Meeting and Class Meetings to issue new A Shares
9. To consider and approve the resolution in relation to proposed authorization to the Board of Directors and its authorized persons at the General Meeting to handle matters related to the Transaction in their absolute discretion

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### AS ORDINARY RESOLUTIONS

10. To consider and approve the resolution in relation to confirmation on compliance of the Transaction with the relevant requirements of the Administrative Measures for the Registration of Initial Public Offering
11. To consider and approve the resolution in relation to the Report on Absorption and Merger of Zhejiang Oceanking Development Co., Ltd. through Share Swap by Zhejiang Expressway Co., Ltd. and the Related-party Transaction (Draft) and its summary
12. To consider and approve the resolution in relation to approval of the audit reports related to the Transaction
13. To consider and approve the resolution in relation to confirmation of the valuation reports related to the Transaction
14. To consider and approve the resolution in relation to the independence of the valuers, the reasonableness of valuation assumptions, the relevance of valuation approach to the valuation purpose, and the fairness of the valuation-based pricing
15. To consider and approve the resolution in relation to the Internal Control Self-Assessment Report of the Company
16. To consider and approve the resolution in relation to the relevant undertakings and binding measures to be issued by Zhejiang Expressway for the Transaction
17. To consider and approve the resolution in relation to the confirmation of related-party transactions for the reporting period

By order of the Board  
**Zhejiang Expressway Co., Ltd.**  
**Tony Zheng**  
*Company Secretary*

Hangzhou, PRC  
February 5, 2026

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notes:

### 1. Registration procedures for attending the EGM

- (1) Holders of H shares of the Company (“**H Shares**”) and domestic shares of the Company (“**Domestic Shares**”) intending to attend the EGM should return the reply slip for attending the EGM to the Company by post or by facsimile (address and facsimile numbers are shown in paragraph 5(b) below) such that the same shall be received by the Company on or before March 19, 2026.
- (2) A shareholder or his/her/its proxy should produce proof of identity when attending the EGM. If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative shall produce proof of identity and a copy of the resolution of the board of directors or other governing body of such shareholder appointing such legal representative to attend the meeting.

### 2. Proxy

- (1) A shareholder eligible to attend and vote at the EGM is entitled to appoint, in written form, one or more proxies to attend and vote at the EGM on behalf of him/her/it. A proxy need not be a shareholder of the Company.
- (2) A proxy shall be appointed by a written instrument signed by the appointor or an attorney authorised by him/her/it for such purpose. If the appointor is a corporation, the same shall be affixed with the seal of such corporation, or signed by its director(s) or duly authorized representative(s). If the instrument appointing a proxy is signed by a person authorized by the appointor, the power of attorney or other authorization document(s) shall be notarized.
- (3) To be valid, the power of attorney or other authorization document(s) (which have been notarized) together with the completed form of proxy must be delivered, in the case of holders of Domestic Shares, to the Company at the address shown in paragraph 5(b) below and, in the case of holders of H Shares, to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong, at least 24 hours before the time designated for holding of the EGM (or any adjournment thereof).
- (4) Any vote of the shareholders of the Company present in person or by proxy at the EGM must be taken by poll.

### 3. Book closing period

For the purpose of the EGM, the register of members holding H Shares will be closed from March 17, 2026 to March 20, 2026 (both days inclusive).

### 4. Last day of transfer and record date

Holders of H Shares who intend to attend the EGM must deliver all transfer instruments and the relevant shares certificates to Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17/F, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on March 16, 2026.

For the purpose of the EGM, the record date will be on March 20, 2026.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### 5. Miscellaneous

- (a) On-site voting will be adopted for the EGM.
- (b) The EGM will not last for more than one day. Shareholders who attend shall bear their own traveling and accommodation expenses.
- (c) The principal place of business of the Company in the PRC is:

Room 501, No. 2 Mingzhu International Business Center  
199 Wuxing Road, Shangcheng District  
Hangzhou City, Zhejiang Province 310020  
the People's Republic of China  
Telephone No.: (+86)-571-87987700  
Facsimile No.: (+86)-571-87950329

*As at the date of this notice, the Chairman of the Company is Mr. YUAN Yingjie; the executive Directors of the Company are: Mr. WU Wei and Mr. LI Wei; the other non-executive Directors of the Company are: Mr. ZHAO Xilong, Mr. FAN Ye and Mr. HUANG Jianzhang; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. YU Mingyuan.*

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## NOTICE OF H SHARES CLASS MEETING

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 0576)

## NOTICE OF H SHARES CLASS MEETING

**NOTICE IS HEREBY GIVEN THAT** the class meeting (the “**H Shares Class Meeting**”) for holders of the H shares (“**H Shares**”) of Zhejiang Expressway Co., Ltd. (the “**Company**”) will be held on Friday, March 20, 2026 at 12:00 noon (or immediately after the conclusion or adjournment of the extraordinary general meeting) at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People’s Republic of China (the “**PRC**”), for the purpose of considering and, if thought fit, passing with or without modification or amendment the following resolutions. Unless otherwise defined, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated February 5, 2026, which contains details of the following resolutions:

### AS SPECIAL RESOLUTIONS

1. To consider and approve the resolution in relation to the Plan for Absorption and Merger of Oceanking Development through Share Swap by Zhejiang Expressway, including:
  - 1.01 Parties to the Transaction
  - 1.02 Class and par value of shares to be issued for the Share Swap
  - 1.03 Share Swap targets and the Record Date for Merger Implementation
  - 1.04 Issue Price and Conversion Price
  - 1.05 Conversion Ratio
  - 1.06 Number of shares to be issued for Share Swap
  - 1.07 Listing and trading of A Shares of Zhejiang Expressway
  - 1.08 Treatment of fractional shares
  - 1.09 Treatment of shares of Oceanking Development with restricted rights
  - 1.10 Arrangement for lock-up period of shares

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## NOTICE OF H SHARES CLASS MEETING

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- 1.11 Protection mechanism for the Dissenting Shareholders of Zhejiang Expressway
  - 1.12 Protection mechanism for the Dissenting Shareholders of Oceanking Development
  - 1.13 Disposal of claims and debts involved in the Transaction
  - 1.14 Arrangements for the Transition Period of the Absorption and Merger transaction
  - 1.15 Arrangements for the transfer or closing of relevant assets involved in the Transaction
  - 1.16 Arrangement for employees
  - 1.17 Arrangement for retained undistributed profits in the Absorption and Merger transaction
  - 1.18 Validity period of the resolution
2. To consider and approve the resolution in relation to entering into of the conditional Agreement on Absorption and Merger through Share Swap between Zhejiang Expressway Co., Ltd. and Zhejiang Oceanking Development Co., Ltd. and its Supplemental Agreements
  3. To consider and approve the resolution in relation to formulation of the Articles of Association (Draft) and its appendices to be applied upon listing of A Shares of the Company
  4. To consider and approve the resolution in relation to proposed grant of specific mandate to the Board of Directors at the General Meeting and Class Meetings to issue new A Shares
  5. To consider and approve the resolution in relation to proposed authorization to the Board of Directors and its authorized persons at the General Meeting to handle matters related to the Transaction in their absolute discretion

By order of the Board  
**Zhejiang Expressway Co., Ltd.**  
**Tony Zheng**  
*Company Secretary*

Hangzhou, PRC  
February 5, 2026

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## NOTICE OF H SHARES CLASS MEETING

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*Notes:*

### **1. Registration procedures for attending the H Shares Class Meeting**

- (1) Holders of H Shares intending to attend the H Shares Class Meeting should return the reply slip for attending the H Shares Class Meeting to the Company by post or by facsimile (address and facsimile numbers are shown in paragraph 5(b) below) such that the same shall be received by the Company on or before March 19, 2026.
- (2) A shareholder or his/her/its proxy should produce proof of identity when attending the H Shares Class Meeting. If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative shall produce proof of identity and a copy of the resolution of the board of directors or other governing body of such shareholder appointing such legal representative to attend the meeting.

### **2. Proxy**

- (1) A shareholder eligible to attend and vote at the H Shares Class Meeting is entitled to appoint, in written form, one or more proxies to attend and vote at the H Shares Class Meeting on behalf of him/her/it. A proxy need not be a shareholder of the Company.
- (2) A proxy shall be appointed by a written instrument signed by the appointor or an attorney authorized by him/her/it for such purpose. If the appointor is a corporation, the same shall be affixed with the seal of such corporation, or signed by its director(s) or duly authorized representative(s). If the instrument appointing a proxy is signed by a person authorized by the appointor, the power of attorney or other authorisation document(s) shall be notarized.
- (3) To be valid, the power of attorney or other authorisation document(s) (which have been notarized) together with the completed form of proxy must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, at least 24 hours before the time designated for holding of the H Shares Class Meeting (or any adjournment thereof).
- (4) Any vote of the shareholders of the Company present in person or by proxy at the H Shares Class Meeting must be taken by poll.

### **3. Book closing period**

For the purpose of the H Shares Class Meeting, the register of members holding H Shares of the Company will be closed from March 17, 2026 to March 20, 2026 (both days inclusive).

### **4. Last day of transfer and record date**

Holders of H Shares who intend to attend the H Shares Class Meeting must deliver all transfer instruments and the relevant share certificates to Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on March 16, 2026.

For the purpose of the H Shares Class Meeting, the record date will be March 20, 2026.

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## NOTICE OF H SHARES CLASS MEETING

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### 5. Miscellaneous

- (a) On-site voting will be adopted for the H Shares Class Meeting.
- (b) The H Shares Class Meeting will not last for more than one day. Shareholders who attend shall bear their own traveling and accommodation expenses.
- (c) The principal place of business of the Company in the PRC is:

Room 501, No. 2 Mingzhu International Business Center  
199 Wuxing Road, Shangcheng District  
Hangzhou City, Zhejiang Province 310020  
the People's Republic of China  
Telephone No.: (+86)-571-87987700  
Facsimile No.: (+86)-571-87950329

*As at the date of this notice, the Chairman of the Company is Mr. YUAN Yingjie; the executive Directors of the Company are: Mr. WU Wei and Mr. LI Wei; the other non-executive Directors of the Company are: Mr. ZHAO Xilong, Mr. FAN Ye and Mr. HUANG Jianzhang; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. YU Mingyuan.*

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## NOTICE OF DOMESTIC SHARES CLASS MEETING

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 0576)

## NOTICE OF DOMESTIC SHARES CLASS MEETING

**NOTICE IS HEREBY GIVEN THAT** the class meeting (the “**Domestic Shares Class Meeting**”) for holders of the domestic shares (“**Domestic Shares**”) of Zhejiang Expressway Co., Ltd. (the “**Company**”) will be held on Friday, March 20, 2026 at 12:30 p.m. (or immediately after the conclusion or adjournment of the H Shares Class Meeting) at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People's Republic of China (the “**PRC**”), for the purpose of considering and, if thought fit, passing with or without modification or amendment the following resolution. Unless otherwise defined, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated February 5, 2026, which contains details of the following resolution:

### AS SPECIAL RESOLUTION

1. To consider and approve the resolution in relation to formulation of the Articles of Association (Draft) and its appendices to be applied upon listing of A Shares of the Company

By order of the Board  
**Zhejiang Expressway Co., Ltd.**  
**Tony Zheng**  
*Company Secretary*

Hangzhou, PRC  
February 5, 2026

*Notes:*

1. **Registration procedures for attending the Domestic Shares Class Meeting**
  - (1) Holders of Domestic Shares intending to attend the Domestic Shares Class Meeting should return the reply slip for attending the Domestic Shares Class Meeting to the Company by post or by facsimile (address and facsimile numbers are shown in paragraph 5(b) below) such that the same shall be received by the Company on or before March 19, 2026.

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## NOTICE OF DOMESTIC SHARES CLASS MEETING

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- (2) A shareholder or his/her/its proxy should produce proof of identity when attending the Domestic Shares Class Meeting. If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative shall produce proof of identity and a copy of the resolution of the board of directors or other governing body of such shareholder appointing such legal representative to attend the meeting.

### **2. Proxy**

- (1) A shareholder eligible to attend and vote at the Domestic Shares Class Meeting is entitled to appoint, in written form, one or more proxies to attend and vote at the Domestic Shares Class Meeting on behalf of him/her/it. A proxy need not be a shareholder of the Company.
- (2) A proxy shall be appointed by a written instrument signed by the appointor or an attorney authorized by him/her/it for such purpose. If the appointor is a corporation, the same shall be affixed with the seal of such corporation, or signed by its director(s) or duly authorized representative(s). If the instrument appointing a proxy is signed by a person authorized by the appointor, the power of attorney or other authorisation document(s) shall be notarized.
- (3) To be valid, the power of attorney or other authorisation document(s) (which have been notarized) together with the completed form of proxy must be delivered to the Company at the address shown in paragraph 5(b) below, at least 24 hours before the time designated for holding of the Domestic Shares Class Meeting (or any adjournment thereof).
- (4) Any vote of the shareholders of the Company present in person or by proxy at the Domestic Shares Class Meeting must be taken by poll.

### **3. Book closing period**

For the purpose of the Domestic Shares Class Meeting, the register of members holding Domestic Shares of the Company will be closed from March 17, 2026 to March 20, 2026 (both days inclusive).

### **4. Last day of transfer and record date**

Holders of the Domestic Shares who intend to attend the Domestic Shares Class Meeting must deliver all transfer instruments and the relevant share certificates to the Company's principal place of business in the PRC at Room 501, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Shangcheng District, Hangzhou City, Zhejiang Province, the PRC, at or before 4:30 p.m. on March 16, 2026.

For the purpose of the Domestic Shares Class Meeting, the record date will be March 20, 2026.

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## NOTICE OF DOMESTIC SHARES CLASS MEETING

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### 5. Miscellaneous

- (a) The Domestic Shares Class Meeting will not last for more than one day. Shareholders who attend shall bear their own traveling and accommodation expenses.
  
- (d) The principal place of business of the Company in the PRC is:

Room 501, No. 2 Mingzhu International Business Center  
199 Wuxing Road, Shangcheng District  
Hangzhou City, Zhejiang Province 310020  
the People's Republic of China  
Telephone No.: (+86)-571-87987700  
Facsimile No.: (+86)-571-87950329

*As at the date of this notice, the Chairman of the Company is Mr. YUAN Yingjie; the executive Directors of the Company are: Mr. WU Wei and Mr. LI Wei; the other non-executive Directors of the Company are: Mr. ZHAO Xilong, Mr. FAN Ye and Mr. HUANG Jianzhang; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. YU Mingyuan.*