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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 accountant or other professional adviser.

If you have sold or transferred all your shares in Shandong Xinhua Pharmaceutical Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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山東新華製藥股份有限公司
Shandong Xinhua Pharmaceutical Company Limited

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

(Stock Code: 00719)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
THE RULES AND PROCEDURES FOR GENERAL MEETINGS AND
THE RULES AND PROCEDURES FOR BOARD MEETINGS
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 1 to 4 of this circular.

A notice convening the EGM to be held at the conference room of the Company at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC on 24 October 2025, Friday at 2:00 p.m. is also set out on pages 91 to 93 of this circular.

The proxy form and reply slip in relation to the EGM are enclosed and also published and available for downloading on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and of the Company at <http://www.xhzy.com>.

Whether or not you intend to attend the EGM, we encourage you to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours prior to the commencement of the EGM (or any adjournments thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. Shareholders who intend to attend the EGM should also complete and return the reply slip in accordance with the instructions printed thereon.

2 October 2025

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DEFINITIONS

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

“A Share(s)”	A Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Shenzhen Stock Exchange
“Board”	the board of Directors
“Company”	山東新華製藥股份有限公司 (Shandong Xinhua Pharmaceutical Company Limited), a joint stock limited company incorporated in the PRC
“Director(s)”	director(s) of the Company
“EGM”	the first extraordinary general meeting for the year of 2025 of the Company to be held at 2:00 pm on 24 October 2025 at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC
“H Share(s)”	H Share(s) of RMB1.00 each in the capital of the Company which is listed and traded on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of the H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for and only for the purpose of this circular only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Share(s)

If there is any inconsistency between such names or words and their English translations in this circular, the Chinese expressions shall prevail.

LETTER FROM THE BOARD



山東新華製藥股份有限公司
Shandong Xinhua Pharmaceutical Company Limited

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

(Stock Code: 00719)

Executive Directors:

Mr. He Tongqing (*Chairman*)

Mr. Xu Wenhui

Mr. Hou Ning

Non-executive Directors:

Mr. Xu Lie

Mr. Zhang Chengyong

Independent Non-executive Directors:

Mr. Pan Guangcheng

Mr. Zhu Jianwei

Mr. Ling Peixue

Ms. Cheung Ching Ching, Daisy

Registered Address:

Chemical Industry Area of Zibo Hi-tech

Industry Development Zone,

Zibo City,

Shandong Province,

PRC

Principal Place of Office

No. 1 Lutai Ave.,

Hi-tech Industry Development Zone, Zibo City,

Shandong Province,

the PRC

2 October 2025

To Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
THE RULES AND PROCEDURES FOR GENERAL MEETINGS AND
THE RULES AND PROCEDURES FOR BOARD MEETINGS**

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and certain information to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

LETTER FROM THE BOARD

2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES AND PROCEDURES FOR GENERAL MEETINGS AND THE RULES AND PROCEDURES FOR BOARD MEETINGS

Reference is made to the Company's announcement dated 26 August 2025.

For compliance with requirements of (i) the new Company Law of the People's Republic of China (中華人民共和國公司法), which took effect on 1 July 2024; (ii) the Transitional Period Arrangements for the Implementation of the Rules of the Supporting System of the New Company Law (關於新〈公司法〉配套制度規則實施相關過渡期安排); (iii) the Guidelines on the Articles of Association of Listed Companies (Revised in 2025) (上市公司章程指引(2025年修訂)) issued by the China Securities Regulatory Commission; (iv) the adjustments to the business scope classification rules under the enterprise registration and approval system of administrative agencies; and (iv) other relevant laws, regulations, normative documents and regulatory requirements, the Company proposes to amend its articles of association and related rules and procedures to give effect to the following:

- (i) to abolish the Supervisory Committee and transfer its functions to the Audit Committee;
- (ii) to adjust certain powers of the Shareholders' meeting and that of the Board;
- (iii) to adjust the description of the business scope; and
- (iv) to make other corresponding and ancillary amendments.

The Board, taking into account the foregoing, proposed certain amendments to the following documents of the Company which were, after due consideration, approved at a duly convened meeting of the Board on 26 August 2025:

- (1) the articles of association of the Company (the “**Articles of Association**”) (the “**Proposed Amendments to the Articles of Association**”);
- (2) the rules and procedures for general meetings of the Company (the “**Proposed Amendments to the Rules and Procedures for General Meetings**”); and
- (3) the rules and procedures for board meetings of the Company (the “**Proposed Amendments to the Rules and Procedures for Board Meetings**”);

(The Proposed Amendments to the Articles of Association, the Proposed Amendments to the Rules and Procedures for General Meetings and the Proposed Amendments to the Rules and Procedures for Board Meetings are hereby collectively referred to as the “**Proposed Amendments**”).

LETTER FROM THE BOARD

The Proposed Amendments are further subject to obtaining approval from Shareholders by way of a special resolution.

The Company confirms that the Proposed Amendments to the Articles of Association will not have any adverse effect to the existing businesses and operations of the Company and its subsidiaries and the Directors confirm that the Proposed Amendments to the Articles of Association are in compliance with the Listing Rules. The Company's legal advisers have confirmed that the Proposed Amendments to the Articles of Association are in compliance with the requirements of the Listing Rules and the relevant PRC laws and regulations. The Company also confirmed that there is nothing unusual about the Proposed Amendments to the Articles of Association for a company listed in Hong Kong.

The full text of the Proposed Amendments to the Articles of Association, the Proposed Amendments to the Rules and Procedures for General Meetings and the Proposed Amendments to the Rules and Procedures for Board Meetings which were prepared in the Chinese language, are set out in Appendix I, Appendix II and Appendix III to this circular, respectively. 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.

3. EGM

The Proposed Amendments are subject to the approval of the Shareholders by way of special resolution at the EGM.

A notice convening the EGM to be held at the conference room of the Company at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC on Friday, 24 October 2025, Monday at 2:00 p.m. is set out on pages 91 to 93 of this circular. The proxy form and reply slip in relation to the EGM are enclosed and also published and available for downloading on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and of the Company at <http://www.xhzy.com>.

Whether or not you intend to attend the EGM, we encourage you to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours prior to the commencement of the EGM (or any adjournments thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. Shareholders who intend to attend the EGM should also complete and return the reply slip in accordance with the instructions printed thereon.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the special resolution in relation to the Proposed Amendments at the EGM.

LETTER FROM THE BOARD

4. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of H Shareholders to attend and vote at the EGM, the register of members of the Company for H Shares will be closed from Tuesday, 21 October 2025 to Friday, 24 October 2025, both days inclusive. In order to qualify for attending and voting at the EGM, unregistered H Shareholders should ensure that all transfer documents for H Shares together with the relevant share certificates should be lodged for registration with the Company's Hong Kong share registrar for H Shares, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 20 October 2025.

5. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to all proposed resolution at the EGM. Poll results will be announced by the Company in accordance with Rule 13.39(5) of the Listing Rules after the EGM.

6. RECOMMENDATIONS

The Board considers that the Proposed Amendments as set out in this circular are in the best interest of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed special resolution set out in the notice convening the EGM set out in pages 91 to 93 of this circular.

7. 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.

By order of the Board
Shandong Xinhua Pharmaceutical Company Limited
He Tongqing
Chairman

2 October 2025, Zibo, the People's Republic of China

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Particulars of the Proposed Amendments to the Articles of Association

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 2</p> <p>In accordance with the Company Law and the Constitution of the Communist Party of China (the “Party”), the Company hereby sets up Party organizations and related working organs, and maintains an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations. The Party organizations serves core political leadership functions in the Company.</p>	<p>Article 2</p> <p>In accordance with the Company Law and the Constitution of the Communist Party of China (the “Party”), the Company hereby sets up Party organizations and related working organs, and maintains an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations. <u>The Company’s Party organization plays a leading role in setting direction, managing the overall situation, ensuring implementation, and discussing and deciding on major issues of the Company in accordance with regulations.</u></p>
<p>Article 5</p> <p>The legal representative of the Company is the chairman of the Company.</p> <p>.....</p>	<p>Article 5</p> <p><u>The chairman represents the Company in carrying out the affairs of the Company.</u></p> <p>The legal representative of the Company is the chairman of the Company.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 10</p> <p><u>The legal liabilities of civil activities conducted by the Company's legal representative in the name of the Company shall be borne by the Company.</u></p> <p><u>Restrictions on the powers of the legal representative stipulated in these Articles or by the shareholders' meeting shall not be asserted against a bona fide counterparty.</u></p> <p><u>Where the legal representative causes damage to others in the course of performing their duties, the Company shall bear civil liability. After the Company has borne the civil liability, it may claim compensation from the at-fault legal representative in accordance with the provisions of laws or these Articles.</u></p>
<p>Article 10</p> <p>The entire capital of the Company shall be divided into shares of equal par value, and the liability of a shareholder to the Company is limited by the shares held by him. The Company shall be liable for its debts up to the extent of all its assets.</p> <p>.....</p>	<p>Article 11</p> <p>The liability of a shareholder to the Company is limited by the shares held by him. The Company shall be liable for its debts up to the extent of all its assets.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 14</p> <p>Registered in accordance with the law, the scope of the Company's businesses covers production, wholesale and retail of medicine, chemical raw materials, food additives, healthcare food, solid beverages, veterinary products, fish oil, pharmaceutical equipment, medicine inspection instruments and apparatus, technology transfer, service, consultancy and training for projects independently developed by the Company; wholesale and retail of traditional Chinese medicine, traditional Chinese medicine decoction pieces, medical devices (Class I, Class II and Class III), contact lens and solutions, test strips (testing reagent), healthcare food, maternity and childcare products, dairy products (including infant milk formula), cosmetics, cleansing products, pre-packaged food, bulk food, general merchandise, elementary agricultural products, seafood, sexual health and family planning products; sales of chemical active pharmaceutical ingredients, chemical products, chemical reagents, pharmaceutical intermediates (the above three categories exclude hazardous and precursor chemicals); import and export business; warehousing services (excluding hazardous goods) and Internet information consultancy and services; and e-commerce entrusted operation; property management, housing leasing, non-residential real estate leasing (Projects that require approval according to law can only be operated after being approved by relevant departments).</p>	<p>Article 15</p> <p><u>Authorized Projects: Pharmaceutical production; pharmaceutical wholesale; pharmaceutical retail; contract pharmaceutical production; pharmaceutical import and export; food additive production; health food production; food sales; food production; veterinary drug production; veterinary drug business; Class III medical device production; Class II medical device production; Class III medical device business; Internet information services for pharmaceutical products; online data processing and transaction processing services (business-type e-commerce). Projects requiring approval under the law must be approved by the relevant departments before business operations can be conducted. Specific business items shall be subject to the approval documents or permits issued by the relevant departments.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
	<p><u>General projects: Sales of chemical products (excluding licensed chemical products); Production of chemical products (excluding licensed chemical products); Sales of food additives; Sales of health food (pre-packaged); Manufacturing of pharmaceutical dedicated equipment; Sales of pharmaceutical dedicated equipment; Sales of instruments and meters; Repair of instruments and meters; Technical services, technical development, technical consultation, technical exchange, technical transfer, technical promotion; Purchase and sale of local medicinal herbs (excluding Chinese herbal pieces); Production of Class I medical devices; Sales of Class I medical devices; Sales of Class II medical devices; Sales of drug testing instruments; Sales of maternal and infant products; Wholesale of cosmetics; Retail of cosmetics; Sales of daily chemical products; Sales of daily necessities; Retail of edible agricultural products; Sales of adult novelty products (excluding medicines and medical devices); Manufacturing of basic chemical raw materials (excluding licensed chemical products such as hazardous chemicals); Manufacturing of specialized chemical products (excluding hazardous chemicals); Medical research and experimental development; General cargo storage services (excluding hazardous chemicals and other projects requiring licensing approval); Property management; Housing lease; Non-residential real estate lease. (Except for projects that must be approved in accordance with the law, business operations shall be carried out independently in accordance with the law with a business license)</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>Article 16</p> <p>.....</p> <p>Issuing of company shares shall adopt an open, fair, and just principle. Shares of the same type shall have equal rights.</p> <p>.....</p>	<p>Article 17</p> <p>.....</p> <p>Issuing of company shares shall adopt an open, fair, and just principle. Shares of the same type have equal rights.</p> <p>.....</p>
<p>Article 24</p> <p>The shares of the Company shall be transferable with law.</p> <p>.....</p>	<p>Article 25</p> <p>The shares of the Company <u>shall be transferred</u> with law.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>Article 25</p> <p>If a promoter holds shares of the company, he cannot transfer those shares within 1 year of incorporation of the company. Shares issued before public issuance by the Company shall not be transferred within 1 year of the Company securing listed status.</p> <p>The company directors, supervisors, and senior management personnel should declare to the Company the shares held by them and any changes to those shares. When they are holding these posts, they cannot transfer more than 25% of the total shares held by them in the company per year. The Shares held cannot be transferred within one year of the company securing listed status. After the above personnel leave their posts, they cannot transfer the shares held in the Company within six months.</p> <p>If a company director, supervisor, senior management personnel, or shareholder holding 5% or more of shares in the Company, sells shares in the Company within six months of buying those shares, or buying those shares within six months of selling, all the resulting profits should belong to the Company. Those profits shall be collected by the Board of Directors. But if a securities company undertakes unsold shares, thereby holding more than 5% of the shares, as well as other circumstances stipulated by the China Securities Regulatory Commission, are excluded.</p> <p>.....</p>	<p>Article 26</p> <p>Shares issued before public issuance by the Company shall not be transferred within 1 year of the Company securing listed status.</p> <p>The company directors and senior management personnel should declare to the Company the shares held by them and any changes to those shares. <u>During their confirmed tenure</u>, they cannot transfer more than 25% of the total shares <u>of the same class</u> held by them in the company per year. The Shares held cannot be transferred within one year of the company securing listed status. After the above personnel leave their posts, they cannot transfer the shares held in the Company within six months.</p> <p>If a company director, senior management personnel, or shareholder holding 5% or more of shares in the Company, sells shares <u>or other securities with equity nature</u> in the Company within six months of buying those shares, or buying those shares within six months of selling, all the resulting profits should belong to the Company. Those profits shall be collected by the Board of Directors. But if a securities company undertakes unsold shares, thereby holding more than 5% of the shares, as well as other circumstances stipulated by the China Securities Regulatory Commission, are excluded.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 27</p> <p>When the Company reduces its registered capital, a balance sheet and a list of the Company's assets shall be prepared.</p> <p>The Company shall notify its creditors of its decision within 10 days from the date of the resolution to reduce its registered capital, and shall make public announcements in newspapers or National Enterprise Credit Information Publicity System within the 30 days following the date of the said resolution. All creditors shall have the right, within 30 days of receiving the said notice, or, if such notice was not received, within 45 days of the date of public announcement, to require the Company to repay its debts or to provide security of equivalent value for the repayment of such debts.</p> <p>The Company's registered capital after capital reduction shall not be less than the legal minimum.</p>	<p>Article 28</p> <p>When the Company reduces its registered capital, a balance sheet and a list of the Company's assets <u>will</u> be prepared.</p> <p>The Company shall notify its creditors of its decision within 10 days from the date of the <u>shareholders' meeting's</u> resolution to reduce its registered capital, and shall make public announcements in newspapers or National Enterprise Credit Information Publicity System within the 30 days following the date of the said resolution. All creditors shall have the right, within 30 days of receiving the said notice, or, if such notice was not received, within 45 days of the date of public announcement, to require the Company to repay its debts or to provide security of equivalent value for the repayment of such debts.</p> <p><u>When the Company reduces its registered capital, the capital contributions or shares shall be reduced proportionally according to the proportion of shares held by the shareholders, unless otherwise specified by laws or these Articles.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 29</p> <p><u>If the Company still incurs a loss after making up for losses in accordance with the provisions of the second paragraph of Article 180 of these Articles, it may reduce its registered capital to make up for the losses. When reducing registered capital to make up for losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from the obligation to pay capital contributions or share payments.</u></p> <p><u>Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of the second paragraph of Article 28 of these Articles shall not apply, but an announcement shall be made in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the shareholders' meeting makes a 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 accumulated amount of statutory public reserve fund and discretionary public reserve fund reaches 50% of the Company's registered capital.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
Newly added	<p>Article 30</p> <p><u>If the registered capital is reduced in violation of the provisions of the “Company Law” and other relevant regulations, the shareholders shall return the funds they have received, and if the shareholders’ capital contributions are reduced or exempted, they shall be restored to their original state; if losses are caused to the Company, the shareholders and the responsible directors and senior managers shall bear the liability for compensation.</u></p>
Newly added	<p>Article 31</p> <p><u>When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive rights, unless otherwise specified in these Articles or the shareholders’ meeting resolves that shareholders have pre-emptive rights.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 30</p> <p>When the Company repurchases its own shares under the circumstances specified in Article 28(1) and Article 28(2) of the Articles, it must first obtain the prior approval of the shareholders at a shareholders' general meeting; whereas for repurchases under the circumstances specified in Article 28(3), Article 28(5) and Article 28(6) of the Articles, the repurchase of shares by the Company shall be in accordance with these Articles or the Company shall obtain authorization at a shareholders' meeting with approval by resolution(s) of the board at a board meeting attended by more than two-thirds directors. Subject to prior approval of the shareholders' general meeting or board of directors in the same method, the Company may rescind or vary any such contract it entered into or waive its rights thereunder.</p> <p>A contract for the repurchase of shares referred to in the above paragraph of this Article includes, without limitation, an agreement to assume an obligation to repurchase or an agreement to acquire the right to repurchase shares of the Company.</p> <p>The Company shall not assign a contract to repurchase its shares nor any of its rights under such a contract.</p>	<p>Article 34</p> <p>When the Company repurchases its own shares under the circumstances specified in Article 32(1) and (2) of the Articles, it must first obtain the prior approval of the shareholders at a shareholders' general meeting; whereas for repurchases under the circumstances specified in Article 32(3), (5) and (6) of the Articles, the repurchase of shares by the Company shall be in accordance with these Articles or the Company shall obtain authorization at a shareholders' meeting with approval by resolution(s) of the board at a board meeting attended by more than two-thirds directors.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>Article 31</p> <p>.....</p> <p>shall be transferred or cancelled within 3 years and the total number of shares of the Company held by the Company shall not exceed 10% of total issued shares of the Company.</p> <p>The Company's registered capital shall be reduced by the aggregate par value of the cancelled shares.</p> <p>The Company shall not accept its shares as the subject of pledge.</p>	<p>Article 35</p> <p>.....</p> <p>shall be transferred or cancelled within 3 years and the total number of shares of the Company held by the Company shall not exceed 10% of total issued shares of the Company.</p> <p>The Company's registered capital shall be reduced by the aggregate par value of the cancelled shares.</p> <p>The Company shall not accept its shares as the subject of pledge.</p>
<p>Article 32</p> <p>The Company and its subsidiaries shall not at any time and in any manner provide any form of financial assistance to a person purchasing or who intends to purchase the shares of the Company, excluding companies implementing employee stock ownership plans. For the purpose of this Article, a purchaser of the Company's shares includes a person who directly or indirectly undertakes any form of obligations as a result of a purchase of the Company's shares.</p> <p>.....</p>	<p>Article 36</p> <p>The Company and its subsidiaries shall not at any time and in any manner provide any form of financial assistance to a person purchasing or who intends to purchase the shares of the Company <u>or its parent company's shares</u>, excluding companies implementing employee stock ownership plans. For the purpose of this Article, a purchaser of the Company's shares includes a person who directly or indirectly undertakes any form of obligations as a result of a purchase of the Company's shares.</p> <p>.....</p>
<p>Article 37</p> <p>The Company shall maintain a register of shareholders based on the certificates provided by the securities registration authority as a record of the following matters:</p> <p>.....</p>	<p>Article 41</p> <p>The Company shall maintain a register of shareholders based on the certificates provided by the securities registration <u>and settlement</u> authority as a record of the following matters:</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 48</p> <p>If a resolution passed at the Company’s general meeting or Board meeting violates the laws or administrative regulations, the shareholders shall have the right to plead to the People’s Court to render the same invalid.</p> <p>If the procedures for convening, or the method of voting at, a shareholders’ general meeting or Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to initiate proceeding to the People’s Court to rescind such resolutions within 60 days from the date on which such resolution is adopted.</p>	<p>Article 52</p> <p>If a resolution passed at the Company’s general meeting or Board meeting violates the laws or administrative regulations, the shareholders shall have the right to plead to the People’s Court to render the same invalid.</p> <p>If the procedures for convening, or the method of voting at, a shareholders’ general meeting or Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to initiate proceeding to the People’s Court to rescind such resolutions within 60 days from the date on which such resolution is adopted.</p> <p><u>However, this does not apply to cases where the convening procedures or voting methods of the shareholders’ meeting or the board of directors meeting have only minor defects that do not have a substantial impact on the resolution.</u></p> <p><u>If there is a dispute among the board of directors, shareholders and other relevant parties over the validity of a shareholders’ meeting resolution, 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 shareholders’ meeting resolution. The Company, its directors and senior managers shall earnestly perform their duties to ensure the normal operation of the Company.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
	<p><u>If the People’s Court makes a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission and the stock exchange, fully explain the impact, and actively cooperate with the implementation after the judgment or ruling takes effect. If it involves correcting previous matters, it shall handle them in a timely manner and perform the corresponding information disclosure obligations.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Where the Company incurs losses as a result of Directors' and senior management's violation of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the Supervisory Committee to initiate proceedings in the People's Court. Where the Company incurs losses as a result of the Supervisory Committee' violation of any provision of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, the shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in the People's Court.</p> <p>In the event that the Supervisory Committee or the Board refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in the People's Court directly in their own names in the interest of the Company.</p> <p>.....</p>	<p>Article 53</p> <p>Where the Company incurs losses as a result of Directors' and senior management's violation of the laws <u>other than members of the Audit Committee</u>, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the <u>Audit Committee</u> to initiate proceedings in the People's Court. Where the Company incurs losses as a result of the <u>Audit Committee</u>' violation of any provision of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, the <u>aforementioned</u> shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in the People's Court.</p> <p>In the event that the <u>Audit Committee</u> or the Board refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in the People's Court directly in their own names in the interest of the Company.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>If the directors,supervisors or senior management of the wholly-owned subsidiaries of the Company violate laws, administrative regulations, or the Company's articles of association while performing their duties, causing losses to the Company, or a third party infringes upon the lawful rights and interests of the wholly-owned subsidiaries of the Company and causes losses to the wholly-owned subsidiaries of the Company, shareholders who hold 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall have the right to request the supervisory committee or the board of directors of the wholly-owned subsidiaries of the Company in writing to institute proceedings in the People's Court or institute proceedings directly in the People's Court in their own names pursuant to the preceding three paragraphs of this Article.</p> <p>.....</p>	<p>If the directors or senior management of the wholly-owned subsidiaries of the Company violate laws, administrative regulations, or the Company's articles of association while performing their duties, causing losses to the Company, or a third party infringes upon the lawful rights and interests of the wholly-owned subsidiaries of the Company and causes losses to the wholly-owned subsidiaries of the Company, shareholders who hold 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall have the right to request the board of directors of the wholly-owned subsidiaries of the Company in writing to institute proceedings in the People's Court or institute proceedings directly in the People's Court in their own names pursuant to the preceding three paragraphs of this Article.</p> <p><u>Where a wholly-owned subsidiary of the Company does not have a supervisory board or supervisors but has an audit committee, the provisions of the first and second paragraphs of this Article shall apply.</u></p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 54</p> <p><u>A resolution of the Company’s shareholders’ meeting or board of directors shall be deemed not to have been passed under any of the following circumstances:</u></p> <p>(1) <u>The resolution is made without convening a shareholders’ meeting or board of directors meeting;</u></p> <p>(2) <u>The shareholders’ meeting or board of directors meeting does not vote on the matters of the resolution;</u></p> <p>(3) <u>The number of attendees or the number of voting rights held does not meet the number of attendees or the number of voting rights specified in the Company Law or these Articles;</u></p> <p>(4) <u>The number of persons agreeing to the matters of the resolution or the number of voting rights held does not meet the number of persons or the number of voting rights specified in the Company Law or these Articles.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 49</p> <p>A holder of ordinary shares in the Company shall have the following obligations:</p> <ol style="list-style-type: none"> (1) to abide by laws, administrative regulations, and these Articles; (2) to pay subscription monies in accordance with the shares subscribed to by him and the manner of subscription; (3) other obligations imposed by relevant laws, administrative regulations and these Articles. <p>Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares. H shares pledge must be handled in accordance with the securities regulatory rules of the company's overseas listing location.</p>	<p>Article 55</p> <p>A holder of ordinary shares in the Company shall have the following obligations:</p> <ol style="list-style-type: none"> (1) to abide by laws, administrative regulations, and these Articles; (2) to pay subscription monies in accordance with the shares subscribed to by him and the manner of subscription; (3) <u>not to withdraw their share capital except as provided by laws and regulations;</u> (4) <u>not to abuse their shareholder rights to damage the interests of the company or other shareholders; nor shall they abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the interests of the Company's creditors;</u> (5) other obligations imposed by relevant laws, administrative regulations and these Articles.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
	<p><u>If a shareholder of the Company abuses its shareholder rights and causes losses to the Company or other shareholders, it shall bear the liability for compensation in accordance with the law. If a shareholder of the Company abuses the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors, it shall bear joint and several liability for the Company's debts.</u></p> <p>H shares pledge must be handled in accordance with the securities regulatory rules of the company's overseas listing location.</p>
<p>Article 51</p> <p>The controlling shareholders (the "Controlling Shareholders") and the de facto controllers of the Company owe fiduciary duties to the Company and the public shareholders of the Company. The Controlling Shareholders shall exercise the rights of the persons contributing capital in strict compliance with the law and shall not undermine the legal interests of the Company or the public shareholders of the Company through connected transactions, profit distributions, assets restructuring, foreign investment, capital appropriation, loan and guarantee etc. or through their controlling status.</p> <p>If the controlling shareholder or de facto controller violates the above paragraph, he/she shall indemnify the Company against losses incurred due to such violation.</p>	<p>Article 57</p> <p>The controlling shareholders (the "Controlling Shareholders") and the de facto controllers of the Company <u>shall exercise their rights and perform their obligations in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission and stock exchanges, and safeguard the interests of the Company.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 58</p> <p><u>The controlling shareholders and the de facto controllers of the Company shall comply with the following provisions:</u></p> <p><u>(1) exercise shareholder rights in accordance with the law, and shall not abuse control power or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;</u></p> <p><u>(2) strictly fulfill the public statements and various commitments made, and shall not arbitrarily modify or grant exemptions;</u></p> <p><u>(3) strictly perform information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the company of major events that have occurred or are planned to occur;</u></p> <p><u>(4) not to occupy the Company's funds in any way;</u></p> <p><u>(5) not to force, instigate or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
	<p>(6) <u>not to use the Company's undisclosed major information to seek benefits, not to disclose undisclosed major information related to the Company in any way, and shall not engage in illegal and irregular acts such as insider trading, short-term trading, and market manipulation;</u></p> <p>(7) <u>not to damage the legitimate rights and interests of the Company and other shareholders through any means such as unfair related transactions, profit distribution, asset restructuring, and external investment;</u></p> <p>(8) <u>ensure the Company's asset integrity, personnel independence, financial independence, institutional independence and business independence, and shall not affect the Company's independence in any way;</u></p> <p>(9) <u>other provisions of laws, administrative regulations, the China Securities Regulatory Commission, stock exchange business rules and these Articles.</u></p> <p><u>If the controlling shareholder or the de facto controller of the Company does not serve as a director of the Company but actually administers the Company's affairs, the provisions of these Articles regarding the fiduciary duty and duty of diligence of directors shall apply.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
	<u>If the controlling shareholder or the de facto controller of the Company instructs a director or senior manager to engage in acts that damage the interests of the Company or its shareholders, they shall bear joint and several liability with such director or senior manager.</u>
Newly added	Article 59 <u>Where a controlling shareholder or de facto controller pledges the Company's shares held or actually controlled by them, they shall maintain the stability of the Company's control right and production and operation.</u>
Newly added	Article 60 <u>Where a controlling shareholder or de facto controller transfers the shares of the Company held by them, they shall comply with the restrictive provisions on share transfer as stipulated in laws, administrative regulations, the China Securities Regulatory Commission and the stock exchange where the Company's shares are listed, as well as the commitments made by them on restricting share transfer.</u>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 53</p> <p>The shareholders' general meeting shall have the following functions and powers:</p> <ol style="list-style-type: none"> (1) to appoint and replace directors and to decide matters concerning directors' remuneration; (2) to appoint and replace supervisors and to decide matters concerning supervisors' remuneration; (3) to consider and approve reports of the board of directors; (4) to consider and approve reports of the supervisory committee; (5) to consider and approve proposals for the distribution of the Company's profits and plans for making up any losses of the Company; (6) to consider and decide on proposals to increase or reduce the registered capital of the Company; (7) to consider and decide matters concerning the merger, demerger, dissolution and liquidation or alteration of corporate form of the Company; 	<p>Article 62</p> <p>The shareholders' general meeting shall have the following functions and powers:</p> <ol style="list-style-type: none"> (1) to appoint and replace <u>non employee representative</u> directors and to decide matters concerning directors' remuneration; (2) to consider and approve reports of the board of directors; (3) to consider and approve proposals for the distribution of the Company's profits and plans for making up any losses of the Company; (4) to consider and decide on proposals to increase or reduce the registered capital of the Company; (5) to consider and decide matters concerning the merger, demerger, dissolution and liquidation or alteration of corporate form of the Company; (6) to consider and decide on the issue of debt securities by the Company; (7) to consider and decide the appointment, dismissal of a firm of accountants <u>responsible for the Company's audit services</u> and its salary;

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
(8) to consider and decide on the issue of debt securities by the Company;	(8) to examine and approve the provision of guarantees under Article 63 ;
(9) to consider and decide the appointment, dismissal or renewal of appointment of a firm of accountants and its salary;	(9) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
(10) to examine and approve the provision of guarantees under Article 54 ;	(10) to make amendments to these Articles;
(11) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;	<u>(11) to examine and approve changes in the use of raised funds;</u>
(12) to make amendments to these Articles;	<u>(12) to examine equity incentive plans and employee stock ownership plans;</u>
(13) to consider any resolution(s) proposed by shareholders representing 1% or more of the shares carrying voting rights, and to decide such proposals;	(13) to consider any resolution(s) proposed by shareholders representing 1% or more of the shares carrying voting rights, and to decide such proposals;
.....

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 54</p> <p>Any guarantees of the Company shall be subject to approval by the general meeting of shareholders: –</p> <p>(I) the total amount of external guarantees provided by the company and its holding subsidiaries exceeds 50% of the latest audited net assets;</p> <p>(II) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;</p> <p>(III) guarantee amount provided by the company within one year exceeds 30% of the company's latest audited total assets;</p> <p>(IV) guarantee provided for guarantee objects with asset liability ratio exceeding 70%;</p> <p>(V) resolution for a single external guarantee of which the amount exceeds 10% of the Company's combined net assets of last year audited as per Chinese accounting standards;</p> <p>(VI) guarantee provided for shareholders, de facto controllers and their related parties.</p>	<p>Article 63</p> <p>Any guarantees of the Company shall be subject to approval by the general meeting of shareholders: –</p> <p>(I) the total amount of external guarantees provided by the company and its holding subsidiaries exceeds 50% of the latest audited net assets;</p> <p>(II) any guarantee provided after the total amount of guarantee to third parties provided by the Company has exceeded 30% of the Company's latest audited total assets;</p> <p>(III) guarantee amount provided by the company <u>to others</u> within one year exceeds 30% of the company's latest audited total assets;</p> <p>(IV) guarantee provided for guarantee objects with asset liability ratio exceeding 70%;</p> <p>(V) resolution for a single guarantee of which the amount exceeds 10% of the Company's <u>latest</u> net assets;</p> <p>(VI) guarantee provided for shareholders, de facto controllers and their related parties.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 56</p> <p>.....</p> <p>The board of directors shall convene an extraordinary general meeting within 2 months of the occurrence of any one of the following events:</p> <p>(1) when the number of directors is less than the number prescribed by the Company Law or less than two-thirds of the number prescribed in these Articles;</p> <p>(2) when the losses of the Company amount to one-third of its share capital;</p> <p>(3) upon the requisition in writing of holders of 10 percent or more of the issued voting shares;</p> <p>(4) when the board of directors considers it necessary or upon the request of the supervisory committee.</p> <p>(5) such other circumstances as provided for by laws and regulations, administrative rules or the Articles of Association.</p>	<p>Article 65</p> <p>.....</p> <p>The board of directors shall convene an extraordinary general meeting within 2 months of the occurrence of any one of the following events:</p> <p>(1) when the number of directors is less than the number prescribed by the Company Law or less than two-thirds of the number prescribed in these Articles;</p> <p>(2) when the losses of the Company amount to one-third of its share capital;</p> <p>(3) upon the requisition in writing of <u>Shareholders who individually or collectively hold</u> 10 percent or more of the issued voting shares;</p> <p>(4) when the board of directors considers it necessary or upon the request of the <u>Audit Committee</u>.</p> <p>(5) such other circumstances as provided for by laws and regulations, administrative rules or the Articles of Association.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 57</p> <p>.....</p> <p>The shareholders' general meeting shall have a venue and be held on-site. The Company may provide internet or other means for the purpose of providing convenience to shareholders attending the shareholders' general meeting. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.</p>	<p>Article 66</p> <p>.....</p> <p>The shareholders' general meeting shall have a venue and be held on-site. The Company may provide internet or other means for the purpose of providing convenience to shareholders attending the shareholders' general meeting. <u>In addition to setting up a venue for on-site meetings, shareholders' meetings can also be held simultaneously through electronic communication.</u></p>
<p>Article 58</p> <p>When the Company convenes shareholders' general meeting, the Board of Directors, the Supervisory Committee and shareholder(s), severally or jointly, holding 1 percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Article 110(a)) to be considered at the meeting.</p> <p>.....</p>	<p>Article 67</p> <p>When the Company convenes shareholders' general meeting, the Board of Directors, the <u>Audit Committee</u> and shareholder(s), severally or jointly, holding 1 percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Article <u>118</u>(a)) to be considered at the meeting.</p> <p>.....</p>
<p>Article 60</p> <p>Notice of a shareholders' general meeting shall: –</p> <p>(1) specify the place, the date and the time of the meeting;</p> <p>(2) state the matters to be considered at the meeting;</p> <p>.....</p>	<p>Article 69</p> <p>Notice of a shareholders' general meeting shall: –</p> <p>(1) specify the place, the date and the time of the meeting;</p> <p>(2) state the matters <u>and proposals</u> to be considered at the meeting;</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 66</p> <p>Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents or stock account card for identification. Proxies attending the meeting shall present their valid personal identity cards and the authorization letters from the shareholder.</p> <p>.....</p>	<p>Article 74</p> <p>Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents or stock account card for identification. Proxies attending the meeting shall present their valid personal identity cards and the authorization letters from the shareholder.</p> <p>.....</p>
<p>Article 67</p> <p>.....</p> <p>The authorization letter issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:</p> <p>(I) the name of the proxies;</p> <p>(II) whether the proxies have the right to vote;</p> <p>(III) separate instructions to vote for, against or abstain from voting on each of the items in the agenda of the meeting;</p> <p>(IV) the signing date and the effective period of the authorization letter;</p> <p>(V) signature (or seal) of the appointing shareholders. If the appointing shareholder is a legal entity, such instrument appointing the proxy shall be affixed with legal person seal or signed by a Director, an executive officer or a duly authorized person.</p>	<p>Article 75</p> <p>.....</p> <p>The authorization letter issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:</p> <p>(I) <u>name or title of the principal, class and quantity of Company shares held ;</u></p> <p>(II) the name of the proxies;</p> <p>(III) <u>specific instructions from shareholders, including</u> separate instructions to vote for, against or abstain from voting on each of the items in the agenda of the meeting;</p> <p>(IV) the signing date and the effective period of the authorization letter;</p> <p>(V) signature (or seal) of the appointing shareholders. If the appointing shareholder is a legal entity, such instrument appointing the proxy shall be affixed with legal person seal or signed by a Director, an executive officer or a duly authorized person.</p>

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Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 69</p> <p>(1) The format of any form issued to shareholders by the board of directors for the purpose of appointing proxies shall enable a shareholder, according to his free choice, to instruct his proxy to vote in favour of or against each resolution proposed at the meeting. Such a form shall contain a statement that in the absence of instructions from the appointing shareholder, the proxy may vote as he thinks fit.</p> <p>.....</p>	<p>Article 77</p> <p>The format of any proxy form issued to shareholders by the board of directors for the purpose of appointing proxies shall enable a shareholder, according to his free choice, to instruct his proxy to vote in favour of or against each resolution proposed at the meeting.</p> <p>.....</p>
<p>Article 71</p> <p>The Company shall be responsible for compiling the attendee register which shall include, among others, the name of attendee (or name of relevant unit), identification document number, domicile, the number of shares with voting rights that he holds or represents, and name of the person (or name of relevant unit) who attends the meeting by proxy.</p>	<p>Article 79</p> <p>The Company shall be responsible for compiling the attendee register which shall include, among others, the name of attendee (or name of relevant unit), the number of shares with voting rights that he holds or represents, and name of the person (or name of relevant unit) who attends the meeting by proxy.</p>
<p>Article 74</p> <p>All Directors, Supervisors and the secretary to the Board of the Company shall be present at the general meeting, and the general manager and other members of the senior management shall be in attendance at the meeting.</p>	<p>Article 82</p> <p><u>If the shareholders' meeting requires directors and senior management personnel to attend the meeting, they shall attend the meeting and accept inquiries from shareholders.</u></p>

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Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>Article 78</p> <p>If a poll is demanded on a vote concerning the election of the chairman of the meeting or an adjournment of the meeting, the poll shall be taken immediately. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting decides, and the meeting may proceed to consider and vote on other matters. The result of a poll shall be deemed to be a resolution passed by the meeting during which the poll was demanded.</p>	<p>Article 86</p> <p>If a poll is demanded on a vote concerning the election of the <u>compere</u> of the meeting or an adjournment of the meeting, the poll shall be taken immediately. A poll demanded on any other matters shall be taken at such time as the <u>compere</u> of the meeting decides, and the meeting may proceed to consider and vote on other matters. The result of a poll shall be deemed to be a resolution passed by the meeting during which the poll was demanded.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 79</p> <p>.....</p> <p>The Board, independent directors and eligible shareholders are entitled to solicit proxy from shareholders publicly. While soliciting proxy of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom proxy is being solicited. No consideration or other form of actual consideration shall be involved in the solicitation of proxy from shareholders. The Company and the convener of the shareholder's general meeting shall not impose any limitation related to the minimum shareholding ratio on the solicitation of proxy.</p>	<p>Article 87</p> <p>.....</p> <p><u>If a shareholder's purchase of voting shares in the Company violates the provisions of Article 63, paragraphs 1 and 2 of the Securities Law, the excess portion of the shares shall not exercise voting rights within 36 months after purchase and shall not be included in the total number of voting shares present at the shareholders' meeting.</u></p> <p><u>Subject to compliance with the regulatory rules of the place where the Company's shares are listed,</u> the Board, independent directors and shareholders <u>holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the China Securities Regulatory Commission</u> are entitled to solicit proxy from shareholders publicly. While soliciting proxy of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom proxy is being solicited. No consideration or other form of actual consideration shall be involved in the solicitation of proxy from shareholders. <u>Except for the legal conditions,</u> the Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of proxy.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 80</p> <p>The following matters may be approved by an ordinary resolution of a shareholders' general meeting: –</p> <p>(1) work reports made by the board of directors and the supervisory committee;</p> <p>(2) proposals formulated by the board of directors for distribution of profits and for making up losses;</p> <p>(3) appointment and removal of the members of the board of directors and the supervisory committee, their remuneration and the method of payment in respect of such remuneration;</p> <p>(4) annual report of the Company;</p> <p>(5) all matters required to be approved by a shareholders' general meeting other than those required by PRC laws, administrative regulations or these Articles to be approved by way of special resolution.</p>	<p>Article 88</p> <p>The following matters may be approved by an ordinary resolution of a shareholders' general meeting: –</p> <p>(1) work reports made by the board of directors;</p> <p>(2) proposals formulated by the board of directors for distribution of profits and for making up losses;</p> <p>(3) appointment and removal of the <u>non employee representative</u> members of the board of directors, <u>as well as related director</u> remuneration and the method of payment in respect of such remuneration;</p> <p>(4) all matters required to be approved by a shareholders' general meeting other than those required by PRC laws, administrative regulations or these Articles to be approved by way of special resolution.</p>
<p>Article 81</p> <p>.....</p> <p>(5) the Company's purchase or sale of any material assets or the amount of guarantee, within one year, which exceeds 30% of the latest audited total assets of the Company;</p> <p>.....</p>	<p>Article 89</p> <p>.....</p> <p>(5) the Company's purchase or sale of any material assets or the amount of guarantee <u>provided to others</u>, within one year, which exceeds 30% of the latest audited total assets of the Company;</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>Article 88</p> <p>.....</p> <p>If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. The notice should include resolutions submitted by relevant shareholders for review. Any alteration to the original resolution within the notice shall be subject to the agreement of the relevant shareholders. If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the request, the shareholders individually or collectively holding more than ten percent of the Company's shares shall be entitled to propose an extraordinary general meeting to be convened to the supervisory committee, and the proposal shall be made to the supervisory committee in writing.</p>	<p>Article 96</p> <p>.....</p> <p>If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. The notice should include resolutions submitted by relevant shareholders for review. Any alteration to the original resolution within the notice shall be subject to the agreement of the relevant shareholders. If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the request, the shareholders individually or collectively holding more than ten percent of the Company's shares shall be entitled to propose an extraordinary general meeting to be convened to the <u>Audit Committee</u>, and the proposal shall be made to the <u>Audit Committee</u> in writing.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>(2) If the supervisory committee agrees to convene the proposed extraordinary general meeting, it shall within 5 days of receiving such request give a notice of convening the aforesaid meeting. The notice should include resolutions submitted by relevant shareholders for review. Any alteration to the original resolution within the notice shall be subject to the agreement of the relevant shareholders. Where the supervisory committee fails to give the notice of the shareholders' meeting within the specified time limit, it shall be deemed that the supervisory committee does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10 percent or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.</p>	<p>(2) If the <u>Audit Committee</u> agrees to convene the proposed extraordinary general meeting, it shall within 5 days of receiving such request give a notice of convening the aforesaid meeting. The notice should include resolutions submitted by relevant shareholders for review. Any alteration to the original resolution within the notice shall be subject to the agreement of the relevant shareholders. Where the <u>Audit Committee</u> fails to give the notice of the shareholders' meeting within the specified time limit, it shall be deemed that the <u>Audit Committee</u> does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10 percent or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.</p>
<p>(3) All reasonable expenses incurred in connection with a meeting convened by any shareholders themselves and supervisory board by reason of the failure of the board of directors to convene a meeting pursuant to a requisition shall be borne by the Company and shall be deducted from any sums due from the Company to those directors in default.</p>	<p>(3) All reasonable expenses incurred in connection with a meeting convened by any shareholders themselves and <u>Audit Committee</u> by reason of the failure of the board of directors to convene a meeting pursuant to a requisition shall be borne by the Company and shall be deducted from any sums due from the Company to those directors in default.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 89</p> <p>Approved by a special meeting of independent directors, independent directors have the right to propose an extraordinary general meeting to be convened to the board of directors.</p> <p>.....</p>	<p>Article 97</p> <p><u>With the consent of more than half of all independent directors,</u> independent directors have the right to propose an extraordinary general meeting to be convened to the board of directors.</p> <p>.....</p>
<p>Article 90</p> <p>The Supervisory committee has the right to propose an extraordinary general meeting to be convened to the board of directors, and the proposal shall be made to the board of directors in writing. The board of directors shall in accordance with the laws, administrative regulations and the Articles within 10 days of the receipt of the proposal for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting. If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the supervisory committee. If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the proposal, the board of directors shall be deemed as unable to perform or not performing its duty of convening shareholders' meeting, and the Supervisory Committee is entitled to solely convene and preside at the proposed meeting.</p>	<p>Article 98</p> <p>The <u>Audit Committee</u> has the right to propose an extraordinary general meeting to be convened to the board of directors, and the proposal shall be made to the board of directors in writing. The board of directors shall in accordance with the laws, administrative regulations and the Articles within 10 days of the receipt of the proposal for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting. If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the <u>Audit Committee</u>. If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the proposal, the board of directors shall be deemed as unable to perform or not performing its duty of convening shareholders' meeting, and the <u>Audit Committee</u> is entitled to solely convene and preside at the proposed meeting.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 91</p> <p>If the supervisory committee or shareholders decides to solely convene a shareholders' general meeting, it shall notify the board of directors in writing, and report to the organ appointed by the securities regulatory authority of the State Council in the place of residence of the Company and to relevant stock exchange for the record. Prior to the announcing of the resolution of the shareholders' general meeting, the percentage of shareholdings of the shareholders convening the meeting shall be not less than 10%. Relevant proof materials shall be submitted to the organ appointed by the securities regulatory authority of the State Council in the place of residence of the Company and to relevant stock exchange by the shareholders convening the meeting prior to giving the notice of the shareholders' general meeting and announcing the resolutions of the shareholders' general meeting.</p> <p>The board of directors and the company secretary shall cooperate in the shareholders' general meeting convened by the supervisory committee or shareholders. The board of directors shall provide the register of shareholders on the date of equity registration. The necessary expenses on the shareholders' general meeting solely convened by the supervisory committee or shareholders shall be borne by the Company.</p>	<p>Article 99</p> <p>If the <u>Audit Committee</u> or shareholders decides to solely convene a shareholders' general meeting, it shall notify the board of directors in writing, and report to relevant stock exchange for the record. Prior to the announcing of the resolution of the shareholders' general meeting, the percentage of shareholdings of the shareholders convening the meeting shall be not less than 10%. Relevant proof materials shall be submitted to relevant stock exchange by the shareholders convening the meeting prior to giving the notice of the shareholders' general meeting and announcing the resolutions of the shareholders' general meeting.</p> <p>The board of directors and the company secretary shall cooperate in the shareholders' general meeting convened by the <u>Audit Committee</u> or shareholders. The board of directors shall provide the register of shareholders on the date of equity registration. The necessary expenses on the shareholders' general meeting solely convened by the <u>Audit Committee</u> or shareholders shall be borne by the Company.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 92</p> <p>Shareholders' general meetings shall be chaired by the chairman. If the chairman is unable to attend the meeting for any reason, the board of directors may upon agreement by a majority of the directors designate a director to convene the meeting and act as the chairman of the meeting. If no chairman of the meeting was so designated, the shareholders present at the meeting may elect a person to act as chairman of the meeting, and if for any reason, the shareholders are unable to appoint a chairman of the meeting, the shareholder (or his proxy) present at the meeting holding the greatest number of shares carrying the right to vote shall be the chairman of the meeting.</p> <p>Shareholders' general meetings solely convened by the supervisory committee shall be chaired by the chairman of the supervisory committee. If the chairman of the supervisory committee is not able or not to discharge its duty, a supervisor recommended and elected by a majority of the supervisors would chair the meeting.</p> <p>.....</p>	<p>Article 100</p> <p>Shareholders' general meetings shall be <u>presided over</u> by the chairman. If the chairman <u>is unable or fails to perform his duties, a director elected by a majority of the directors shall preside over the meeting.</u></p> <p>Shareholders' general meetings solely convened by the <u>Audit Committee</u> shall be chaired by the chairman of the <u>Audit Committee</u>. If the chairman of the <u>Audit Committee</u> is not able or not to discharge its duty, a <u>member of the Audit Committee</u> recommended and elected by a majority of the <u>members of the Audit Committee</u> would chair the meeting.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 98</p> <p>The end of the shareholders' general meetings on the ground shall not be earlier than that of the same convened online or by other means. The chairman of the meeting shall be responsible for deciding whether or not a resolution of the shareholders' general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.</p> <p>Before the result of voting is officially announced, the companies, vote-counters, scrutineers, principal shareholders and Internet service providers involved in the shareholders' general meetings convened on the ground, online or by other means shall be responsible for keeping secret of the voting condition of parties concerned.</p>	<p>Article 106</p> <p>The end of the shareholders' general meetings on the ground shall not be earlier than that of the same convened online or by other means. <u>The compere of the meeting shall announce the voting status and results of each proposal, and declare whether the proposal is passed based on the voting results.</u></p> <p>Before the result of voting is officially announced, the companies, vote-counters, scrutineers, principal shareholders, internet service providers <u>and other relevant parties</u> involved in the shareholders' general meetings convened on the ground, online or by other means shall be responsible for keeping secret of the voting condition of parties concerned.</p>
<p>Article 100</p> <p>If the chairman of the meeting has any doubt as to the results of a resolution put to the vote, he may personally count the votes. If the chairman of the meeting does not personally count the votes, any shareholder who is present in person or by proxy and who objects to the results announced by the chairman of the meeting may demand a count of vote immediately after the announcement of results, in which case, the chairman of the meeting shall personally count the votes immediately.</p>	<p>Article 108</p> <p>If the <u>compere</u> of the meeting has any doubt as to the results of a resolution put to the vote, he may personally count the votes. If the <u>compere</u> of the meeting does not personally count the votes, any shareholder who is present in person or by proxy and who objects to the results announced by the <u>compere</u> of the meeting may demand a count of vote immediately after the announcement of results, in which case, the <u>compere</u> of the meeting shall personally count the votes immediately.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 103</p> <p>Conveners shall ensure that the contents of minutes of meetings are truthful, accurate and complete. Directors, supervisors, company secretary, conveners or the agent thereof, and the chairperson of the meetings present at the meetings shall sign on the minutes of meetings. The minutes of meetings shall be preserved along with the register of shareholders present, power of attorneys for proxy attendance, and valid materials of the voting conditions online or by other means for a term of not less than 10 years.</p>	<p>Article 111</p> <p>Conveners shall ensure that the contents of minutes of meetings are truthful, accurate and complete. Directors, company secretary, conveners or the agent thereof, and the chairperson of the meetings <u>attending or</u> present at the meetings shall sign on the minutes of meetings. The minutes of meetings shall be preserved along with the register of shareholders present, power of attorneys for proxy attendance, and valid materials of the voting conditions online or by other means for a term of not less than 10 years.</p>
<p>Article 109</p> <p>The Company shall establish a board of directors. The board of directors consists of 9 directors, of which 4 shall be independent non-executive directors. The board of directors shall have a chairman.</p>	<p>Article 117</p> <p>The Company shall establish a board of directors. The board of directors consists of 9 directors, of which 4 shall be independent non-executive directors, <u>and there must be at least one employee representative director</u>. The board of directors shall have a chairman.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 110</p> <p>All directors shall be elected or replaced by the shareholders' general meeting and may be dismissed from his/her position by a shareholders' general meeting prior to the expiry of his/her term of office, with a term of 3 years. Upon the expiry of his term of office, a director may be re-elected to serve consecutive terms.</p> <p>.....</p>	<p>Article 118</p> <p><u>The employee representatives in the board of directors are democratically elected by the Company's employees through the employee representative assembly, employee assembly, or other forms, and do not need to be submitted to the shareholders' meeting for deliberation; other</u> directors shall be elected or replaced by the shareholders' general meeting and may be dismissed from his/her position by a shareholders' general meeting prior to the expiry of his/her term of office, <u>the dismissal shall take effect on the date of the resolution. The term of office for directors is</u> 3 years. Upon the expiry of his term of office, a director may be re-elected to serve consecutive terms. <u>If a director is dismissed before the expiration of their term without justifiable reasons, the director may demand compensation from the Company.</u></p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 110(d)</p> <p>The following basic requirements are applicable in order to be an independent director:</p> <p>.....</p>	<p>Article 118(d)</p> <p><u>Independent directors should conscientiously fulfill their duties in accordance with laws, administrative regulations, the China Securities Regulatory Commission, stock exchanges, and the provisions of these Articles of Association, play a role in participating in decision-making, supervising and balancing, and providing professional consulting in the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of small and medium-sized shareholders. The Company should establish the ‘Independent Director Work System’, which clarifies the requirements for independent directors’ independence, scope of responsibilities, and special meeting mechanisms for independent directors.</u></p> <p>The following basic requirements are applicable in order to be an independent director:</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 112</p> <p>Directors may submit their resignation before the expiry of their terms of office. In so resigning from the board, the directors shall submit a written resignation report to the board of directors. The board of directors shall disclose relevant condition within 2 days.</p> <p>If the board of directors fails to reach a quorum as a result of the resignation of directors, before the re-elected directors come into office, the original directors shall perform their duties of directors in accordance with laws, administrative regulations, department rules and the Articles.</p> <p>Except for circumstances specified in this Article, the resignation of a director shall be effective as of the time when the resignation report is served on the board of directors.</p>	<p>Article 120</p> <p>Directors may submit their resignation before the expiry of their terms of office. In so resigning from the board, the directors shall submit a written resignation report to <u>the Company. Resignation becomes effective on the date the Company receives the resignation report. The Company</u> shall disclose relevant condition within 2 days.</p> <p>If <u>the members of</u> the board of directors fails to reach a quorum as a result of the resignation of directors, before the re-elected directors come into office, the original directors shall perform their duties of directors in accordance with laws, administrative regulations, department rules and the Articles.</p>

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Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 121</p> <p><u>Directors shall comply with the provisions of laws, administrative regulations and these Articles, owe a duty of diligence to the Company, and in performing their duties, shall exercise the reasonable care that a manager would normally be expected to exercise for the best interests of the Company. Directors owe the following duties of diligence to the Company:</u></p> <p>(1) <u>prudently, earnestly and diligently exercise the rights conferred by the Company to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that business activities do not exceed the business scope specified in the business license;</u></p> <p>(2) <u>treat all shareholders fairly;</u></p> <p>(3) <u>promptly understand the Company's business operation and management status;</u></p> <p>(4) <u>sign written confirmation opinions on the Company's regular reports, ensuring that the information disclosed by the Company is true, accurate and complete;</u></p> <p>(5) <u>truthfully provide relevant information and materials to the Audit Committee and shall not obstruct the Audit Committee from exercising its functions and powers;</u></p>

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	<p><u>(6) other duties of diligence as stipulated by laws, administrative regulations, departmental rules and these Articles.</u></p> <p><u>The provisions on the duty of diligence in subparagraphs (4), (5) and (6) of the preceding paragraph shall also apply to the general manager and other senior managers.</u></p>
Newly added	<p>Article 123</p> <p><u>If a director, in performing their duties for the Company, causes damage to others, the Company shall bear the liability for compensation; if the director has intent or gross negligence, they shall also bear the liability for compensation.</u></p> <p><u>If a director, in performing their duties for the Company, violates the provisions of laws, administrative regulations, departmental rules or these Articles and causes losses to the Company, they shall bear the liability for compensation.</u></p> <p><u>The provisions of this Article shall also apply to senior managers.</u></p>
<p>Article 114</p> <p>When making decisions on such significant matters as direction of reform and development, key objectives, and priority operational arrangements of the Company, the board of directors should listen to the view of the Party organization beforehand.</p> <p>.....</p>	<p>Article 124</p> <p>When making decisions on such significant matters as direction of reform and development, key objectives, and priority operational arrangements of the Company, the board of directors should <u>conduct preliminary research and discussion with</u> the Party organization beforehand.</p> <p>.....</p>

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Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 115</p> <p>The board of directors shall have the following functions and powers:</p> <ol style="list-style-type: none"> (1) to convene shareholders' general meetings and to report on its work at such meeting; (2) to implement resolutions passed at shareholders' general meetings; (3) to decide the Company's operational plans and investment proposals; (4) to formulate proposals for distributing the profits of the Company and proposals to make up any losses of the Company; (5) to formulate proposals for an increase or reduction of the Company's registered capital and the issue of debt securities; (6) to prepare plans for the demerger, merger, dissolution or change of corporate form of the Company; (7) to decide matters concerning the internal management structure of the Company; 	<p>Article 125</p> <p>The board of directors shall have the following functions and powers:</p> <ol style="list-style-type: none"> (1) to convene shareholders' general meetings and to report on its work at such meeting; (2) to implement resolutions passed at shareholders' general meetings; (3) to decide the Company's operational plans and investment proposals; (4) to formulate proposals for distributing the profits of the Company and proposals to make up any losses of the Company; (5) to formulate proposals for an increase or reduction of the Company's registered capital and the issue of debt securities <u>or other securities and listing;</u> (6) to prepare plans for <u>a major acquisition, stock acquisition or</u> the demerger, merger, dissolution <u>and</u> change of corporate form of the Company; (7) to decide matters concerning the internal management structure of the Company;

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(8) to appoint or dismiss the general manager(s) of the Company and, upon the nomination of the general manager, to appoint and dismiss deputy general manager(s) and financial controller(s) of the Company, and to decide matters concerning the remuneration of such officers;	(8) to <u>decide to</u> appoint or dismiss the general manager(s), <u>board secretary, and other senior management personnel</u> of the Company and <u>decide on their remuneration and rewards and punishments</u> , upon the nomination of the general manager, to <u>decide to</u> appoint and dismiss deputy general manager(s) and financial controller(s) of the Company, and to decide matters concerning the remuneration <u>and rewards and punishments</u> of such officers;
(9) to determine the basic management system;	(9) to determine the basic management system;
(10) to formulate proposals for amendments to these Articles;	(10) to formulate proposals for amendments to these Articles;
(11) subject to compliance with the requirements of the relevant laws, regulations, these Articles and any relevant rules, to exercise the Company's powers to raise capital and to borrow, and to make decisions regarding the mortgaging, letting, subcontracting or transfer of the Company's major assets, and to delegate the aforementioned powers to the general manager for his exercise within certain limits;	(11) <u>to decide on the Company's external investments, acquisition and sale of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions, external donations, and other matters within the scope authorized by the shareholders' meeting;</u>
(12) To determine one single external guarantee at the amount of 10% or less than 10% of the latest audited consolidated net assets of the Company prepared in accordance with PRC accounting standards;	(12) To determine one single external guarantee at the amount of 10% or less than 10% of the latest audited consolidated net assets of the Company prepared in accordance with PRC accounting standards;
(13) to establish special committees of directors and to appoint and remove the relevant persons responsible;	(13) to establish special committees of directors and to appoint and remove the relevant persons responsible;

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Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>(14) to issue new shares according to the authorization decision of the shareholders' meeting or these articles of association; and</p> <p>(15) any other functions and powers conferred by shareholders' general meetings and these Articles.</p> <p>Other than the board of directors' resolutions in respect of the matters specified in sub-paragraph (5), (6), (10), (12) and (14) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolution in respect of all other matters may be passed by the affirmative vote of a majority of the directors.</p>	<p>(14) to issue new shares according to the authorization decision of the shareholders' meeting or these Articles;</p> <p><u>(15) to manage the Company's information disclosure matters;</u></p> <p><u>(16) to propose to the shareholders' meeting to hire or replace the accounting firm responsible for auditing the Company;</u></p> <p><u>(17) to listen to the work report of the Company's general manager and inspect their work;</u> and</p> <p><u>(18) any other functions and powers conferred by laws, administrative regulations, departmental rules,</u> shareholders' general meetings and these Articles.</p> <p>Other than the board of directors' resolutions in respect of the matters specified in sub-paragraph (5), (6), (10), (12) and (14) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolution in respect of all other matters may be passed by the affirmative vote of a majority of the directors.</p>

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Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 118</p> <p>The Audit Committee is responsible for the following:</p> <ol style="list-style-type: none"> (1) monitoring the integrity, accuracy and transparency of the Company's financial statements and annual reports and accounts and half-year report, reviewing significant financial reporting judgments contained in them, and reviewing whether the representations made in the directors' report are appropriate; (2) oversight of the Company's financial reporting system, risk management and internal control systems; (3) overseeing the issuer's relations with the external auditors; and (4) making recommendations for the appointment and dismissal of the chief financial officer of the Company. 	<p>Article 128</p> <p><u>The Audit Committee exercises the powers of the supervisory board as stipulated in the Company Law, and its members are directors who do not hold senior management positions in the Company, with more than half of them being independent directors. Accounting professionals among independent directors shall serve as the chairman, and employee representatives among board members can become members of the Audit Committee.</u></p> <p>The Audit Committee is responsible for the following:</p> <ol style="list-style-type: none"> (1) monitoring the integrity, accuracy and transparency of the Company's financial statements and annual reports and accounts and half-year report, reviewing significant financial reporting judgments contained in them, and reviewing whether the representations made in the directors' report are appropriate; (2) oversight of the Company's financial reporting system, risk management and internal control systems; (3) overseeing the issuer's relations with the external auditors; (4) making recommendations for the appointment and dismissal of the chief financial officer of the Company ;

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Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
	<p>(5) <u>making changes to accounting policies, estimates, or significant accounting errors due to reasons other than changes in accounting standards; and</u></p> <p>(6) <u>other matters stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission, and these Articles of Association.</u></p>
<p>Article 120</p> <p>The Remuneration and Appraisal Committee is responsible for the following:</p> <p>(1) formulating the remuneration policy of Directors and Senior Officers of the Company;</p> <p>(2) determining the standard of appraisal of Directors and Senior Officers, assessing the performance of Directors and Senior Officers during the year; and</p> <p>(3) approving the terms of their service contracts and remuneration packages and submitting the same to the Board for approval.</p>	<p>Article 130</p> <p>The Remuneration and Appraisal Committee is responsible for the following:</p> <p>(1) formulating the remuneration policy of Directors and Senior Officers of the Company;</p> <p>(2) determining the standard of appraisal of Directors and Senior Officers, assessing the performance of Directors and Senior Officers during the year;</p> <p>(3) approving the terms of their service contracts and remuneration packages and submitting the same to the Board for approval; and</p> <p>(4) <u>other matters stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission, and these Articles of Association.</u></p>

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Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 121</p> <p>The following matters shall be passed by more than half of the members of the audit committee before being resolved by the board of directors:</p> <ol style="list-style-type: none"> (1) employment and dismissal of the accounting firm(s) for auditing of the Company; (2) employment and dismissal of financial controller(s); (3) disclosure of financial accounting reports; (4) other matters as stipulated by the securities regulatory authorities of the State Council. 	<p>Article 131</p> <p><u>The Audit Committee is responsible for reviewing the company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls.</u> The following matters shall be <u>submitted to the board of directors for review after being</u> passed by more than half of the members of the Audit Committee:</p> <ol style="list-style-type: none"> (1) employment and dismissal of the accounting firm(s) for auditing of the Company; (2) employment and dismissal of financial controller(s); (3) disclosure of <u>financial information and internal control evaluation reports in</u> financial accounting reports <u>and periodic reports;</u> (4) <u>changes in accounting policies, estimates, or significant accounting errors due to reasons other than changes in accounting standards;and</u> (5) other matters as stipulated by <u>laws, administrative regulations, regulations of the China Securities Regulatory Commission, and these Articles of Association.</u>

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Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 132</p> <p><u>The Audit Committee shall hold at least one meeting per quarter. An interim meeting may be convened when proposed by two or more members, or when the chairman deems it necessary. A meeting of the Audit Committee may be held only if more than two-thirds of its members are present.</u></p> <p><u>Resolutions made by the Audit Committee shall be adopted by a majority vote of its members.</u></p> <p><u>Voting on resolutions of the Audit Committee shall follow the principle of one person, one vote.</u></p> <p><u>Minutes of the Audit Committee's resolutions shall be prepared in accordance with regulations, and the members of the Audit Committee attending the meeting shall sign the minutes.</u></p> <p><u>The working rules of the Audit Committee shall be formulated by the board of directors.</u></p>
<p>Article 126</p> <p>Board meetings shall be held at least four times every year and shall be convened by the chairman. An extraordinary board meeting may be convened upon a request by Shareholders representing more than one tenth of the voting rights, one-third or more of the directors or supervisory board.</p>	<p>Article 137</p> <p>Board meetings shall be held at least four times every year and shall be convened by the chairman. An extraordinary board meeting may be convened upon a request by Shareholders representing more than one tenth of the voting rights, one-third or more of the directors or <u>the Audit Committee</u>.</p>

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>Article 127</p> <p>.....</p> <p>(2) In the event of an emergency which requires an extraordinary board meeting to be convened, the chairman shall require the Company secretary to notify all directors and supervisors of the time, place and method of the proposed extraordinary board meeting by phone, email or by hand not less than 2 days and not more than 10 days before the meeting.</p> <p>.....</p>	<p>Article 138</p> <p>.....</p> <p>(2) In the event of a <u>particularly</u> emergency which requires an extraordinary board meeting to be convened, the chairman shall require the Company secretary to notify all directors of the time, place and method of the proposed extraordinary board meeting by phone, email or by hand <u>2</u> days before the meeting; <u>for non-urgent matters requiring the convening of an extraordinary board meeting, all directors shall be notified of the time, place and method of the extraordinary board meeting five days before it is held.</u></p> <p>.....</p>
<p>Article 140</p> <p>The Company shall have a manager, who shall be appointed and dismissed by the board of directors.</p> <p>Persons with other positions at units of the dominant shareholders or beneficial owner of the Company other than directors and supervisors shall not act as a member of senior management of the Company.</p> <p>The term of office of a general manager is 3 years. Upon the expiry of his term of office, a general manager may be re-appointed to serve consecutive terms.</p>	<p>Article 151</p> <p>The Company shall have a manager, who shall be <u>decided to be appointed and dismissed</u> by the board of directors.</p> <p>Persons with other positions at units of the dominant shareholders or beneficial owner of the Company other than directors shall not act as a member of senior management of the Company. <u>Senior management of the Company receive salaries only from the Company and not from the controlling shareholder.</u></p> <p>The term of office of a general manager is 3 years. Upon the expiry of his term of office, a general manager may be re-appointed to serve consecutive terms.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 141</p> <p>The general manager shall be accountable to the board of directors and shall have the following functions and powers:</p> <ol style="list-style-type: none"> (1) to be in charge of production, operation and management of the Company and to organize the implementation of board resolutions; (2) to organize the implementation of the Company's annual business plans and investment plans; (3) to formulate plans for the internal management structure of the Company; (4) to formulate the basic management system of the Company; (5) to establish the basic rules and regulations of the Company; (6) to recommend the appointment or dismissal of deputy manager(s) and financial controller(s) of the Company; (7) to appoint and dismiss personnel responsible for management other than those required to be appointed or dismissed by the board of directors; (8) any other functions and powers conferred by these Articles and the board of directors. 	<p>Article 152</p> <p>The general manager shall be accountable to the board of directors and shall have the following functions and powers:</p> <ol style="list-style-type: none"> (1) to be in charge of production, operation and management of the Company and to organize the implementation of board resolutions, <u>and report work to the board of directors;</u> (2) to organize the implementation of the Company's annual business plans and investment plans; (3) to formulate plans for the internal management structure of the Company; (4) to formulate the basic management system of the Company; (5) to establish the basic rules and regulations of the Company; (6) to recommend the appointment or dismissal of deputy manager(s) and financial controller(s) of the Company; (7) to <u>decide to</u> appoint and dismiss personnel responsible for management other than those required to be appointed or dismissed by the board of directors; (8) any other functions and powers conferred by these Articles and the board of directors.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
CHAPTER 12 SUPERVISORY COMMITTEE	Delete the entire chapter
<p>Article 158</p> <p>.....</p> <p>Where a circumstance prescribed in this Articles occurs during the term of office of directors; supervisors and senior management officers, the Company shall dismiss him.</p>	<p>Article 156</p> <p>.....</p> <p>Where a circumstance prescribed in <u>the first paragraph of these</u> Articles occurs during the term of office of directors and senior management officers, the Company shall dismiss <u>them from their positions and suspend their performance of their duties.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 160</p> <p>In addition to the obligations imposed by laws, administrative regulations or the rules of the stock exchange(s) on which shares of the Company are listed, each director, supervisor, manager conferred upon him by the Company, owes the following obligations to every shareholder: =</p> <p>(1) — not to cause the Company to operate outside the scope of operations stipulated in its business licence;</p> <p>(2) — to act in good faith in the best interests of the Company;</p> <p>(3) — not to expropriate the Company's assets in any manner, including (but not limited to) opportunities beneficial to the Company; and</p> <p>(4) — not to expropriate personal rights of shareholders, including (but not limited to) distribution and voting rights, but not including a restructuring of the Company submitted to and approved by the shareholders' general meeting in accordance with these Articles.</p>	<p>Delete</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 162</p> <p>Each director, supervisor, general manager and other senior officer has, in the performance of his duties, the duty to observe the principles of good faith and the duty not to place himself in a position where his duties and his interests may conflict. This includes (but is not limited to) the duty:</p> <p>.....</p> <p>(5) not to enter into any contract, transaction or arrangement with the Company, except in accordance with these Articles or with the informed consent of shareholders in general meeting;</p> <p>.....</p> <p>(11) not to misappropriate the Company's funds or to advance the Company's funds to any other person, not to open any bank account in his own name or any other person's name to deposit any of the Company's assets; not to use the Company's assets to provide guarantee(s) for the debt(s) of any shareholder of the Company or any other individuals;</p> <p>.....</p>	<p>Article 159</p> <p>Each director, general manager and other senior officer has, in the performance of his duties, the duty to observe the principles of good faith and the duty not to place himself in a position where his duties and his interests may conflict. This includes (but is not limited to) the duty <u>of loyalty</u>:</p> <p>.....</p> <p>(5) not to <u>directly or indirectly</u> enter into any contract, transaction or arrangement with the Company, except in accordance with these Articles or with the informed consent of <u>the board of directors or</u> shareholders in general meeting;</p> <p>.....</p> <p>(11) not to <u>embezzle the Company's property</u>, misappropriate the Company's funds or to advance the Company's funds to any other person, not to open any bank account in his own name or any other person's name to deposit any of the Company's assets; not to use the Company's assets to provide guarantee(s) for the debt(s) of any shareholder of the Company or any other individuals;</p> <p>(12) <u>not to take into their own possession commissions from others' transactions with the Company;</u></p> <p>(13) <u>not to use their affiliated relationships to damage the Company's interests;</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
	<p><u>(14) not to take advantage of their positional convenience to seek business opportunities belonging to the Company for themselves or others, except where they report to the board of directors or the shareholders' meeting and obtain approval through a resolution of the shareholders' meeting, or where the Company is unable to utilize such business opportunities in accordance with the provisions of laws, administrative regulations or these Articles;</u></p> <p>.....</p> <p><u>(16) other duty of loyalty as stipulated by laws, administrative regulations, departmental rules and these Articles.</u></p> <p><u>Any income derived by a director from violating the provisions of this Article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.</u></p> <p><u>The provisions of sub-paragraphs (5) of the first paragraph of this Article shall apply to contracts or transactions entered into between the Company and the close relatives of directors and senior managers, enterprises directly or indirectly controlled by directors, senior managers or their close relatives, and related parties who have other affiliated relationships with directors and senior managers.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 164</p> <p>The fiduciary duties of a director, supervisor, general manager or other senior officer do not necessarily cease with the termination of his tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his term of office. Other duties shall continue for such period as is in accordance with the principles of equity, taking into account the time which has lapsed between the termination of his term of office and the occurrence of the matter in question, and the circumstances and the terms under which the officer's relationship with the Company was terminated.</p>	<p>Article 161</p> <p><u>The Company has established a management system for the resignation of directors, general managers and other senior executives, specifying safeguard measures for pursuing accountability and recovering losses regarding unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or their term of office expires, they shall complete all handover procedures with the board of directors. Their fiduciary obligations to the Company and shareholders are not automatically terminated upon the end of their term and shall remain valid for one year. Their obligation to keep the Company's trade secrets confidential shall remain valid after the end of their term until such secrets become public information. The liabilities that a director should bear for performing their duties during their term of office shall not be exempted or terminated due to their departure.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>Article 179</p> <p>The Company shall submit the annual financial statements to China Securities Regulatory Commission and the stock exchange within four (4) months commencing from the date of the end of every financial year, submit the semi-annual financial statements to the dispatched offices of CSRC and the stock exchange within two (2) months commencing from the date of the end of the first six (6) months of every financial year.</p> <p>The aforesaid financial statements shall be prepared as stipulated by relevant laws, administrative regulations and departmental rules.</p>	<p>Article 176</p> <p>The Company shall submit the annual <u>report</u> to <u>the dispatched agencies of</u> China Securities Regulatory Commission and the stock exchange within four (4) months commencing from the date of the end of every financial year, submit the <u>interim report</u> to the dispatched offices of CSRC and the stock exchange within two (2) months commencing from the date of the end of the first six (6) months of every financial year.</p> <p>The <u>above annual report and interim report</u> shall be prepared as stipulated by relevant laws, administrative regulations and departmental rules <u>and regulatory rules of the place where the Company's shares are listed.</u></p>
<p>Article 181</p> <p>The Company shall not keep any other books of accounts apart from those required by law. The assets of the Company shall not be deposited in any account opened in the name of an individual.</p>	<p>Article 178</p> <p>The Company shall not keep any other books of accounts apart from those required by law. The <u>funds</u> of the Company shall not be deposited in any account opened in the name of an individual.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 182</p> <p>.....</p> <p>Provided that the general meeting of shareholders violates the preceding clause and distributes the profits to shareholders before the Company makes up for the losses and extract the legal reserve fund, the shareholders shall return the profits obtained in violation of the clause to the Company.</p> <p>The profit distribution shall not involve the corporate shares held by the Company.</p>	<p>Article 179</p> <p>.....</p> <p>Provided that the general meeting of shareholders <u>violates the Company Law and</u> distributes the profits to shareholders, the shareholders shall return the profits obtained in violation of the clause to the Company. <u>If losses are caused to the Company, the shareholders and responsible directors and senior management personnel shall be liable for compensation.</u></p> <p>The profit distribution shall not involve the corporate shares held by the Company.</p>
<p>Article 183</p> <p>The corporate reserve fund shall be used to make up for the corporate losses, expand the corporate production and operation or increase the corporate capital.</p> <p>To make up for the Company's losses with the provident fund, the discretionary provident fund and statutory provident fund should be used first; If it cannot be compensated, the capital reserve fund can be used according to regulations.</p> <p>As the legal reserve fund is converted as corporate capital, the remaining of such reserve fund shall not be less than the 25% of the corporate registered capital prior to conversion.</p>	<p>Article 180</p> <p>The corporate reserve fund shall be used to make up for the corporate losses, expand the corporate production and operation or increase the corporate <u>registered</u> capital.</p> <p>To make up for the Company's losses with the provident fund, the discretionary provident fund and statutory provident fund should be used first; If it cannot be compensated, the capital reserve fund can be used according to regulations.</p> <p>As the legal reserve fund is converted as corporate <u>increased registered</u> capital, the remaining of such reserve fund shall not be less than the 25% of the corporate registered capital prior to conversion.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 185</p> <p>.....</p> <p>(2) The Company may adopt to distribute profit in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations. In the above mentioned distribution method, the Company should consider to distribute the profit in cash first. The board of directors of the Company may propose the Company to declare interim dividends according to the Company's earnings and capital requirement conditions. Unless otherwise approved by the board of directors after demonstration, for which the independent directors have issued independent opinions, and passed by the supervisory committee by way of resolution, the time interval between any two rounds of dividend distribution shall not be less than six months.</p> <p>.....</p>	<p>Article 182</p> <p>.....</p> <p>(2) The Company may adopt to distribute profit in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations. In the above mentioned distribution method, the Company should consider to distribute the profit in cash first. The board of directors of the Company may propose the Company to declare interim dividends according to the Company's earnings and capital requirement conditions. Unless otherwise approved by the board of directors after demonstration, for which the independent directors have issued independent opinions, the time interval between any two rounds of dividend distribution shall not be less than six months.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>(4) Upon the ending of an accounting year, the board of directors shall reasonably propose a profit distribution plan according to the Company's earnings, capital requirement and return to shareholder. In the argumentation of profit distribution plan, the board of directors shall have sufficient discussion with independent directors and supervisors, hear the opinions of minority shareholders through multiple channels, study carefully and discuss in detail the matters concerning the Company's cash dividends distribution, including the right timing and conditions for the distribution, the lowest payout ratio and the conditions for adjustment and the requirements for decision-making procedures. The profit distribution proposal, when being considered by the board of directors and supervisory committee of the Company, shall be subject to the approval by the majority of all directors, the independent directors and all supervisors respectively. After being considered and approved by the board of directors, the profit distribution plan shall be proposed at the general meeting for shareholders' approval. For the plan of issuing stock dividends or using reserve fund to increase share capital discussed and reviewed by the general meeting of shareholders, it shall be approved by more than two-thirds of voting rights represented by the shareholders present at the meeting.</p> <p>.....</p>	<p>(4) Upon the ending of an accounting year, the board of directors shall reasonably propose a profit distribution plan according to the Company's earnings, capital requirement and return to shareholder. In the argumentation of profit distribution plan, the board of directors shall have sufficient discussion with independent directors, hear the opinions of minority shareholders through multiple channels, study carefully and discuss in detail the matters concerning the Company's cash dividends distribution, including the right timing and conditions for the distribution, the lowest payout ratio and the conditions for adjustment and the requirements for decision-making procedures. The profit distribution proposal, when being considered by the board of directors of the Company, shall be subject to the approval by the majority of all directors, the independent directors respectively. After being considered and approved by the board of directors, the profit distribution plan shall be proposed at the general meeting for shareholders' approval. For the plan of issuing stock dividends or using reserve fund to increase share capital discussed and reviewed by the general meeting of shareholders, it shall be approved by more than two-thirds of voting rights represented by the shareholders present at the meeting.</p> <p>.....</p>

Articles of Association of the Company	
Existing Articles <i>Note 1</i>	Amended Articles <i>Note 2</i>
<p>(9) In the event that adjustments are needed to be made to the Company's profit distribution policy in light of the production and operation conditions, investment planning and long term developments as well as changes in external business environment of the Company, the adjusted profit distribution policy shall comply with the relevant regulations of securities regulatory authorities. The Company should seek the opinions of the independent directors and the supervisory committee of the Company in advance when proposing adjustment to profit distribution policy, and submit to the general meeting of the Company after the approval of the board of directors. Any resolution regarding adjustment to the profit distribution policy proposed at a general meeting for approval shall be passed by more than two-thirds of voting rights represented by the shareholders present at the meeting.</p> <p>.....</p>	<p>(9) In the event that adjustments are needed to be made to the Company's profit distribution policy in light of the production and operation conditions, investment planning and long term developments as well as changes in external business environment of the Company, the adjusted profit distribution policy shall comply with the relevant regulations of securities regulatory authorities. The Company should seek the opinions of the <u>Audit Committee</u> of the Company in advance when proposing adjustment to profit distribution policy, and submit to the general meeting of the Company after the approval of the board of directors. Any resolution regarding adjustment to the profit distribution policy proposed at a general meeting for approval shall be passed by more than two-thirds of voting rights represented by the shareholders present at the meeting.</p> <p>.....</p>
<p>Article 187</p> <p>The Company adopts the internal audit system, employs full-time audit personnel and conducts internal audit supervision over the corporate financial revenue and expenditure as well as economic activities.</p> <p>The corporate internal audit system and duties of audit personnel shall be implemented and fulfilled subsequent to the approval of the board of directors. The person in charge of auditing shall be responsible for and report the work to the board of directors.</p>	<p>Article 184</p> <p>The Company adopts the internal audit system, <u>clarifying the leadership structure, responsibilities and authorities, personnel allocation, funding guarantee, application of audit results, and accountability for internal audit work.</u></p> <p>The corporate internal audit system shall be implemented and fulfilled subsequent to the approval of the board of directors <u>and disclosed to the public.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 185</p> <p><u>The Company's internal audit institution shall supervise and inspect matters such as the Company's business activities, risk management, internal control, and financial information.</u></p>
Newly added	<p>Article 186</p> <p><u>The internal audit institution is responsible to the board of directors.</u></p> <p><u>In the process of supervising and inspecting the Company's business activities, risk management, internal control, financial information, etc., the internal audit institution shall accept the supervision and guidance of the Audit Committee. If the internal audit institution discovers relevant major issues or clues, it shall immediately report directly to the Audit Committee.</u></p>
Newly added	<p>Article 187</p> <p><u>The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the Audit Committee.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 188</p> <p><u>When the Audit Committee communicates with external auditing units such as accounting firms and state auditing institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.</u></p>
Newly added	<p>Article 189</p> <p><u>The Audit Committee shall participate in the assessment of the person in charge of internal audit.</u></p>
<p>Article 189</p> <p>The accounting firm hired by the company must be approved by the shareholders through an ordinary resolution at the annual general meeting. The term of appointment shall commence from the conclusion of the annual general meeting at which the appointment took place and shall terminate upon the conclusion of the next annual general meeting.</p>	<p>Article 191</p> <p>The accounting firm hired by the company must be approved by the shareholders through an ordinary resolution at the annual general meeting. The term of appointment shall commence from the conclusion of the annual general meeting at which the appointment took place and shall terminate upon the conclusion of the next annual general meeting. <u>The appointment and dismissal of accounting firms by the Company shall be decided by the shareholders' meeting. The board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting.</u></p>
<p>Article 191</p> <p>If there is a vacancy in the position of accountants, the board of directors may prior to the holding of a shareholders' general meeting appoint a firm of accountants to fill the vacancy, provided that if there is another firm of accountants acting for the Company during the aforementioned vacancy, that firm of accountants may continue to act.</p>	Delete

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 193</p> <p>The remuneration of the firm of accountants and the manner by which it is determined shall be decided by shareholders in general meeting. Where a firm of accountants is appointed by the board of directors, its remuneration shall be determined by the board of directors.</p>	<p>Article 194</p> <p>The remuneration of the firm of accountants and the manner by which it is determined shall be decided by shareholders in general meeting.</p>
<p>Article 195</p> <p>If the Company intends to remove or not to re-appoint a firm of accountants, it shall notify that firm of accountants in advance and that firm of accountants shall have the right to make representations to the shareholders' general meeting. A firm of accountants resigning on its own initiative shall make a declaration at the shareholders' general meeting as to whether there is any impropriety in the Company.</p> <p>.....</p>	<p>Article 196</p> <p>If the Company intends to remove or not to re-appoint a firm of accountants, it shall notify that firm of accountants in advance and that firm of accountants shall have the right to make representations to the shareholders' general meeting. A firm of accountants resigning on its own initiative shall make a declaration at the shareholders' general meeting as to whether there is any <u>misconduct</u> in the Company.</p> <p>.....</p>
<p>Article 198</p> <p>.....</p> <p>After the merger of the Company, the rights and liabilities of the Company and any other parties to the merger shall be assumed by the surviving company or the new venture established as a result of the merger.</p>	<p>Article 199</p> <p>.....</p> <p>After the merger of the Company, the rights and liabilities of the Company and any other parties to the merger shall be assumed by the surviving company or the new venture established as a result of the merger.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 201</p> <p>If any one of the following circumstances arises, the Company shall be dissolved and liquidated in accordance with law:</p> <p>.....</p> <p>(6) In the event that the Company encounters severe difficulty in operation and management, the continuous existence of the Company will cause great losses to the shareholders and there is no other way out of this problem, the shareholders representing more than ten percent (10%) of voting rights of all the corporate shareholders are entitled to request the People's Court for dissolution, and the People's Court dissolves the Company accordingly.</p> <p>.....</p>	<p>Article 202</p> <p>If any one of the following circumstances arises, the Company shall be dissolved and liquidated in accordance with law:</p> <p>.....</p> <p>(6) In the event that the Company encounters severe difficulty in operation and management, the continuous existence of the Company will cause great losses to the shareholders and there is no other way out of this problem, the shareholders representing more than ten percent (10%) of voting rights are entitled to request the People's Court for dissolution, and the People's Court dissolves the Company accordingly.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
Newly added	<p>Article 203</p> <p><u>If the Company is in any of the circumstances specified in sub-paragraphs (1) and (2) of Article 202 of these Articles and has not yet distributed its property to shareholders, it may continue to exist by amending these Articles or through a resolution of the shareholders' meeting.</u></p> <p><u>Any amendment to these Articles or resolution made by the shareholders' meeting in accordance with the provisions of the preceding paragraph shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.</u></p>
<p>Article 202</p> <p>If the Company is dissolved and liquidated pursuant to either of the events set out in paragraph (1), (2), (5) and (6) of the preceding Article, it shall establish a liquidation committee within 15 days commencing from the date of that event. The liquidation committee is composed of personnel determined by the directors or shareholders' general meeting.</p> <p>.....</p>	<p>Article 204</p> <p>If the Company is dissolved and liquidated pursuant to either of the events set out in paragraph (1), (2), (5) and (6) of the Article 202, liquidation shall be conducted. <u>Directors are the liquidation obligors of the Company</u> and shall form a liquidation team to carry out liquidation within 15 days from the date of that event.</p> <p>The liquidation committee is composed of personnel determined by the directors, <u>unless otherwise provided in these Articles or otherwise selected by a resolution of the shareholders' meeting.</u></p> <p><u>If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.</u></p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 206</p> <p>After the liquidation committee has evaluated the assets of the Company and prepared a balance sheet and an inventory of the Company's assets, it shall draw up a proposal for the liquidation and submit the same to the shareholders' general meeting or the relevant supervisory authorities for approval.</p> <p>The assets of the Company shall be distributed in the following order:</p> <ol style="list-style-type: none"> (1) liquidation fees and expenses; (2) wages and labour insurance premiums of employees; (3) outstanding taxes due from the Company; (4) debts of the Company. <p>Any surplus assets remaining after the above payments have been made in full shall be distributed to the shareholders according to the class(es) and number of shares they hold.</p> <p>During the course of liquidation, the Company shall not engage in new business activities.</p>	<p>Article 208</p> <p>After the liquidation committee has evaluated the assets of the Company and prepared a balance sheet and an inventory of the Company's assets, it shall draw up a proposal for the liquidation and submit the same to the shareholders' general meeting or <u>People's Court</u> for approval.</p> <p>The assets of the Company shall be distributed in the following order:</p> <ol style="list-style-type: none"> (1) liquidation fees and expenses; (2) wages and labour insurance premiums <u>and statutory compensation</u> of employees; (3) outstanding taxes due from the Company; (4) debts of the Company. <p>Any surplus assets remaining after the above payments have been made in full shall be distributed to the shareholders according to the class(es) and number of shares they hold.</p> <p>During the course of liquidation, the Company <u>shall continue to exist, but</u> shall not engage in business activities <u>unrelated to the liquidation.</u></p> <p><u>The Company's assets will not be distributed to shareholders until they are settled in accordance with the provisions of the preceding paragraph.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 207</p> <p>If the Company is being liquidated as a result of its dissolution and, subsequent to its evaluation of the Company's assets and preparation of the balance sheet and inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the People's Court for bankruptcy liquidation.</p> <p>.....</p>	<p>Article 209</p> <p>If the liquidation committee subsequent to its evaluation of the Company's assets and preparation of the balance sheet and inventory of assets, <u>it</u> discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the People's Court for bankruptcy liquidation.</p> <p>.....</p>
<p>Article 208</p> <p>Upon the completion of the liquidation, the liquidation committee shall prepare a liquidation report, accounts of its income and expenditure, and financial reports for the period of the liquidation. Once these accounts and reports are verified by a registered accountant of the PRC, they shall be submitted to the shareholders' general meeting or the relevant supervisory authorities for approval.</p> <p>The liquidation committee shall, within 30 days of the date of approval by the shareholders' general meeting or the relevant supervisory authorities, submit the accounts and reports mentioned above to the companies registration authorities, apply for cancellation of the Company's registration and announce the cessation of the Company.</p>	<p>Article 210</p> <p>Upon the completion of the liquidation, the liquidation committee shall prepare a liquidation report, accounts of its income and expenditure, and financial reports for the period of the liquidation. Once these accounts and reports are verified by a registered accountant of the PRC, they shall be submitted to the shareholders' general meeting or the <u>People's Court</u> for approval.</p> <p>The liquidation committee shall, within 30 days of the date of approval by the shareholders' general meeting or the <u>People's Court</u>, submit the accounts and reports mentioned above to the companies registration authorities, apply for cancellation of the Company's registration and announce the cessation of the Company.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 209</p> <p>The members of the liquidation committee shall be devoted to their duties and fulfill the liquidation tasks. The members of the liquidation committee shall not take advantage of their position to accept bribes or other illegal earnings or seize the corporate properties illegally. If the members of the liquidation committee fails to perform their liquidation duties promptly and causes losses to the company, they shall be liable for compensation; The members of the liquidation committee shall be liable for compensation in the event that they cause any loss to creditors due to intentional or serious faults.</p>	<p>Article 211</p> <p>The members of the liquidation committee <u>shall fulfill their liquidation duties and have the obligations of loyalty and diligence.</u> If the members of the liquidation committee fails to perform their liquidation duties promptly and causes losses to the company, they shall be liable for compensation; The members of the liquidation committee shall be liable for compensation in the event that they cause any loss to creditors due to intentional or serious faults.</p>
Newly added	<p>Article 212</p> <p><u>If the Company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with relevant laws on enterprise bankruptcy.</u></p>
Newly added	<p>Article 221</p> <p><u>In case of any conflict between these Articles and the provisions of laws, administrative regulations, normative documents and the securities regulatory rules of the place where the Company's shares are listed, as promulgated from time to time, the provisions of such laws, administrative regulations, normative documents and the securities regulatory rules of the place where the Company's shares are listed shall prevail.</u></p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles of Association of the Company	
Existing Articles ^{Note 1}	Amended Articles ^{Note 2}
<p>Article 217</p> <p>These Articles of Association are written in Chinese. Provided that any other Article of Association written in any other language or of any different version contradicts with these Articles, the Chinese-version Articles approved and registered in the Zibo Industrial and Commercial Administrative Bureau most recently shall prevail.</p>	<p>Article 222</p> <p>These Articles are written in Chinese. Provided that any other Article of Association written in any other language or of any different version contradicts with these Articles, the Chinese-version Articles approved and registered in the <u>Market supervision authority</u> most recently shall prevail.</p>
<p>Article 218</p> <p>Such terms used in these Articles as “above”, “within” and “under” indicate that the specified number is included; terms like “except”, “lower than” and “more than” indicate that the specified number is not included.</p>	<p>Article 223</p> <p>Such terms used in these Articles as “above” <u>and</u> “within” indicate that the specified number is included; terms like <u>“over”</u>, “except”, “lower than” and “more than” indicate that the specified number is not included.</p>

Note 1: For illustration purpose, these amendments represent the deleted contents which are no longer included in the amended Articles of Association.

Note 2: For illustration purpose, these amendments include the newly-added or amended contents which are included in the amended Articles of Association.

Particulars of the Proposed Amendments to the Rules and Procedures for General Meetings

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
Newly added	<p>Rule 2</p> <p><u>These Rules shall apply to matters such as the convening, proposal, notification, and holding of the shareholders' meetings of the Company.</u></p>
<p>Rule 4</p> <p>Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. An annual shareholders' meeting shall be held once a year and within six months after the end of the previous fiscal year.</p> <p>.....</p>	<p>Rule 5</p> <p>Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. An annual shareholders' meeting shall be held once a year and within six months after the end of the previous fiscal year.</p> <p>.....</p>
<p>Rule 6</p> <p>The Company shall convene shareholders' meetings in strict accordance with the relevant provisions of laws, administrative regulations, these Rules and the Rules of association to ensure that shareholders can exercise their rights in accordance with the law.</p> <p>The board of directors of the Company shall earnestly perform its duties and carefully and timely organize shareholders' meetings. All directors of the Company shall diligently and responsibly ensure that shareholders' meetings are held normally and exercise their functions and powers in accordance with the law.</p>	Duplicated with the previous content and deleted

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 8</p> <p>Upon approval by a special meeting of independent directors, independent directors shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting.</p> <p>.....</p>	<p>Rule 8</p> <p>Upon approval by <u>more than half</u> of the independent directors, independent directors shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting.</p> <p>.....</p>
<p>Rule 9</p> <p>The supervisory board shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting and shall make such proposal in writing to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Rules of association, give a written feedback within ten days upon receipt of the proposal, indicating whether it agrees to convene the extraordinary shareholders' meeting or not.</p> <p>If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice for convening the shareholders' meeting within five days after making the resolution of the board of directors. Any change to the original proposal in the notice shall obtain the consent of the supervisory board.</p> <p>If the board of directors disagrees to convene an extraordinary shareholders' meeting or fails to give a written feedback within ten days upon receipt of the proposal, it shall be deemed that the board of directors is unable or fails to perform its duty of convening the shareholders' meeting, and the supervisory board may convene and preside over the meeting on its own.</p>	<p>Rule 9</p> <p>The <u>Audit Committee</u> shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting and shall make such proposal in writing to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Rules of association, give a written feedback within ten days upon receipt of the proposal, indicating whether it agrees to convene the extraordinary shareholders' meeting or not.</p> <p>If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice for convening the shareholders' meeting within five days after making the resolution of the board of directors. Any change to the original proposal in the notice shall obtain the consent of the <u>Audit Committee</u>.</p> <p>If the board of directors disagrees to convene an extraordinary shareholders' meeting or fails to give a written feedback within ten days upon receipt of the proposal, it shall be deemed that the board of directors is unable or fails to perform its duty of convening the shareholders' meeting, and the <u>Audit Committee</u> may convene and preside over the meeting on its own.</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 10</p> <p>.....</p> <p>If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice for convening the shareholders' meeting within five days after making the resolution of the board of directors. The notice shall include the proposals submitted by the relevant shareholders for deliberation. Any change to the original proposal in the notice shall obtain the consent of the relevant shareholders. If the board of directors disagrees to convene an extraordinary shareholders' meeting or fails to give a feedback within ten days upon receipt of the request, the shareholders who individually or collectively hold more than 10% of the shares shall have the right to propose to the supervisory board to convene an extraordinary shareholders' meeting and shall make such request in writing to the supervisory board.</p> <p>(2) If the supervisory board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice for convening the shareholders' meeting within five days upon receipt of the request. The notice shall include the proposals submitted by the relevant shareholders for deliberation. Any change to the original proposal in the notice shall obtain the consent of the relevant shareholders. If the supervisory board fails to issue a notice for convening the shareholders' meeting within the prescribed time limit, it shall be deemed that the supervisory board does not convene and preside over the shareholders' meeting, and the shareholders who individually or collectively hold more than 10% (including 10%) of the shares for more than 90 consecutive days may convene and preside over the meeting on their own.</p>	<p>Rule 10</p> <p>.....</p> <p>If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice for convening the shareholders' meeting within five days after making the resolution of the board of directors. The notice shall include the proposals submitted by the relevant shareholders for deliberation. Any change to the original proposal in the notice shall obtain the consent of the relevant shareholders. If the board of directors disagrees to convene an extraordinary shareholders' meeting or fails to give a feedback within ten days upon receipt of the request, the shareholders who individually or collectively hold more than 10% of the shares shall have the right to propose to the <u>Audit Committee</u> to convene an extraordinary shareholders' meeting and shall make such request in writing to the <u>Audit Committee</u>.</p> <p>(2) If the <u>Audit Committee</u> agrees to convene an extraordinary shareholders' meeting, it shall issue a notice for convening the shareholders' meeting within five days upon receipt of the request. The notice shall include the proposals submitted by the relevant shareholders for deliberation. Any change to the original proposal in the notice shall obtain the consent of the relevant shareholders. If the <u>Audit Committee</u> fails to issue a notice for convening the shareholders' meeting within the prescribed time limit, it shall be deemed that the <u>Audit Committee</u> does not convene and preside over the shareholders' meeting, and the shareholders who individually or collectively hold more than 10% (including 10%) of the shares for more than 90 consecutive days may convene and preside over the meeting on their own.</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
If the shareholders or the supervisory board convene and hold a meeting on their own because the board of directors fails to hold a meeting as required above, the reasonable expenses incurred thereby shall be borne by the company and deducted from the amount owed by the company to the derelict directors.	If the shareholders or the Audit Committee convene and hold a meeting on their own because the board of directors fails to hold a meeting as required above, the reasonable expenses incurred thereby shall be borne by the company and deducted from the amount owed by the company to the derelict directors.
<p>Rule 11</p> <p>If the supervisory board or shareholders decide to convene a shareholders' meeting on their own, they shall notify the board of directors in writing and file for record with the local office of the China Securities Regulatory Commission and the stock exchange where the Company is located.</p> <p>Before the announcement of the resolution of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.</p> <p>The supervisory board and the convening shareholders shall submit the relevant supporting materials to the local office of the China Securities Regulatory Commission and the stock exchange where the Company is located when issuing the notice of the shareholders' meeting and announcing the resolution of the shareholders' meeting.</p>	<p>Rule 11</p> <p>If the Audit Committee or shareholders decide to convene a shareholders' meeting on their own, they shall notify the board of directors in writing and file for record with the local office of the China Securities Regulatory Commission and the stock exchange where the Company is located.</p> <p>Before the announcement of the resolution of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.</p> <p>The Audit Committee and the convening shareholders shall submit the relevant supporting materials to the local office of the China Securities Regulatory Commission and the stock exchange where the Company is located when issuing the notice of the shareholders' meeting and announcing the resolution of the shareholders' meeting.</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 12</p> <p>With respect to a shareholders' meeting convened by the supervisory board or shareholders on their own, the board of directors and the secretary to the board of directors shall provide cooperation. The board of directors shall provide the shareholder register as of the record date. If the board of directors fails to provide the shareholder register, the convener may apply to the securities registration and clearing institution for obtaining it by presenting the relevant announcement of the notice of convening the shareholders' meeting. The shareholder register obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.</p>	<p>Rule 12</p> <p>With respect to a shareholders' meeting convened by the <u>Audit Committee</u> or shareholders on their own, the board of directors and the secretary to the board of directors shall provide cooperation. The board of directors shall provide the shareholder register as of the record date. If the board of directors fails to provide the shareholder register, the convener may apply to the securities registration and clearing institution for obtaining it by presenting the relevant announcement of the notice of convening the shareholders' meeting. The shareholder register obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.</p>
<p>Rule 13</p> <p>The necessary expenses for a shareholders' meeting convened by the supervisory board or shareholders on their own shall be borne by the Company and deducted from the amount owed by the Company to the derelict directors.</p>	<p>Rule 13</p> <p>The necessary expenses for a shareholders' meeting convened by the <u>Audit Committee</u> or shareholders on their own shall be borne by the Company and deducted from the amount owed by the Company to the derelict directors.</p>
<p>Rule 15</p> <p>When the Company convenes shareholders' general meeting, the Board of Directors, the Supervisory Committee and shareholder(s), severally or jointly, holding 1 percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Articles of Association of the Company to be considered at the meeting.</p> <p>.....</p>	<p>Rule 15</p> <p>When the Company convenes shareholders' general meeting, the Board of Directors, the <u>Audit Committee</u> and shareholder(s), severally or jointly, holding 1 percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Articles of Association of the Company to be considered at the meeting.</p> <p>.....</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 16</p> <p>The Company shall notify each shareholder by way of announcement 20 working days before the holding of an annual shareholders' meeting; and 10 working days or 15 days (whichever is longer) before the holding of an extraordinary shareholders' meeting. Shareholders who intend to attend the shareholders' meeting shall deliver a written reply of attendance to the Company within the time limit specified in the notice of the meeting. The Company shall not include the date of the meeting when calculating the starting period.</p>	<p>Rule 16</p> <p>The Company shall notify each shareholder by way of announcement 20 working days before the holding of an annual shareholders' meeting; and 10 working days or 15 days (whichever is longer) before the holding of an extraordinary shareholders' meeting. Shareholders who intend to attend the shareholders' meeting shall deliver a written reply of attendance to the Company within the time limit specified in the notice of the meeting. The Company shall not include the date of the meeting when calculating the starting period.</p>
<p>Rule 18</p> <p>Notice of a shareholders' general meeting shall:</p> <p>(1) specify the place, the date and the time of the meeting;</p> <p>(2) state the matters to be considered at the meeting;</p> <p>.....</p>	<p>Rule 18</p> <p>Notice of a shareholders' general meeting shall:</p> <p>(1) specify the place, the date and the time of the meeting;</p> <p>(2) state the matters <u>and proposals</u> to be considered at the meeting;</p> <p>.....</p>
<p>Rule 28</p> <p>The company shall convene a shareholders' meeting, and all directors, supervisors, and board secretaries shall attend the meeting. The president and other senior management personnel shall attend the meeting as observers.</p>	<p>Rule 28</p> <p><u>If the shareholders' meeting requires</u> directors and senior management <u>personnel to attend the meeting, they shall attend the meeting and accept inquiries from shareholders.</u></p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 29</p> <p>The shareholders' meeting shall be chaired by the chairman of the board; If the chairman is unable to attend the meeting for any reason, the vice chairman shall convene the meeting and serve as the chairman of the meeting; If both the chairman and vice chairman are unable to attend the meeting, the board of directors may designate a company director to convene the meeting on their behalf and serve as the chairman with the consent of a majority of the directors; If the chairman of the meeting is not designated, the attending shareholders may elect one person to serve as the chairman; If for any reason the shareholders are unable to elect a chairman, the shareholder (including shareholder proxies) who holds the most voting shares present at the meeting shall serve as the chairman of the meeting.</p> <p>The shareholders' meeting convened by the supervisory board shall be presided over by the chairman of the supervisory board. When the Chairman of the Supervisory Board is unable or fails to perform his duties, the Vice Chairman of the Supervisory Board shall preside over the meeting; When the Vice Chairman of the Supervisory Board is unable or fails to perform his duties, a supervisor elected by a majority of the supervisors shall preside over the meeting.</p> <p>.....</p>	<p>Rule 29</p> <p>Shareholders' general meetings shall be <u>presided over</u> by the chairman. If the chairman <u>is unable or fails to perform his duties, a director elected by a majority of the directors shall preside over the meeting.</u> If the <u>moderator</u> of the meeting is not designated, the attending shareholders may elect one person to serve as the <u>moderator</u>; If for any reason the shareholders are unable to elect a moderator, the shareholder (including shareholder proxies) who holds the most voting shares present at the meeting shall serve as the <u>moderator</u> of the meeting.</p> <p>Shareholders' general meetings solely convened by the <u>Audit Committee</u> shall be chaired by the chairman of the <u>Audit Committee</u>. If the chairman of the <u>Audit Committee</u> is not able or not to discharge its duty, a <u>member of the Audit Committee</u> recommended and elected by a majority of the <u>members of the Audit Committee</u> would chair the meeting.</p> <p>.....</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 33</p> <p>.....</p> <p>The board of directors, independent directors and shareholders meeting the relevant prescribed conditions of the Company may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, sufficient disclosure of information such as specific voting intentions shall be made to the solicited persons. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. The Company and the convener of the shareholders' meeting shall not set a minimum shareholding ratio restriction on the solicitation of voting rights.</p>	<p>Rule 33</p> <p>.....</p> <p><u>Under the condition that it complies with the regulatory rules of the place where the Company's shares are listed,</u> the board of directors, independent directors, shareholders <u>holding 1% or more of the voting shares</u> of the Company, <u>or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the China Securities Regulatory Commission</u> may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, sufficient disclosure of information such as specific voting intentions shall be made to the solicited persons. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. <u>Except for statutory conditions,</u> the Company and the convener of the shareholders' meeting shall not set a minimum shareholding ratio restriction on the solicitation of voting rights.</p>
<p>Rule 35</p> <p>If the matter requiring a vote by ballot is the election of the chairman or the adjournment of the meeting, the ballot vote shall be conducted immediately; for other matters requiring a vote by ballot, the chairman shall decide when to hold the vote, and the meeting may proceed to discuss other matters, and the voting result shall still be deemed as a resolution passed at the meeting.</p>	<p>Rule 35</p> <p>If the matter requiring a vote by ballot is the election of the <u>chairperson</u> or the adjournment of the meeting, the ballot vote shall be conducted immediately; for other matters requiring a vote by ballot, the <u>chairperson</u> shall decide when to hold the vote, and the meeting may proceed to discuss other matters, and the voting result shall still be deemed as a resolution passed at the meeting.</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 37</p> <p>The on-site conclusion time of the shareholders' meeting shall not be earlier than that of the online or other methods. The chairman of the meeting shall be responsible for determining whether a resolution of the shareholders' meeting is passed, and his decision shall be final and shall be announced at the meeting and recorded in the meeting minutes.</p> <p>.....</p>	<p>Rule 37</p> <p>The on-site conclusion time of the shareholders' meeting shall not be earlier than that of the online or other methods. The chairperson of the meeting shall announce the voting situation and result of each proposal on the spot at the meeting and announce whether the proposal is passed according to the voting result.</p> <p>.....</p>
<p>Rule 46</p> <p>If a proposal is not adopted, or if the resolution of the current shareholders' meeting amends the resolution of the previous shareholders' meeting, a special prompt shall be made in the announcement of the resolution of the shareholders' meeting.</p>	<p>Duplicated with the following content and deleted</p>
<p>Rule 51</p> <p>If the shareholders' meeting approves a proposal on cash dividends, stock dividends or conversion of capital reserve into share capital, the listed company shall implement the specific plan within two months after the conclusion of the shareholders' meeting.</p>	<p>Duplicated with the following content and deleted</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 52</p> <p>.....</p> <p>If the procedure for convening a shareholders' meeting or the voting method violates laws, administrative regulations or the Rules of association, or if the content of the resolution violates the Rules of association, shareholders may, within 60 days from the date of the resolution, request the people's court to revoke it.</p>	<p>Rule 50</p> <p>.....</p> <p>If the procedure for convening a shareholders' meeting or the voting method violates laws, administrative regulations or the Rules of association, or if the content of the resolution violates the Rules of association, shareholders may, within 60 days from the date of the resolution, request the people's court to revoke it; <u>provided, however, that minor defects in the procedure for convening the shareholders' meeting or the voting method that do not have a substantial impact on the resolution shall be excluded.</u></p> <p><u>If the board of directors, shareholders and other relevant parties have disputes over matters such as the qualification of the convener, the convening procedure, the legality of the content of the proposal, and the validity of the resolution of the shareholders' meeting, they shall promptly file a lawsuit 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, directors and senior management shall earnestly perform their duties, promptly implement the resolution of the shareholders' meeting, and ensure the normal operation of the Company.</u></p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
	<p><u>If the people's court renders a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission and the stock exchange, fully explain the impact, and actively cooperate with the implementation after the judgment or ruling becomes effective. If it involves correcting previous matters, it shall be handled promptly and the corresponding information disclosure obligations shall be performed.</u></p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 55</p> <p>A power of attorney issued by a shareholder to authorize another person to attend a shareholders' meeting shall specify the following contents:</p> <ol style="list-style-type: none"> (1) The name of the agent; (2) Whether the agent has voting rights; (3) Instructions on voting for, against or abstaining from each matter on the agenda of the shareholders' meeting; (4) Whether the agent has voting rights on temporary proposals that may be included in the agenda of the shareholders' meeting, and specific instructions on how to exercise the voting rights if there are such rights; (5) The date of issuance and the term of validity of the power of attorney; (6) The signature (or seal) of the principal; if the principal is a legal person shareholder, the official seal of the legal person entity shall be affixed. 	<p>Rule 53</p> <p>A power of attorney issued by a shareholder to authorize another person to attend a shareholders' meeting shall specify the following contents:</p> <ol style="list-style-type: none"> (1) <u>The name or title of the principal and the type and quantity of the Company's shares held;</u> (2) The name of the agent; (3) <u>Specific instructions of the shareholder, including</u> instructions on voting for, against or abstaining from each matter on the agenda of the shareholders' meeting; (4) The date of issuance and the term of validity of the power of attorney; (5) The signature (or seal) of the principal; if the principal is a legal person shareholder, the official seal of the legal person entity shall be affixed.
<p>Rule 72</p> <p>After the profit distribution plan is approved by the Company's shareholders' meeting, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the convening of the shareholders' meeting.</p>	<p>Rule 70</p> <p><u>If the shareholders' meeting approves a proposal on cash dividends, stock dividends or conversion of capital reserve into share capital,</u> the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the convening of the shareholders' meeting.</p>

The Rules and Procedures for General Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 73</p> <p>The chairman of the Company shall supervise and inspect the implementation of the resolutions of the shareholders' meeting except those to be implemented by the supervisory board, and may, when necessary, convene an extraordinary meeting of the board of directors to hear and deliberate on the report on the implementation of the resolutions of the shareholders' meeting.</p>	<p>Rule 71</p> <p>The chairman of the Company shall supervise and inspect the implementation of the resolutions of the shareholders' meeting except those to be implemented by the Audit Committee, and may, when necessary, convene an extraordinary meeting of the board of directors to hear and deliberate on the report on the implementation of the resolutions of the shareholders' meeting.</p>

Note 1: For illustration purpose, these amendments represent the deleted contents which are no longer included in the amended Rules and Procedures for General Meetings of the Company.

Note 2: For illustration purpose, these amendments include the newly-added or amended contents which are included in the amended Rules and Procedures for General Meetings of the Company.

Particulars of the Proposed Amendments to the Rules and Procedures for Board Meetings

The Rules and Procedures for Board Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>Rule 3</p> <p>The Company shall establish a board of directors, which shall be responsible to the shareholders' meeting and exercise its functions and powers in accordance with laws, regulations, the Rules of Association and the stock listing rules of the place where the Company's shares are listed.</p>	<p>Rule 3</p> <p>The Company shall establish a board of directors, which shall exercise its functions and powers in accordance with laws, regulations, the Rules of Association and the stock listing rules of the place where the Company's shares are listed.</p>
<p>Rule 7</p> <p>Board meetings are divided into regular meetings and extraordinary meetings. An extraordinary board meeting may be convened upon a request by Shareholders representing more than one tenth of the voting rights, one-third or more of the directors or supervisory board.</p>	<p>Rule 7</p> <p>Board meetings are divided into regular meetings and extraordinary meetings. An extraordinary board meeting may be convened upon a request by Shareholders representing more than one tenth of the voting rights, one-third or more of the directors or <u>Audit Committee</u>.</p>
<p>Rule 18</p> <p>.....</p> <p>Supervisors may attend meetings of the board of directors as non-voting attendees. Unless otherwise specified by the board of directors, the general manager who is not a concurrent director may attend meetings of the board of directors as a non-voting attendee and shall have the right to receive notices and relevant documents of such meetings. However, unless the general manager concurrently serves as a director, he shall have no right to vote at meetings of the board of directors. If the chairperson of the meeting deems it necessary, he may notify other relevant persons to attend meetings of the board of directors as non-voting attendees.</p>	<p>Rule 18</p> <p>.....</p> <p>Unless otherwise specified by the board of directors, the general manager who is not a concurrent director may attend meetings of the board of directors as a non-voting attendee and shall have the right to receive notices and relevant documents of such meetings. However, unless the general manager concurrently serves as a director, he shall have no right to vote at meetings of the board of directors. If the chairperson of the meeting deems it necessary, he may notify other relevant persons to attend meetings of the board of directors as non-voting attendees.</p>

The Rules and Procedures for Board Meetings of the Company	
Existing Rules ^{Note 1}	Amended Rules ^{Note 2}
<p>When supervisors attend meetings, their main duties are to supervise whether the board of directors makes resolutions in accordance with the Rules of association and through legal procedures, listen to the deliberations at the meetings, and shall not participate in the deliberations of the board of directors. If supervisors have objections to the resolutions of the board of directors, they may submit written opinions to the board of directors through the supervisory board after the meeting.</p>	
<p>Rule 26</p> <p>After the attending directors have completed their voting, the relevant staff of the board office shall promptly collect the voting slips of the directors and count them under the supervision of a supervisor or an independent director. The chairperson of the meeting shall announce the voting results on the spot.</p>	<p>Rule 26</p> <p>After the attending directors have completed their voting, the relevant staff of the board office shall promptly collect the voting slips of the directors and count them under the supervision of an independent director. The chairperson of the meeting shall announce the voting results on the spot.</p>

Note 1: For illustration purpose, these amendments represent the deleted contents which are no longer included in the amended Rules and Procedures for Board Meetings of the Company.

Note 2: For illustration purpose, these amendments include the newly-added or amended contents which are included in the amended Rules and Procedures for Board Meetings of the Company.

Note: In addition to the Appendix I, Appendix II and Appendix III to this circular, if the addition, deletion or arrangement of certain Rules leads to changes in the Rule numbers, the Rule numbers in the amended Rules of association or relevant rules of procedure shall be sequentially adjusted or reduced accordingly, and the Rule numbers involved in cross-references shall also be adjusted accordingly; meanwhile, in accordance with the provisions of the Company Law and the Guidelines for the Rules of Association of Listed Companies, “general meeting of shareholders” in the Rules of Association and its appendices shall be revised to “shareholders’ meeting”, and “general meeting” in individual Rules shall be revised to “meeting”. As the Company no longer has supervisors, the relevant descriptions of “supervisors” in the Rules of Association and its appendices shall be deleted. The above revised contents are not fully listed.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



山東新華製藥股份有限公司
Shandong Xinhua Pharmaceutical Company Limited

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

(Stock Code: 00719)

NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS IN RELATION TO H SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) will be held at the Company’s conference room at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, The People’s Republic of China (the “**PRC**”) on Friday, 24 October 2025 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTIONS

1. To consider and approve the proposed amendments to the articles of association of the Company, the rules and procedures for general meetings of the Company, and the rules and procedures for board meetings of the Company and authorise the board of directors of the Company to deal with on behalf of the Company all relevant procedures and matters to effect the amendments.^{Note 11}

By Order of the Board

Shandong Xinhua Pharmaceutical Company Limited

He Tongqing

Chairman

2 October 2025, Zibo, PRC

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. Unless the context otherwise requires, terms defined in the circular to the shareholders of the Company dated 2 October 2025, of which this notice forms part shall have the same meaning when used herein.
2. For the purpose of determining the entitlement of H Shareholders to attend and vote at the EGM, the register of members of the Company for H Shares will be closed from Tuesday, 21 October 2025 to Friday, 24 October 2025, both days inclusive.
3. In order to qualify for attending and voting at the EGM, H Shareholders must lodge their share transfer instruments accompanied by the relevant share certificates with the share registrar for the Company's H Shares not later than 4:30 p.m. on Monday, 20 October 2025.

The address of the share registrar for the Company's H Shares:
Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

4. Shareholders who intend to attend the EGM are requested to send the completed and signed reply slip for attendance despatched to the Company's shareholders together with this notice to the office of the secretary to the Board (see Note 8 below) or to the share registrar for the Company's H Shares (see Note 2 above) on or before 2:00 p.m. on 23 October 2025, by hand, by post or by facsimile. The written reply will not affect the right of the Shareholders to attend and vote at the EGM.
5. Shareholders entitled to attend and vote at the EGM may appoint one or more proxies (whether the person is a shareholder or not) to attend and vote on his/her/its behalf at the EGM. When a Shareholder appoints more than one proxy, such proxies may only vote by way of poll.
6. Shareholders may only appoint a proxy or proxies in writing i.e. the proxy form despatched to the Company's shareholders together with this notice or a copy of it, which shall be in compliance with the instructions thereon and signed by the person appointing the proxy or proxies or by his/her/its duly authorised attorney. If the form of proxy is signed by an attorney, the document appointing the attorney must be certified by a notary public. If the appointing shareholder is a legal entity, its seal or the signature of its director(s) or representative(s) duly authorized in writing is required. To be valid, a notarially certified power of attorney or other authority (if any) and the forms of proxy must be received by the office of the secretary to the Board (see Note 8 below) 24 hours prior to the commencement of the EGM. The completion and deposit of a form of proxy will not preclude any Shareholder from attending and voting in person at the EGM or any adjournment thereof.
7. Shareholders or their proxies shall present proof of identity upon attending the EGM. Should a proxy be appointed, the proxy shall also present his/her form of proxy.
8. The EGM is expected to last half a day. Shareholders who attend the EGM shall bear their own traveling and accommodation expenses.
9. The address of the office of the secretary to the Board is as follows: No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC
Postal Code: 255086
Telephone: 86 533 2196024
Facsimile: 86 533 2287508
10. All references to time herein refer to Hong Kong time.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

11. For the arrangements applicable to the A Shareholders in respect of the EGM, please refer to the notice(s) to A Shareholders published by the Company on the website of the Shenzhen Stock Exchange of the even date.
12. The proposed amendments to the articles of association, rules and procedures for general meetings and rules and procedures for board meetings of the Company have been set out in the announcement of the Company dated 26 August 2025 and the circular dated 2 October 2025.

As at the date hereof, the Board comprises:

Executive Directors:

Mr. He Tongqing (*Chairman*)
Mr. Xu Wenhui
Mr. Hou Ning

Independent Non-executive Directors:

Mr. Pan Guangcheng
Mr. Zhu Jianwei
Mr. Ling Peixue
Ms. Cheung Ching Ching, Daisy

Non-executive Directors:

Mr. Xu Lie
Mr. Zhang Chengyong