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

If you have sold or transferred all your shares in **CSSC Offshore & Marine Engineering (Group) Company Limited**, you should at once hand this circular, together with the proxy forms, to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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REPORT OF THE BOARD OF DIRECTORS FOR 2023
REPORT OF THE SUPERVISORY COMMITTEE FOR 2023
THE 2023 ANNUAL REPORT (INCLUDING THE FINANCIAL STATEMENTS FOR 2023)
THE PROFIT DISTRIBUTION PROPOSAL FOR 2023
THE GUARANTEE PROPOSED TO BE PROVIDED BY THE SUBSIDIARIES FOR 2024 AND
ITS AMOUNTS COMMENCEMENT OF FOREIGN EXCHANGE DERIVATIVES
TRANSACTIONS IN 2024
APPOINTMENT OF AUDITOR FOR THE FINANCIAL STATEMENTS AND
INTERNAL CONTROL FOR 2024 OF THE COMPANY
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE COMPANY'S RULES FOR PROCEEDINGS
OF GENERAL MEETINGS OF THE SHAREHOLDERS
PROPOSED AMENDMENTS TO THE COMPANY'S RULES FOR PROCEEDINGS
OF THE BOARD OF THE DIRECTORS
PROPOSED AMENDMENTS TO THE COMPANY'S RULES FOR PROCEEDINGS
OF THE SUPERVISORY COMMITTEE
AND
NOTICES OF THE ANNUAL GENERAL MEETING OF 2023 AND
THE FIRST H SHAREHOLDERS CLASS MEETING OF 2024

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the "Definitions" section of this circular.

The AGM of the Company will be held at the conference room of the Company at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, the PRC at 9:30 a.m. on Thursday, 30 May 2024, and the H Shareholders Class Meeting will be held at the same place on the same date immediately after the AGM and the A Shareholders Class Meeting. The notices of the AGM and the H Shareholders Class Meeting are set out on pages AGM-1 to AGM-3 and HCM-1 to HCM-2 of this circular, respectively.

Whether or not you are able to attend the AGM and H Shareholders Class Meeting, you are requested to complete and return the proxy forms (enclosed herewith) in accordance with the instructions printed thereon. In the case of H Shareholders, the completed proxy forms and other authorization document(s) (if any) must be delivered to H Share registrar of the Company, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and in any event not less than 24 hours before the time of the AGM and H Shareholders Class Meeting or any adjournment thereof, as the case may be, in order to be valid. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM and H Shareholders Class Meeting or any adjournment thereof (as the case may be) should you so wish.

29 April 2024

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DEFINITIONS

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

| | |
|-----------------------------------|--|
| “A Share(s)” | domestic shares of the Company with nominal value of RMB1.00 each and are listed on the SSE |
| “A Shareholders Class Meeting” | the first A Shareholders class meeting of 2024 to be convened by the Company at 9:30 a.m. on 30 May 2024, Thursday (immediately after the conclusion of the AGM) for the A Shareholders to consider and approve, among other things, (i) the resolution on amendments to the Articles of Association; and (ii) the resolution on amendments to the Rules of Procedure for General Meetings |
| “A Shareholder(s)” | holder(s) of the A Share(s) |
| “AGM” or “Annual General Meeting” | the 2023 annual general meeting of the Company to be held at 9:30 a.m. on 30 May 2024, Thursday for the Shareholders to consider and approve, as ordinary resolutions, (i) the Report of the Board of Directors for 2023; (ii) the Report of the Supervisory Committee for 2023; (iii) the 2023 Annual Report (including the financial statements for 2023); (iv) the Profit Distribution Proposal for 2023; (v) the Resolution on the Framework for the Guarantee Proposed to be Provided by the Subsidiaries for 2024 and its Amounts; (vi) the Resolution on the Commencement of Foreign Exchange Derivatives Transactions in 2024; and (vii) the Resolution on the Appointment of Auditor for the Financial Statements and Internal Control for 2024 of the Company, and as special resolutions, (i) the Resolution on Amendments to the Articles of Association; (ii) the Resolution on Amendments to the Company’s Rules for Proceedings of General Meetings of the Shareholders; (iii) the Resolution on Amendments to the Company’s Rules for Proceedings of the Board of the Directors; and (iv) the Resolution on Amendments to the Company’s Rules for Proceedings of the Supervisory Committee |
| “Articles of Association” | the articles of association of the Company, as revised, amended or supplemented from time to time |
| “Board” | the board of Directors |

DEFINITIONS

| | |
|--|---|
| “Class Meetings” | collectively, the A Shareholders Class Meeting and the H Shareholders Class Meeting |
| “COMEC” or “Company” | CSSC Offshore & Marine Engineering (Group) Company Limited (中船海洋與防務裝備股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange and the A Shares of which are listed on the SSE |
| “CSRC” | China Securities Regulatory Commission |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “H Shares” | overseas listed foreign shares of the Company listed on the Stock Exchange |
| “H Shareholders Class Meeting” | the first H Shareholders class meeting of 2024 to be convened by the Company at 9:30 a.m. on 30 May 2024, Thursday (immediately after the conclusion of the AGM and the A Shareholders Class Meeting) for the H Shareholders to consider and approve, among other things, (i) the resolution on amendments to the Articles of Association; and (ii) the resolution on amendments to the Rules of Procedure for General Meetings |
| “H Shareholder(s)” | holder(s) of the H Share(s) |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Hong Kong Stock Exchange” or “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Huangchuan Ocean Engineering” | Guangzhou Huangchuan Ocean Engineering Co., Ltd. (廣州黃船海洋工程有限公司), a wholly-owned subsidiary of Huangpu Wenchong |
| “Huangpu Wenchong” | CSSC Huangpu Wenchong Shipbuilding Company Limited (中船黃埔文沖船舶有限公司), a company incorporated in the PRC on 1 June 1981 and a non-wholly owned subsidiary owned as to 54.5371% by the Company as at the Latest Practicable Date |

DEFINITIONS

| | |
|-----------------------------|---|
| “Latest Practicable Date” | 25 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “MOF” | the Ministry of Finance of the People’s Republic of China |
| “PRC” | the People’s Republic of China |
| “PRC issuer(s)” | has the meaning ascribed to it under Rule 19A.04 of the Hong Kong Listing Rules |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SASAC” | the State-owned Assets Supervision and Administration Commission of the State Council |
| “Shareholder(s)” | holder(s) of the Shares |
| “Shares” | shares of RMB1.00 each in the share capital of the Company |
| “SSE” | Shanghai Stock Exchange |
| “State Council” | the State Council of the People’s Republic of China |
| “USD” | United States Dollars |
| “Wenchong Shipyard” | Guangzhou Wenchong Shipyard Co., Ltd. (廣州文沖船廠有限責任公司), a wholly-owned subsidiary of Huangpu Wenchong |
| “Wenchuan Heavy Industrial” | Guangzhou Wenchuan Heavy Industrial Co., Ltd. (廣州文船重工有限公司), a wholly-owned subsidiary of Huangpu Wenchong |
| “%” | per cent |

LETTER FROM THE BOARD



Executive Directors:
Mr. Xiang Huiming (*Chairman*)
Mr. Chen Liping
Mr. Zhang Junxiong

Non-Executive Directors:
Mr. Chen Ji
Mr. Gu Yuan
Mr. Ren Kaijiang
Mr. Yin Lu

Independent Non-Executive Directors:
Mr. Lin Bin
Mr. Nie Wei
Mr. Li Zhijian
Ms. Xie Xin

Registered Office:
15th Floor
No. 137 Gexin Road
Haizhu District
Guangzhou
the PRC

Post code:
510250

29 April 2024

To the H Shareholders

Dear Sir or Madam,

**REPORT OF THE BOARD OF DIRECTORS FOR 2023
REPORT OF THE SUPERVISORY COMMITTEE FOR 2023
THE 2023 ANNUAL REPORT (INCLUDING THE FINANCIAL STATEMENTS FOR 2023)
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THE FIRST H SHAREHOLDERS CLASS MEETING OF 2024**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to set out the notices of the AGM and H Shareholders Class Meeting and to provide you with information on the following resolutions to be proposed at the AGM and the H Shareholders Class Meeting for consideration and approval by the Shareholders.

At the 2023 Annual General Meeting, ordinary resolutions will be proposed to consider and approve (i) the Report of the Board of Directors for 2023; (ii) the Report of the Supervisory Committee for 2023; (iii) the 2023 Annual Report (including the financial statements for 2023); (iv) the Profit Distribution Proposal for 2023; (v) the Resolution on the Framework for the Guarantee Proposed to be Provided by the Subsidiaries for 2024 and its Amounts; (vi) the Resolution on the Commencement of Foreign Exchange Derivatives Transactions in 2024; and (vii) the Resolution on the Appointment of Auditor for the Financial Statements and Internal Control for 2024 of the Company, and special resolutions will be proposed to consider and approve (i) the Resolution on Amendments to the Articles of Association; (ii) the Resolution on Amendments to the Company's Rules for Proceedings of General Meetings of the Shareholders; (iii) the Resolution on Amendments to the Company's Rules for Proceedings of the Board of the Directors; and (iv) the Resolution on Amendments to the Company's Rules for Proceedings of the Supervisory Committee.

At the H shareholders class meeting, special resolutions will be proposed to consider and approve (i) the Resolution on Amendments to the Articles of Association; and (ii) the Resolution on Amendments to the Company's Rules for Proceedings of General Meetings of the Shareholders.

II. REPORT OF THE BOARD OF DIRECTORS FOR 2023

In accordance with the Articles of Association, the Board has prepared the report of the Board of Directors for 2023 and has been considered and approved by the Board on 27 March 2024. The full text of the above-mentioned report is set out in Appendix I to this circular.

The Company will propose an ordinary resolution at the AGM for Shareholders to consider and approve the report of the Board of Directors for 2023.

III. REPORT OF THE SUPERVISORY COMMITTEE FOR 2023

In accordance with the Articles of Association, the Supervisory Committee has prepared the report of the Supervisory Committee for 2023 and has been considered and approved by the Supervisory Committee on 27 March 2024. The full text of the above-mentioned report is set out in Appendix II to this circular.

The Company will propose an ordinary resolution at the AGM for Shareholders to consider and approve the report of the Supervisory Committee for 2023.

LETTER FROM THE BOARD

IV. THE 2023 ANNUAL REPORT (INCLUDING THE FINANCIAL STATEMENTS FOR 2023)

The Company will propose an ordinary resolution at the AGM for Shareholders to consider and approve the 2023 Annual Report (including the financial statements for 2023). The 2023 Annual Report (including the financial statements for 2023) was considered and approved by the Board on 27 March 2024 and is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk), the website of the SSE (www.sse.com.cn) and the website of the Company (comec.cssc.net.cn).

V. THE PROFIT DISTRIBUTION PROPOSAL FOR 2023

The Company will propose an ordinary resolution at the AGM for Shareholders to consider and approve the Profit Distribution Proposal for 2023, details of which are as follows:

According to the 2023 financial statements of the Company audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the net profit attributable to owners of the Company in 2023 in the consolidated financial statements of the Company was RMB48,067,553.44, and the undistributed profit at the end of 2023 was RMB2,276,749,345.46; and the net profit in 2023 as set out in the financial statements of the Company was RMB47,246,209.40, and the undistributed profit at the end of 2023 was RMB997,505,103.60. According to the requirements of the relevant laws and regulations and the Articles of Association, and after considering various factors, the Board proposes to distribute a cash dividend of RMB0.11 (tax inclusive) for every 10 shares to all Shareholders, calculated according to the total share capital of 1,413,506,378 shares as at 31 December 2023, and the total cash dividends to be distributed will be RMB15,548,570.16 (tax inclusive), representing 32.35% of the net profit attributable to Shareholders of the Company for the year. The remaining retained earnings of the Company of RMB981,956,533.44 will be carried forward for distribution in future years. The Company did not convert capital reserve into share capital for 2023. If there is a change in the total share capital of the Company prior to the record date of registration of the distribution, it is intended that the distribution ratio per share will remain unchanged and the total amount of distribution will be adjusted accordingly.

The aforesaid Profit Distribution Proposal for 2023 was considered and approved by the Board on 27 March 2024. Subject to the Shareholders' approval of the Profit Distribution Proposal for 2023 at the AGM, the Company expects to complete the cash dividend distribution on or before 26 July 2024. For further details of the Profit Distribution Proposal for 2023, please refer to the notice of Annual General Meeting of the Company dated 29 April 2024.

LETTER FROM THE BOARD

VI. THE GUARANTEE PROPOSED TO BE PROVIDED BY THE SUBSIDIARIES FOR 2024 AND ITS AMOUNTS

To ensure the launching of smooth production and operations work in each subsidiaries of the Group, it is expected that the subsidiaries would be required to provide guarantees in 2024. Pursuant to the Articles of Association and relevant regulations, and taking into account the actual production and operations of the subsidiaries, it is proposed that approval is to be sought in relation to the provision of guarantees by the subsidiaries in 2024, details of which are as follows:

1. Status of the provision of guarantees by the Company and the balances thereof in 2023

The Resolution on the Framework for the Guarantees Proposed to be Provided by the Subsidiaries for 2023 and its Amounts was considered and approved at the 2022 annual general meeting of the Company, pursuant to which, authorizations were granted to the subsidiaries on the provision of guarantees of a total amount not exceeding RMB5.880 billion in 2023 based on their capital needs for production and operation.

From 24 May 2023 to the end of February 2024, its subsidiaries incurred a guarantee of a total amount of RMB308 million which was mainly attributable to the parent guarantee provided by the Company's subsidiary Huangpu Wenchong to its subsidiary Wenchuan Heavy Industrial. The terms and amount of the guarantees fell within the scope authorized at the general meeting of the Company.

As at the end of February 2024, the balance of guarantees of its subsidiaries amounted to RMB462 million which was mainly attributable to the guarantees provided by Huangpu Wenchong to its subsidiaries Wenchong Heavy Industrial. The guarantee items included bank credit facility guarantee, parent guarantee and other guarantees. There were no overdue guarantees.

2. Status of projected guarantees in 2024

Based on the production and operations capital requirements and the market financing environment:

It is expected that the additional guarantee amount for subsidiaries in 2024 will be RMB5.630 billion, of which the additional guarantee amount provided by subsidiaries with gearing ratios above 70% will be RMB3.550 billion and the additional guarantee amount provided by subsidiaries with gearing ratios below 70% will not exceed RMB2.080 billion. The above guarantee amount can be adjusted among the guaranteed parties whose gearing ratios are more than 70%, and among the guaranteed parties whose gearing ratios are less than 70%.

The form of guarantee will be by way of provision of guarantee by Huangpu Wenchong, a subsidiary of the Company, to its subsidiaries. The guarantee will include finance project guarantee, bank credit guarantee, parent guarantee and other guarantees, details of which are shown in the table below:

LETTER FROM THE BOARD

| Guarantor | Guaranteed entity | Shareholding percentage of the Guarantor | Latest gearing ratio of the guarantee | Balance of Guarantee (RMB100 million) | Additional guarantee amount (RMB100 million) | The percentage of the guarantee amount accounting for the latest net assets of the listed company | Projected valid period of the guarantees | Whether related guarantees are provided | Whether counter guarantees are provided |
|--|------------------------------|--|---------------------------------------|--|---|---|--|---|---|
| | | | | | | | | | |
| 1. Controlling subsidiaries with gearing ratios above 70% | | | | | | | From the date of the resolution passed at the 2023 Annual General Meeting until the date when a new resolution is passed at the 2024 annual general meeting or when such resolution is amended | No | No |
| Huangpu Wenchong | Wenchuan Heavy Industrial | 100% | 79.70% | 4.62 | 26.70 | | | | |
| Huangpu Wenchong | Huangchuan Ocean Engineering | 100% | 98.78% | - | 8.80 | | | | |
| Sub-total | | | | 4.62 | 35.50 | 28.71% | | | |
| 2. Controlling subsidiaries with gearing ratios below 70% | | | | | | | | | |
| Huangpu Wenchong | Wenchong Shipyard | 100% | 61.60% | - | 20.80 | | | | |
| Sub-total | | | | - | 20.80 | | | | |
| Total | | | | 4.62 | 56.30 | | | | |

3. Basic Conditions of the Guarantees

(1) Wenchuan Heavy Industrial

Wenchuan Heavy Industrial, a wholly-owned subsidiary of the Company's subsidiary Huangpu Wenchong, was registered at Nansha District, Guangzhou with a registered capital of RMB410,000,000. Its legal representative is Chen Hongling. It is principally engaged in manufacturing of equipment for railways, ships, aerospace and other transport facilities. As at 31 December 2023, the company had total assets of RMB2,644,910,200, total liabilities of RMB2,108,016,300 and net assets of RMB536,893,900. For 2023, the company achieved operating revenue of RMB1,497,973,700 and net profit of RMB32,711,000 with a gearing ratio of 79.70%.

(2) Huangchuan Ocean Engineering

Huangchuan Ocean Engineering, a wholly-owned subsidiary of the Company's subsidiary Huangpu Wenchong, was registered at Nansha District, Guangzhou with a registered capital of RMB68,000,000. Its legal representative is Chen Biaohong. It is principally engaged in manufacturing of equipment for railways, ships, aerospace and other transport facilities. As at 31 December 2023, the company had total assets of RMB2,590,798,400, total liabilities of RMB2,559,228,400 and net assets of RMB31,570,000. For 2023, the company achieved operating revenue of RMB3,599,808,900 and net profit of RMB210,247,900 with a gearing ratio of 98.78%.

LETTER FROM THE BOARD

(3) *Wenchong Shipyard*

Wenchong Shipyard, a wholly-owned subsidiary of the Company's subsidiary Huangpu Wenchong, was registered at Nansha District, Guangzhou with a registered capital of RMB1,420,178,455. Its legal representative is Chen Biaohong. It is principally engaged in manufacturing of equipment for railways, ships, aerospace and other transport facilities. As at 31 December 2023, the company had total assets of RMB5,804,250,300, total liabilities of RMB3,575,398,400 and net assets of RMB2,228,851,900. For 2023, the Company achieved operating revenue of RMB3,988,037,000 and net profit of RMB121,877,700 with a gearing ratio of 61.60%.

4. **Main Contents of the Guarantee Contracts**

In the event that Huangpu Wenchong provide guarantee(s) to the above-mentioned guaranteed entity(ies), the following requirements shall be incorporated into the guarantee contract(s):

- (1) Types of the guarantees: financing or loan guarantee arising from the funds being required for working capital of production and operations or basic construction projects, or settlement guarantee, parent company guarantee or bank credit facility and other guarantees arising from the production and operations process;
- (2) Counterparty(ies) of the guarantees: financial or non-financial institutions incorporated by law (including CSSC Finance Company Limited) or buyers of engineering projects;
- (3) Models of the guarantees: general guarantee or joint and several guarantee; and
- (4) Maximum term of the guarantees: three years falling on the day subsequent to the due date of each debt under main contract.

5. **Necessity and Rationality of the Guarantees**

Considering that the Company is a holding company, and in conjunction with the purposes of facilitating efficient daily operations of the subsidiaries of the Company and ensuring the fulfillment of financing demands arising from the production and operations of relevant projects, each subsidiary intends to adopt a general model of guarantee in the event of obtaining credit support from relevant financial institutions. The above-mentioned guarantees, in the form of a proposed guarantee framework in 2024, are to be carried out in contemplation of guarantee to be provided by Huangpu Wenchong to its subsidiaries, and will be implemented in accordance with the regulatory requirements for listing in Shanghai and Hong Kong and the relevant provisions of the Articles of Association. There does not exist any form of transfer of resources or benefits, and its risks are kept under control without prejudice to the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

6. Miscellaneous

- (1) In order to enhance the efficiency of decision making, the Board and the general meeting of Shareholders are requested to authorise the Chairman or another executive Director of COMEC to sign the relevant legal documents.
- (2) If this proposal is approved at the AGM, the guarantee will be valid from the date of the resolution at the 2023 Annual General Meeting until a new resolution is passed at the 2024 annual general meeting or until such resolution is amended.

The above-mentioned resolution will be proposed at the AGM as an ordinary resolution for the Shareholders' consideration and approval.

VII. RESOLUTION ON THE COMMENCEMENT OF FOREIGN EXCHANGE DERIVATIVES TRANSACTIONS IN 2024

For the purposes of hedging foreign exchange risks, and preventing and reducing financial risks, the Company and its subsidiaries intend to conduct foreign exchange derivatives trading activities in 2024 as follows:

1. An overview of conducting foreign exchange derivatives transactions

(1) *Transaction targets*

The Company's export of vessels and import of materials are mainly denominated in foreign currencies. The Group proposes to conduct foreign derivatives trading activities in 2024 in order to guard against the adverse impacts of significant exchange rate fluctuations on the Company's performance. The Company's foreign exchange derivatives transactions are conducted based on production and operation needs for hedging, and not only for profits through speculation and arbitrage, which will not affect the development of the Company's primary business.

The Company utilizes foreign exchange derivatives such as forward contracts to hedge the risks of exchange rate fluctuations in expected receipt and payment under import and export contracts and foreign currency funds on hand. Foreign exchange derivatives such as forward contracts are hedging instruments and expected receipt and payment under import and export contracts and foreign currency funds on hand are hedged items. The hedging instruments and the hedged items satisfy the effectiveness of hedge in terms of the economic relationship, hedge ratio and time, and are not dominated by credit risks. Changes in the fair value or cash flows of the hedging instruments can offset the changes in fair value or cash flows of the hedged items caused by the hedging risks, and thus achieve the purpose of hedging.

LETTER FROM THE BOARD

(2) Transaction amount

Taking into account the Company's foreign exchange balance measurement and the balance on hand at the beginning of the year, the foreign exchange derivative balance at any point in time shall not exceed US\$4.074 billion (including equivalent foreign currencies).

The balance of transaction deposit (交易保證金) and entitlement (權利金) at any point in time during the term shall not exceed RMB10 billion or other equivalent foreign currencies.

(3) Sources of funds

The Company's own funds shall be used and the credit funds or raised funds shall not be used to carry out foreign exchange derivatives transactions.

(4) Transaction methods

- (1) Transaction varieties and terms: foreign exchange forward settlements, foreign exchange options, foreign exchange swaps, etc. The contract terms in general shall be less than eight years.
- (2) Transaction instruments: simple and manageable foreign exchange derivatives instruments with market pricing that is easy to calculate and risks that can be effectively assessed shall be chosen, including foreign exchange forwards, foreign exchange options and foreign exchange swaps. The scale and term of foreign exchange derivative trading business, corresponding to the fund position and payment and receipt time related to import and export contracts, shall not exceed 95% of the amount that needs to be hedged.
- (3) Counterparty(ies): bank(s) and related finance company(ies) of the Company as approved by regulators and qualifications to operate in foreign exchange derivatives trading business.

(5) Authorization period

It is from the date of the resolution made at the 2023 Annual General Meeting until the date of a new resolution passed at the 2024 annual general meeting or until such resolution is amended.

2. Analysis on the risks of entering into foreign exchange derivative trading business

- (1) Market risk: The foreign exchange derivatives trading to be entered into by the Company are mainly hedging activities related to the principal business, which involve market risk of loss arising from changes in the prices of financial derivatives caused by market price fluctuation.

LETTER FROM THE BOARD

- (2) Liquidity risks: Sufficient fund is required for settlement on completion, or the derivatives shall be alternately settled on a net basis to reduce the requirement for cash flow at maturity.
- (3) Performance risks: The counterparties to the Company's derivative investments are banks and related finance companies with sound credit ratings and long-standing business relationships with the Company, which basically give rise to no risk in terms of contract performance.
- (4) Other risks: During operation, failure of the personnel in charge to operate the derivative investments in accordance with the stipulated procedures or fully understand the information regarding the derivatives may result in operational risks in actual operation. Obscure terms in the trade contracts may result in legal risks.

3. Risk management measures in relation to foreign exchange derivatives trading activities

- (1) The objective of entering into foreign exchange derivatives trading is to mitigate the impact of foreign exchange fluctuation on the Company. Financial derivatives with simple structure, high liquidity and identifiable risks shall be selected to carry out hedging transactions, and any speculative activities are prohibited. The amount of foreign exchange derivatives trading shall not exceed the authorised limit approved by the Company.
- (2) The Company has formulated the Management Measures for Financial Derivative Activities, which establishes clear regulations on operation principles, authority for approval, management and internal operation procedures, internal risk reporting system and risk handling practices of foreign exchange derivatives trading activities.
- (3) Counterparty management is strengthened. Only those foreign exchange derivatives that are closely related to the Company's principal business shall be selected, and the derivatives shall be matched with the business in terms of the types, scales, directions and durations. The Company shall enter into contracts with clear terms with the counterparties and strictly implement the risk management system so as to mitigate the legal risks.
- (4) The finance department of the Company shall be responsible for monitoring the changes in the open market price or the fair value of the derivatives, and assessing the changes in the risk exposure of the invested derivatives on a timely basis. It shall promptly report any major changes in the market or significant unrealised losses to the Company's management and the Board, which shall establish an emergency mechanism to actively respond and properly deal with the situation.

LETTER FROM THE BOARD

- (5) The audit department of the Company, acting as the supervision department of the Company's financial derivatives trading, shall be responsible for supervising and inspecting the compliance of the decision-making, management and execution of the financial derivatives trading of the Company.

4. Impact of conducting foreign exchange derivative trading activities on the Company and the related accounting treatment

The Company conducts foreign exchange derivative trading activities for hedging and preventing exchange rate risks and reducing risk exposures, which serves to enhance the Company's ability to manage the risks of foreign exchange fluctuations and improve the Company's financial soundness. Conducting foreign exchange derivative trading activities is in line with the actual needs of the Company's production and operation and is determined in compliance with the regulatory requirements for listing in Shanghai and Hong Kong and the relevant provisions of the Articles of Association. The risks for conducting foreign exchange derivative trading activities are controllable and will not harm the interests of the Shareholders of the Company and the Company as a whole.

The Company accounts for and reports the foreign exchange derivative trading activities in accordance with the relevant requirement and guidelines of the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, the Accounting Standards for Business Enterprises No. 37 – Presentation and Reporting of Financial Instruments and the Accounting Standards for Business Enterprises No. 39 – Measurement of Fair Values, which are reflected in relevant items in the Company's balance sheet and income statement.

5. Miscellaneous

- (1) In order to enhance the efficiency of decision making, it is proposed that the Board and the general meeting of Shareholders authorize the Chairman of COMEC, or an executive Director of COMEC, and the chairman of the Company's subsidiary to sign the relevant legal documents on behalf of the Company and the financial department shall be responsible for the specific implementation.
- (2) Once being passed at the AGM, the resolution shall be valid from the date of the resolution at the 2023 Annual General Meeting until a new resolution is passed at the 2024 annual general meeting or until such resolution is amended.

The above-mentioned resolution shall be proposed at the AGM as an ordinary resolution for the Shareholders' consideration and approval.

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VIII. APPOINTMENT OF AUDITOR FOR THE FINANCIAL STATEMENTS AND INTERNAL CONTROL FOR 2024 OF THE COMPANY

Pursuant to the Administrative Measures for the Appointment of Accounting Firms by State-owned Enterprises and Listed Companies (《國有企業、上市公司選聘會計師事務所管理辦法》) issued by the MOF, SASAC and CSRC, the Company's Rules for the Selection and Appointment of Accounting Firms, the Listing Rules of the Shanghai Stock Exchange and the Hong Kong Listing Rules and other laws, regulations and regulatory documents, as well as the Articles of Association of the Company and other relevant provisions, the Company shall engage an accounting firm to conduct an audit of the annual financial statements and the effectiveness of the internal controls and to issue an audit report thereon.

Based on the actual situation of the Company, the management proposes to continue to engage BDO China Shu Lun Pan Certified Public Accountants LLP as the auditor of the financial statements and internal control for 2024 of the Company at an audit fee of RMB1,540,000 (tax inclusive), of which RMB1,260,000 (tax inclusive) will be paid for the audit of the financial statements and RMB280,000 (tax inclusive) will be paid for the audit of the internal control, which is consistent with the fees for 2023.

The above-mentioned resolution will be proposed at the AGM as an ordinary resolution for the Shareholders' consideration and approval.

IX. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is also made to the announcement of the Company dated 25 April 2024 in relation to the proposed amendments to the Articles of Association.

On 14 February 2023, the State Council promulgated the Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》), pursuant to which the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) were repealed. On 17 February 2023, with the approval of the State Council, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) in accordance with the Decision of the State Council to Repeal Certain Administrative Regulations and Documents, and the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) shall be repealed simultaneously upon the effective date of the said Measures. The above new regulatory requirements took effect from 31 March 2023 and PRC issuers should make reference to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) issued by the CSRC in formulating their articles of association. Accordingly, shareholders of A shares and H shares would no longer be regarded as different classes of shareholders and therefore the requirements in relation to class meetings of A shareholders and H shareholders will no longer apply. In view of the above new requirements, the Hong Kong Stock Exchange has made consequential amendments to the Hong Kong Listing Rules with effect from 1 August 2023 to reflect the new requirements.

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In addition, on 1 August and 15 December 2023, the CSRC issued the Measures for the Management of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) and the Guidance on the Articles of Association of Listed Companies. The Company Law of the PRC was also amended at the end of 2023 and will come into effect from 1 July 2024 onwards. In view of the above changes in laws, administrative regulations and departmental rules, and taking into account the actual situation, the Company proposes to amend the Articles of Association, mainly by deleting the relevant contents of the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas and amending the provisions on the general meeting, the Board of Directors, exercise of shareholders' rights, performance of duties by the Directors, Supervisors and senior management, profit distribution and appointment of accounting firm, etc.

Under the PRC law, A shares and H shares are already regarded as one class of ordinary shares, and the substantive rights attached to these two kinds of shares (including voting rights, dividends and asset distribution upon liquidation) are the same, therefore, the removal of the relevant class meeting requirement from the Articles of Association will not compromise protection of the H Shareholders and will not have material impact on measures relating to Shareholder protection. The Board is of the view that the proposed amendments are in the interests of the Company and its Shareholders as a whole.

The details of the proposed amendments to the Articles of Association are set out in Appendix III to this circular. Save for the proposed amendments disclosed in the Appendix, the other chapters and articles of the Articles of Association remain unchanged.

The proposed amendments to the Articles of Association are subject to the consideration and approval of the Shareholders at the Annual General Meeting, the A Shareholders at the A Shareholders Class Meeting and the H Shareholders at the H Shareholders Class Meeting by way of special resolutions. The amended Articles of Association will be effective from the date of consideration and approval at the Annual General Meeting and the Class Meetings.

The legal advisers of the Company as to Hong Kong laws and the PRC laws have respectively confirmed that the proposed amendments to the Articles of Association are in compliance with the requirements of the Hong Kong Listing Rules and the applicable PRC laws. The Company has confirmed that there is nothing unusual about the proposed amendments to the Articles of Association for a company incorporated in the PRC and listed on the Hong Kong Stock Exchange.

X. PROPOSED AMENDMENTS TO THE COMPANY'S RULES FOR PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS

Reference is made to the announcement of the Company dated 25 April 2024 in relation to the proposed amendments to the Company's Rules for Proceedings of General Meetings of the Shareholders.

In accordance with the applicable PRC laws and regulations including the Guidelines for the Articles of Association of Listed Companies, the Measures for the Management of Independent Directors of Listed Companies and the Shanghai Stock Exchange

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Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》), as well as in response to the amendments to the Articles of Association and in light of the actual situation of the Company, the Company proposes to amend the Company’s Rules for Proceedings of General Meetings of the Shareholders, which is mainly to revise the relevant provisions on the convening of general meetings, proposals and notices, scrutiny of meetings and minutes of meetings; to delete the relevant contents of the special procedures for voting by class shareholders in Chapter 6 of the original provisions, and to adjust the structure of the chapters and the order of the provisions.

Under the PRC law, A shares and H shares are already regarded as one class of ordinary shares, and the substantive rights attached to these two kinds of shares (including voting rights, dividends and asset distribution upon liquidation) are the same, therefore, the removal of the relevant class meeting requirement from the Company’s Rules for Proceedings of General Meeting of the Shareholders will not compromise protection of the H Shareholders and will not have material impact on measures relating to Shareholder protection. The Board is of the view that the proposed amendments are in the interests of the Company and its Shareholders as a whole.

The details of the proposed amendments to the Company’s Rules for Proceedings of General Meetings of the Shareholders are set out in Appendix IV to this circular. Save for the proposed amendments disclosed in the Appendix, the other chapters and articles of the Company’s Rules for Proceedings of General Meetings of the Shareholders remain unchanged.

The proposed amendments to the Company’s Rules for Proceedings of General Meetings of the Shareholders are subject to the consideration and approval of the Shareholders at the Annual General Meeting, the A Shareholders at the A Shareholders Class Meeting and the H Shareholders at the H Shareholders Class Meeting by way of special resolutions. The amended Company’s Rules for Proceedings of General Meetings of the Shareholders will be effective from the date of consideration and approval at the Annual General Meeting and the Class Meetings.

XI. PROPOSED AMENDMENTS TO THE COMPANY’S RULES FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS

Reference is made to the announcement of the Company dated 25 April 2024 in relation to the proposed amendments to the Company’s Rules for Proceedings of the Board of the Directors.

In accordance with the applicable PRC laws and regulations including the Guidelines for the Articles of Association of Listed Companies, the Measures for the Management of Independent Directors of Listed Companies and the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation, as well as in response to the amendments to the Articles of Association and in light of the actual situation of the Company, the Company proposes to amend the Company’s Rules for Proceedings of the Board of the Directors, which is mainly to revise the duties of the Board, the duties and composition of the specialized committees, the circumstances

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under which the Board may convene a meeting, the proposal of resolution for Board Meeting, the notice of and proxy for a meeting, the adjournment of a meeting, the minutes of a meeting, etc., and to delete the relevant contents of the original rules that are otherwise provided for in the Articles of Association and other special policies, such as Chapter 2 (Directors), Chapter 3 (Independent Directors), Chapter 5 (Duties of the Chairman and Secretary to the Board) and Chapter 10 (Decision-making Procedures for Connected Transactions and Credit Guarantee), etc., and to adjust the structure of the chapters and the order of the provisions.

The details of the proposed amendments to the Company's Rules for Proceedings of the Board of the Directors are set out in Appendix V to this circular. Save for the proposed amendments disclosed in the Appendix, the other chapters and articles of the Company's Rules for Proceedings of the Board of the Directors remain unchanged.

The proposed amendments to the Company's Rules for Proceedings of the Board of the Directors are subject to the consideration and approval of the Shareholders at the Annual General Meeting by way of a special resolution. The amended Company's Rules for Proceedings of the Board of the Directors will be effective from the date of consideration and approval at the Annual General Meeting.

XII. PROPOSED AMENDMENTS TO THE COMPANY'S RULES FOR PROCEEDINGS OF THE SUPERVISORY COMMITTEE

Reference is made to the announcement of the Company dated 25 April 2024 in relation to the proposed amendments to the Company's Rules for Proceedings of the Supervisory Committee.

In order to further clarify the manner of deliberation and voting procedures of the Supervisory Committee, to enable the Supervisors and the Supervisory Committee to effectively perform their supervisory duties, to give full play to the supervisory role of the Supervisory Committee, and to improve the corporate legal person governance structure of the Company, in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines on the Governance of Listed Companies, and other applicable PRC laws and regulations, and in the light of the amendments of the Articles of Association and the actual situation of the Company, the Company proposes to amend the Company's Rules for Proceedings of the Supervisory Committee.

The details of the proposed amendments to the Company's Rules for Proceedings of the Supervisory Committee are set out in Appendix VI to this circular. Save for the proposed amendments disclosed in the Appendix, the other chapters and articles of the Company's Rules for Proceedings of the Supervisory Committee remain unchanged.

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The proposed amendments to the Company's Rules for Proceedings of the Supervisory Committee are subject to the consideration and approval of the Shareholders at the Annual General Meeting by way of a special resolution. The amended Company's Rules for Proceedings of the Supervisory Committee will be effective from the date of consideration and approval at the Annual General Meeting.

XIII. AGM AND H SHAREHOLDERS CLASS MEETING

The AGM will be held at the conference room of the Company at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, the PRC at 9:30 a.m. on Thursday, 30 May 2024, and the H Shareholders Class Meeting will be held on the same day and at the same place immediately after the conclusion of the AGM and the A Shareholders Class Meeting. The notice of the AGM and the notice of the H Shareholders Class Meeting are set out on pages AGM-1 to AGM-3 and pages HCM-1 to HCM-2 of this circular, respectively.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Shareholders has any material interest in the resolutions to be proposed at the AGM and the Class Meetings and will abstain from voting at those meetings.

Any Shareholder who is entitled to attend and vote at the AGM and/or H Shareholders Class Meeting has the right to appoint one or more proxies to do so on behalf of himself. The proxy needs not be a Shareholder. To ensure validity, H Shareholders must deliver the completed proxy forms and other authorization documents (if any) to the Company's H share registrar, Hong Kong Registrars Limited at Hopewell Center at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. A Shareholder who has completed and delivered a proxy form can still attend the AGM and/or H Shareholders Class Meeting and vote in person.

All resolutions to be proposed at the AGM and H Shareholders Class Meeting will be voted on by way of poll in accordance with the Hong Kong Listing Rules.

XIV. CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of the H Shareholders to attend the AGM and/or H Shareholders Class Meeting, the register of members of the Company will be closed from 27 May 2024 to 30 May 2024 (both days inclusive). H Shareholders who have lodged the duly completed transfer documents accompanied by the relevant share certificates with the Company's H share registrar, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on 24 May 2024, the transferee but not the transferor shall be regarded as holder of the relevant H Shares and will be entitled to attend and vote at the AGM and/or H Shareholders Class Meeting. H Shareholders whose names are recorded in the register of member of the Company on 30 May 2024 are entitled to attend the AGM and/or H Shareholders Class Meeting.

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XV. RECOMMENDATIONS

The Board considers that the resolutions to be proposed at the AGM and H Shareholders Class Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all H Shareholders to vote in favor of all resolutions proposed at the AGM and H Shareholders Class Meeting.

XVI. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company, for which the Directors collectively and individually accept full responsibility. 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.

XVII. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
CSSC Offshore & Marine Engineering (Group) Company Limited
Li Zhidong
Company Secretary

REPORT OF THE BOARD OF DIRECTORS FOR 2023

In 2023, in strict compliance with the Company Law of the PRC, the Securities Law of the PRC, the listing rules of the stock exchange(s) where the Company's shares are listed and other laws, regulations, regulatory documents as well as relevant provisions of the Articles of Association, the board of directors (hereinafter referred to as the "Board") of CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter referred to as the "Company") implemented the resolutions of general meetings, diligently and faithfully performed its duties, continuously promoted the standardized operation of the Company under the guidance of high-quality development and enhanced the governance level of the Company, so as to adequately safeguard the legitimate rights and interests of the Company and all shareholders, and comprehensively complete all tasks of the Company. The work of the Board in 2023 and the work ideologies of the Board in 2024 are now reported as follows:

PART 1 WORK OF THE BOARD IN 2023**I. Strengthening the leadership of the Party and playing the political core role of the Party organization**

In 2023, adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Board thoroughly studied and implemented General Secretary Xi Jinping's important exposition on important exposition on the reform and development of state-owned enterprises and Party building, and solidly boosted the fusion of the Party's leadership and the corporate governance system. All proposals of the Board were studied by the Party organization in advance, which took the direction, managed the overall situation and ensured implementation, thus fully embodying the legal status of the Party organization in the corporate governance structure and continuously playing the political core role of the Party organization in corporate governance.

II. Operation's discussion and analysis

In 2023, amidst the backdrop of a steady development of the global new shipbuilding market and a sustained improvement in medium and long-term shipbuilding demand, the Group focused on its main responsibilities and main businesses to capture market opportunities, and prioritized innovation-driven approaches to enhance quality and efficiency, thereby achieving notable progress in its production and operations and further fortifying its foundation for high-quality development.

Gradual improvement of operating performance. In 2023, the Group achieved operating income of RMB16.1 billion representing a year-on-year increase of 26.19%. The net profit attributable to the shareholders of the Company after deducting non-recurring gains and losses was RMB-1.7639 million, representing a year-on-year loss reduction of RMB77.5490 million. During the Reporting Period, the Group continued to promote key tasks such high-quality production, construction of integrated information platform, management enhancement and cost control, thus achieving steady improvement in shipbuilding efficiency and constantly optimizing operational quality and effectiveness. In 2023, the Group completed and delivered 46 ships, with a total of 1,083,000DWT, including

a number of key defense equipment products of several types, mass production of 1,900TEU and 2,700TEU container ships, 85,000DWT bulk carriers and other main ship types, and key products such as offshore wind turbine jacket.

Enhancement in receiving orders. In 2023, the Group achieved operating orders of RMB18.3 billion, representing a year-on-year increase of 27.5%, and undertook a total of 44 new shipbuilding orders for 12 types, exceeding the annual business plan. In terms of military products, the Group fulfilled its primary responsibility of ensuring military supply and building a strong military, actively responded to new requirements for the manufacturing of naval equipment, and steadily expanded its footprint in the defense equipment market. In terms of civilian products, the Group undertook a batch of main ship types including feeder containerships, bulk carriers and heavy lift vessels, as well as the first order for medium-sized LPG gas ships, large deep-sea intelligent aquaculture vessels and new 10,000-ton offshore floating experimental platform. Among new orders, the proportion of main ship types and mid-to-high end ship types increased significantly year-on-year.

As at the end of the Reporting Period, the Group held orders with the total contract value of approximately RMB55.76 billion, of which the total contract value of shipbuilding orders was approximately RMB53.73 billion, including 110 ship products and 2 offshore equipment with a total of 3,498,700DWT.

III. Actively performing its functions and power, and playing the key role of corporate governance

During the Reporting Period, in strict compliance with the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures for the Information Disclosure of the Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other laws, regulations, regulatory documents as well as the requirements of the Articles of Association, the Board continuously strengthened their own capacity building, improved the level of decision-making ability, and standardized the daily operation of the Board and all specialized committees. In 2023, the work of the Board of the Company was highly recognized by the capital market, and the Board obtained Grade A evaluation for information disclosure in 2023 from the Shanghai Stock Exchange, the Excellent Practice of 2022 Annual Report Results Presentations from the China Association for Public Companies, the 13th Best Board of Directors of Listed Companies in Terms of Reputation of Chinese Listed Companies from National Business Daily, and the 25th Golden Bull Award – Golden Information Disclosure Award for Listed Companies from China Securities Journal.

(1) Continuously improving the corporate governance structure and strengthening the corporate governance system

During the Reporting Period, the Company further improved its corporate governance structure and held the 24th meeting of the 10th session of the Board to elect the new Chairman of the Company. As at the end of the Reporting Period, the Company completed the nomination procedures for candidates of the eleventh session of the Board and convened the first extraordinary general meeting of 2024 on 2

February 2024 to complete the reelection. The eleventh session of the Board has a total of 11 directors, including three executive Directors, four non-executive Directors and four independent non-executive Directors. The members of the Board have different industry backgrounds and possess deep expertise in such areas as corporate management, financial accounting, investment strategy, ocean engineering and equipment and legal affairs. The number and composition of the Board meet the Company Law of the PRC and the relevant requirements of the listing rules of Shanghai and Hong Kong.

In 2023, the Board systematically developed and revised the Company's governance systems following the trend towards increasingly stringent regulatory requirements at home and abroad. It developed the Investors' Complaint Handling System, and revised the Administrative Measures for Board Authorization, and promoted in order the revision of the Articles of Association, the Working Rules for Independent Directors, and the Implementation Rules of all specialized committees of the Board, so as to abide by the new regulatory rules and requirements in China and foreign countries, and further realize the scientific decision-making, efficient operation and effective control of corporate governance.

In addition, the directors of the Company comprehensively understood the requirements of securities regulation, the dynamics of the capital market and the production and operation of the Company through attending securities regulatory training, improving communication with the management of the Company and reading the monthly reports of the Board on a regular basis, so as to constantly increase their awareness of the rules and enhance their ability to perform duties.

(2) Performing duties in accordance with laws and regulations and standardizing the Company's operation of the three committees in a scientific and effective manner

1. Convening of general meetings and relevant considerations

In 2023, strictly abiding by the relevant provisions of the Articles of Association and the Rules of Proceedings for General Meetings, the Board improved the procedures for convening, holding and voting of general meetings, invited lawyers to attend and witness the meetings, and invited auditors, minority shareholders and supervisors of the Company to count the votes and scrutinize the voting, so as to ensure that all shareholders, especially the minority shareholders, have the same right to know. During the year, the Company organized and held 3 general meetings to consider 11 proposals, each of which was passed with a high approval rate. After the meetings, the Board, in strict compliance with the responsibilities delegated at the general meetings, implemented the resolutions of general meetings in an active, prudent, comprehensive and effective manner, and

maintained good communication with the management of the Company to ensure the smooth implementation of the resolutions of general meetings, so as to adequately safeguard the interests of the Company as a whole and the legitimate rights and interests of all shareholders.

2. Convening of Board meetings and meetings of each specialized committee, as well as relevant considerations

During the Reporting Period, all Directors performed their duties and responsibilities, actively attended Board meetings of the Company to deliberate and make decisions on material matters. In 2023, the Board of Directors convened a total of 8 meetings and considered and unanimously approved 33 proposals; and issued 4 regular reports and 43 interim announcements throughout the year.

In 2023, the Audit Committee under the tenth session of the Board of the Company convened a total of 6 meetings, the Emolument and Examination Committee convened a total of 3 meetings, the Nomination Committee convened a total of 2 meetings and the Strategy Committee convened a meeting. The members of all specialized committees were diligent and responsible, actively attended meetings, took the initiative to offer advice and suggestions, gave full play to their important roles in auditing supervision, remuneration appraisal, personnel nomination, strategic planning and other duties, and offered professional opinions and made recommendations on material matters of the Company to the Board, so as to solidly support the Board in making decisions in a professional and scientific manner.

(3) Strengthening the support for independent Directors in performing their duties and improving the performance of their duties

In 2023, the independent Directors of the Company performed their duties honestly, diligently and independently, took the initiative to pay attention to the Company's operation and management information, financial conditions and material matters on their own initiative, and objectively and prudently gave their independent opinions on the Company's financial reports, Environmental, Social and Governance (ESG), internal control, corporate governance, related party transactions and other material matters, so as to play their supervisory role well. During the Reporting Period, the independent Directors of the Company did not raise any objection to the proposals and other matters considered by the Board of the Company.

During the year, the Company formulated and actively carried out an Independent Directors' Performance Improvement Plan strictly according to the requirements relating to independent Directors' performance of duties and responsibilities. Firstly, the independent Directors conducted field research independently by focusing on the Company's key investment projects and others to deeply understand the development of the shipping industry; secondly, the independent Directors organized participation in the results presentations organized and convened by China Shipbuilding Group Co., Ltd. and the Company to further smooth the communication channels between independent Directors and minority shareholders; thirdly, the independent Directors organized

participation in the study and training organized by the regulatory authorities and the higher-level units to continuously improve the independent Directors' ability to perform their duties and professional competence.

IV. STRENGTHENING INVESTOR RELATIONS MANAGEMENT AND PROTECTING INVESTORS' RIGHTS AND INTERESTS

The Board laid stress on investor relations management. Through reception of investors for surveys on site and by telephone conference, answering investor dedicated phone lines, replying to SSE E-interaction, convening results presentations, participating in brokerage strategy meetings, organizing reverse roadshow and other channels, the Board listened to the voice of investors, promoted the benign interaction between the Company and investors, and helped investors better understand and recognize the Company's value. In addition, the Board improved investor complaint handling mechanism and responded to and duly met the demands of investors according to law. In 2023, the Company replied to E-interactive questions and answers 71 times, received more than 230 persons for institutional investor surveys, convened 5 results presentations and attended 16 strategy meetings.

The Board laid emphasis on rewarding shareholders and sharing the fruits of corporate development with them. During the Reporting Period, the Company distributed a cash dividend of RMB0.10 (tax inclusive) for every 10 shares to all shareholders, and the total cash dividends distributed were RMB14 million. The above profit distribution was implemented in July 2023.

V. STRENGTHENING RISK PREVENTION AND CONTINUOUSLY IMPROVING THE COMPANY'S ABILITY TO OPERATE ACCORDING TO LAW

In 2023, the Board carried out the decisions and deployments of the CPC Central Committee on law-based governance on all fronts and strengthened the implementation of responsibilities. Concentrating on the objectives and tasks of legal construction, the Board made all efforts to ensure the Company strictly abides by the state-owned assets supervision policies and securities regulatory rules, and carries out the legal construction work in an orderly manner.

Firstly, the Board strengthened internal control and risk prevention. It has promoted the strict implementation of the internal control system and the improvement of the auditing, internal control, compliance and risk control systems by focusing on the key aspects of corporate governance, such as related party transactions and material guarantees. Secondly, the Board strengthened compliance management. The Board continued to promote the implementation of the "Shipbuilding under the Rule of Law" initiative, strictly enforced the legal review mechanism for material matters, and further improved the compliance management mechanism, so as to effectively enhance the Company's lawful and compliant operation level. Thirdly, the Board strengthened comprehensive risk management. It promoted the continuous enhancement of risk management and control, improved the risk management system, continuously enhanced the capabilities of risk identification, analysis, and mitigation, and improved the level of risk management and control, thereby facilitating the Company's sustainable, healthy, and steady development.

VI. DEEPLY ENGAGING IN ESG GOVERNANCE AND ACTIVELY FULFILLING SOCIAL RESPONSIBILITIES WITH ALL PARTIES

In 2023, the Board conscientiously carried out new development philosophy, actively engaged in ESG practices, worked towards the overall goal of high-quality development, continuously improved the ESG work system and fulfilled the central corporate social responsibilities. Confronted with the global challenge of climate change, the Company actively responded to the national call, deeply ingraining the low-carbon and environmentally-friendly concept into the entire process of ship design, building, and operation. The Company adopted advanced scientific and technological means to enhance energy efficiency. The Company paid attention to the well-being of its employees, talent training, and offering high-quality products and services to its customers, while actively promoting community development, supporting public welfare undertakings, and contributing to regional economic development. Furthermore, the Company proactively promoted ESG management, integrated it into its corporate strategic planning and daily operations, and made efforts to reach first-class international standards in terms of environmental protection, social responsibility fulfillment, and corporate governance.

Regulatory authorities and the industry association set a high value on the Company's ESG practices. During the year, the Company was honored as one of the "ESG Pioneer 100 of Central Enterprises" by the Research Group on the Research Report on the ESG of Listed Companies Controlled by Central Enterprises of the State-owned Assets Supervision and Administration Commission of the State Council for the third consecutive year; was honored as one of the "Top 100 ESG Listed Companies" by Securities Times for the second consecutive year; was honored as one of the "China's Top 100 ESG Listed Companies" issued by CCTV Finance, State-owned Assets Supervision and Administration Commission of the State Council, All-China Federation of Industry and Commerce, and Institute of Economics of Chinese Academy of Social Sciences and other authoritative organizations; and was honored as one of the "Top 100 ESG Enterprises in Guangdong-Hong Kong-Macao Greater Bay Area" jointly released by Phoenix Satellite Television and CCXGF.

PART 2 WORK IDEOLOGIES OF THE BOARD IN 2024

In 2024, the Company's Board will fully implement the guiding principles of the 20th CPC National Congress, concentrate on our responsibilities for formulating strategies, making decisions, and preventing risks and further implement the State Council's Opinions on Improving the Quality of Listed Companies to ensure standardized operations and prudent decisions, enhance the corporate governance level and maintain orderly production and operation, thus achieving high-quality development and delivering superior returns to our shareholders and all stakeholders.

I. Improving the leading role of planning and guaranteeing the steady development of the Company

In 2024, the Board of the Company will intensify top-level planning and scientific decision-making by taking into account both the industry's development trend and the Company's current operation situation. The Board will align our efforts with the high-quality development strategy and key tasks outlined in the "14th Five-Year Plan", give priority to

promoting lean production of the Company, building an “integrated” information platform, enhancing management, and implementing cost engineering, so as to ensure the successful completion of the 2024 annual production and operation tasks while enhancing the Company’s core competitiveness.

II. Strengthening the construction of the board of directors and continuously enhancing the corporate governance level

In 2024, firstly, the Board will make efforts to enhance the quality and efficiency of operation and management, comprehensively review, develop, and revise the Company’s governance systems, optimize the supporting systems of the board of directors, and establish a more scientific and standardized decision-making mechanism, thereby continuously improving the standardization and effectiveness of the Board’s operation. Secondly, the Board will organize the new session of the board of directors to participate in field research and training provided by regulatory authorities, which will help the new session of the board of directors gain a thorough understanding of the Company’s operations and the latest regulatory developments and perform their duties efficiently. Thirdly, the Board will strengthen the study, publicity and implementation of information disclosure regulations for listed companies, optimize the communication between the Company and regulatory authorities, and constantly enhance the quality of information disclosure according to the principles of truthfulness, accuracy, completeness, timeliness, and fairness, so as to meet the needs of investors. Fourthly, the Board will strengthen the implementation of board resolutions, closely follow up, supervise, and give feedback on the implementation of Board resolutions to ensure timely identification of problems and effective implementation of resolutions. Fifthly, the Board will continue to improve the Company’s risk management system, accelerate the creation of the internal control process, and continuously upgrade the risk prevention mechanism.

III. Implementing strategic planning in an orderly manner and leading the Company’s high-quality development

In 2024, the Board of the Company will take advantages of the role of a listed company and effectively utilize the capital market to support our development and optimize our resource allocation. In addition, the Board will adhere to a “dual-wheel drive” approach that combines both production operation and capital operation and intensify efforts to explore capital and asset operation modes by focusing on primary businesses and key aspects of the industrial and supply chains. In 2024, the Board will focus on the undertakings made by China Shipbuilding Group on steady integration of appropriate assets and businesses into the Company in five years to avoid horizontal competition. Additionally, the Board will systematically plan the direction of the Company’s strategic development by taking into account the changing development environment, policy changes, and the Company’s current situation and give full play to its role in strategic guidance, so as to actively promote the effective implementation of the “14th Five-Year Development Plan” and achieve sustained, high-quality development for the Company.

IV. Establishing close ties with the capital market to increase market recognition and value realization

In 2024, the Board will strengthen the analysis and judgment of the industry market, focus on the Company's high-quality development goal, maintain strategic focuses and proactively respond to market concerns. Through a multi-level and benign interaction mechanism, the Board will establish close ties with all parties in the capital market, continue to tap into and publicize the Company's "unique strengths", convey the Company's intrinsic value to the capital market and strengthen the attractiveness of the Company as a long-term value investment, thereby gaining recognition from investors and create a more favorable environment for the Company's development.

V. Actively strengthening ESG management and improving the Company's sustainable development capability

In 2024, the Board will focus on increasing the Company's ESG capacity, constantly improve the information disclosure in respect of ESG, progressively enhance the Company's ESG management level to increase its ESG competitiveness. The Board will integrate the idea of sustainable development into the core values of the Company and its long-term development plans with a forward-looking and global strategic perspective, and try hard to make new progress in such areas as standardized governance, green transformation, staff development, and the fulfillment of social responsibilities, so as to promote the sustainable development of the Company.

REPORT OF THE SUPERVISORY COMMITTEE FOR 2023

In 2023, in strict compliance with the requirements of the Company Law of the PRC, the Articles of Association, the Rules of Proceedings for the Supervisory Committee and other relevant laws, regulations and regulatory documents, all members of the Supervisory Committee of the Company exercised their powers and functions independently in a compliant, conscientious and diligent manner to strongly safeguard the legitimate rights and interests of the shareholders, the Company and its employees. The Supervisory Committee supervised and reviewed the Company's production and operation, financial conditions, performance of duties by Directors and senior management, and other material matters, and gave objective and independent opinions on these matters, thus promoting the standardized operation of the Company. The main work of the Supervisory Committee in 2023 is now reported as follows:

I. Basic evaluation of the operation and management in 2023

In 2023, the Supervisory Committee earnestly performed its supervision duty in strict accordance with the requirements of the Company Law of the PRC, Articles of Association, Rules for Proceedings of the Supervisory Committee, and relevant laws and regulations, to effectively safeguard the interest of the Company as well as the rights and interests of the minority shareholders. The members of the Supervisory Committee attended all the Board meetings of 2023 and all the general meetings of 2023 and considered that the Board had implemented resolutions of the general meetings conscientiously and had performed obligations of honesty faithfully without any actions which were detrimental to the interests of the Company and the shareholders. All resolutions of the Board had complied with the laws and regulations such as the Company Law of the PRC and the requirements of the Articles of Association.

II. Meetings of the Supervisory Committee in 2023

In 2023, the Supervisory Committee of the Board held 7 meetings. The notices, convening and voting procedures of the meetings of the Supervisory Committee complied with the requirements of the Company Law of the PRC, the Articles of Association and the Rules of Proceedings for the Supervisory Committee. The convening of the meetings of the Supervisory Committee is set out below:

1. On 6 March 2023, the eighteenth meeting of the tenth session of the Supervisory Committee was held by communication voting. At the meeting, 5 supervisors should have participated in the voting and 5 supervisors actually participated. The Proposal on Signing of the Supplementary Agreement to 2023 Financial Services Framework Agreement between the Company and CSSC Finance Company Limited was considered and approved at the meeting.
2. On 30 March 2023, the nineteenth meeting of the tenth session of the Supervisory Committee was held by on-site voting. At the meeting, 5 supervisors should have participated in the voting and 5 supervisors actually participated. The Work Report of General Manager 2022, the Report of the Board for 2022, the Proposal on Provision for Asset Impairment, the Annual Report 2022 and Its Summary

(including the financial statements for 2022), the Profit Distribution Proposal for 2022, the Proposal on the Internal Control Evaluation Report 2022, the Environmental, Social and Governance Report 2022, the Proposal on Consolidated Credit Line and Financing Plan for 2023, the Proposal on the Framework for the Guarantee Proposed to be Provided by the Company and Subsidiaries for 2023, the Proposal on Carrying Out Foreign Exchange Derivative Transactions in Banks in 2023, the Proposal on the Appointment of the Company's Auditor for the Financial Report 2023, the Proposal on the Appointment of the Company's Internal Control Auditor for 2023, and the 2022 Work Report of the Supervisory Committee were considered and approved at the meeting.

3. On 27 April 2023, the twentieth meeting of the tenth session of the Supervisory Committee was held by on-site voting. At the meeting, 5 supervisors should have participated in the voting and 5 supervisors actually participated. The First Quarterly Report 2023 was considered and approved at the meeting.
4. On 1 June 2023, the twenty-first meeting of the tenth session of the Supervisory Committee was held by communication voting. At the meeting, 5 supervisors should have participated in the voting and 5 supervisors actually participated. The Proposal on the Transfer of Equity Interests by the Holding Company and Related Party Transaction and the Proposal on the Company's Management Accountability for Business Performance in 2023 were considered and approved at the meeting.
5. On 30 August 2023, the twenty-second meeting of the tenth session of the Supervisory Committee was held by on-site voting. At the meeting, 5 supervisors should have participated in the voting and 5 supervisors actually participated. The Interim Report 2023 and Its Summary, the Continuous Risk Assessment Report of CSSC Finance Company Limited for the Half of 2023, the Proposal on the Waiver of Right to Exercise the Pro Rata Capital Contribution to Guangzhou Shipyard International Company Limited and Related Party Transaction, the Proposal on Formulating the Investor Complaint Handling System of COMEC, and the Proposal on Revising the Company's Internal Control Manual and Internal Control Evaluation Manual were considered and approved at the meeting.
6. On 27 October 2023, the twenty-third meeting of the tenth session of the Supervisory Committee was held by on-site voting. At the meeting, 5 supervisors should have participated in the voting and 5 supervisors actually participated. The Third Quarterly Report 2023, the Proposal on Signing of the 2024 Framework Agreement for Continuing Related Party Transactions between the Company and China Shipbuilding Group Co., Ltd., the Proposal on Signing of the 2024 Financial Services Framework Agreement between the Company and CSSC Finance Company Limited and the Proposal on Amending the Administrative Measures for Board Authorization of the Company were considered and approved at the meeting.

7. On 29 December 2023, the twenty-fourth meeting of the tenth session of the Supervisory Committee was held by on-site voting. At the meeting, 5 supervisors should have participated in the voting and 5 supervisors actually participated. The Proposal for Formulating the Remuneration Package for the Eleventh Session of Directors, Supervisors and Senior Management of COMEC and the Proposal on the Reelection of the Supervisory Committee of the Company were considered and approved at the meeting.

III. Independent Opinions of the Supervisory Committee

1. *Operation of the Company According to Law*

In 2023, the Supervisory Committee diligently fulfilled its powers and functions as stipulated in the Company Law of the PRC, the Articles of Association, and other relevant laws and regulations, including attending the general meetings and Board meetings, gaining insight into the Company's production and operation and decision-making, and monitoring the duty performance by the Directors, general manager, and other senior management members. The Supervisory Committee believes that during the Reporting Period, the Company established a comprehensive internal control system in accordance with relevant Chinese laws, regulations, and the Articles of Association, followed the decision-making procedures which were in line with applicable requirements, and faithfully implemented the listing rules of both Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited such as making timely and accurate information disclosure. The Supervisory Committee was not aware of any violations by the directors, general manager, or other senior management members against laws, regulations, or the Articles of Association or other regulations, or any other conduct that harmed or will harm the interests of the Company and its shareholders.

2. *Review of the Company's financial Report Preparation*

After reviewing the Company's financial reports, the Supervisory Committee believes that the preparation and deliberation procedures for the annual report comply with all applicable laws, regulations, the Articles of Association of the Company, and in-house management systems of the Company; and the content and format of the annual report comply with the regulations of the CSRC and stock exchanges in Shanghai and Hong Kong, and the information disclosed are true, accurate, and complete. The Supervisory Committee didn't find any instances where personnel involved in the preparation and review of the annual report violated confidentiality regulations or securities trading rules.

3. Opinions on the audit report issued by the accounting firm

BDO China Shu Lun Pan Certified Public Accountants conducted an audit over the Company's financial situation for 2023 and issued an audit report with unqualified opinions. The audit opinions issued by BDO China Shu Lun Pan Certified Public Accountants and related matters reflect the Company's financial position and operating results in an accurate and true manner.

4. Related party transactions and related financial services of the Company

The Company upheld the principles of openness, fairness, and impartiality in all related party transactions and related financial services, strictly followed the approval procedures outlined in the Articles of Association and other relevant regulations. There were no instances of insider trading or any actions that harmed or will harm the interests of the Company and its shareholders.

5. Internal Control Self-Assessment

The Company has established a sound internal control system in accordance with internal control standards and relevant regulations, and maintained effective internal control in all material respects, ensuring the Company's standardized operations. The internal control assessment report for 2023 issued by the Company itself truly and objectively reflects the development and operation of the internal control system.

6. Profit distribution of the Company

During the Reporting Period, in strict accordance with Chinese laws and regulations, the Articles of Association and other relevant regulations, the Company formulated the 2023 Distribution Plan by taking into full consideration the actual situation of the Company, the needs of its operation and development, as well as the profit distribution in the last three years, which is in line with the interests of the Company and all shareholders.

7. Application for the consolidated credit lines and financing plan

The consolidated credit line in 2023 was mainly used for daily operation and capital operation, other business needs. The credit instruments include loans, letters of guarantee, letters of credit, bank acceptance bills, trade finance, credit certificates and other credit business. The financing plan within the consolidated credit line in 2023 was mainly used for daily operation, capital operation and other business needs.

IV. Working achievements of the Supervisory Committee

In 2023, the evaluation of the operation of the Supervisory Committee of the Company for 2022 given by China Shipbuilding Group Co., Ltd. was excellent.

V. Work Plan of the Supervisory Committee for 2024

In 2024, the Supervisory Committee will continue to strictly implement the relevant provisions of the Company Law of the PRC, the Securities Law and the Articles of Association, faithfully perform its duties, supervise and inspect the operation behavior of the Board of Directors and senior management. Meanwhile, the Supervisory Committee will continue to strengthen the responsibilities of supervision, earnestly perform its duties, attend Board meetings and general meetings and relevant meetings according to the law, and promptly guarantee the legality and compliance of the Company's significant decision-making items and procedures, in order to further promote the standardized operation of the Company, further enhance risk prevention awareness, and protect the rights and interests of different stakeholders, including shareholders, the Company and employees.

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 1 The Company is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (the “Company Law”), <u>the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”)</u> and other relevant requirements under the laws and administrative regulations of the state. The legal rights and interests of the Company and shareholders are under the jurisdiction and protection of the laws, regulations and other relevant rules of the government of China.</p> | <p>Article 1 The Company is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (the “Company Law”), <u>the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> and <u>other</u> relevant requirements under the laws and administrative regulations of the state. The legal rights and interests of the Company and shareholders are under the jurisdiction and protection of the laws, regulations and other relevant rules of the government of China.</p> |
| <p>Article 3 … <u>The Company’s legal representative is the Chairman of the Board of the Company.</u></p> | <p>Article 6 <u>The Chairman of the Board of the Company is the Company’s legal representative.</u></p> |
| <p>Addition</p> | <p>Article 7 <u>All the assets of the Company are divided into equal shares, and the shareholders are liable to the Company to the extent of the shares subscribed by them, and the Company is liable for its debts to the extent of all of its assets.</u></p> |

| <p>Number and Content of the Existing Articles</p> | <p>Number and Content of the New Articles</p> |
|--|--|
| <p><u>Article 6</u> <u>The original Articles of Association was adopted upon approval by shareholders at the general meeting through special resolution on 1 July 1993. This Articles of Association, as amended as per special resolutions for its amendment under the authorization of the 23rd shareholders’ general meetings respectively on 29 May 1995, 31 May 1996, 14 June 2002, 26 March 2004, 25 June 2004, 27 May 2005, 10 October 2005, 9 May 2006, 20 December 2006, 13 May 2008, 19 May 2009, 25 May 2010, 31 May 2011, 19 December 2012, 25 November 2013, 11 November 2014, 22 December 2014, 8 May 2015, 29 December 2015, 27 December 2017, 24 December 2019, 22 December 2021 and 19 May 2022 came into effect after being filed with relevant authorities, and thereupon the original Articles of Association ceased to have effect.</u></p> <p>From the date of these Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations <u>between</u> the Company and each shareholder and <u>among</u> the shareholders.</p> | <p><u>Article 8</u> From the date of these Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company’s organization and activities, and the rights, obligations and <u>relationships</u> between the Company and each shareholder and among the shareholders, and a <u>document which is legally</u> binding on the Company, shareholders, directors, supervisors and the senior management. <u>In accordance with the Articles of Association, the shareholders may sue the shareholders, the shareholders may sue the Company’s directors, supervisors, managers and other senior management, the shareholders may sue the Company, and the Company may sue the shareholders, the directors, supervisors, the managers and other senior management.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p><u>Article 7 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, managers and other senior management, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.</u></p> <p><u>Shareholders may sue the Company in accordance with the Articles of Association; the Company may sue shareholders in accordance with the Articles of Association; shareholders may sue shareholders in accordance with the Articles of Association; and shareholders may sue the directors, supervisors, managers and other senior management members of the Company in accordance with the Articles of Association.</u></p> <p><u>The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.</u></p> | |
| <p><u>Article 10 The business purpose of the Company is to establish and operate a diversified industrial enterprise and make the enterprise one of the largest shipyard companies in the world; to manufacture various types of excellent products through advanced scientific management and flexible mode of operation in order to advance the China and world-wide shipping industry; and to proactively open foreign markets for the Company's products so as to achieve satisfactory economic effect for shareholders.</u></p> | <p><u>Article 10 The business purpose of the Company is to build high-quality marine and defense equipment with the enterprise spirit of "innovation, efficiency, cooperation and win-win", to become a world-class listed company of marine defense equipment with reasonable product structure, leading core technologies, excellent quality service and strong international competitiveness, and to achieve the corporate missions of "fulfilling the responsibility of the military industry to serve the country, supporting the building of a strong maritime country, and driving the value creation of the central enterprise". To achieve the corporate mission of "fulfilling the responsibility of military industry to serve the country, supporting the construction of a strong maritime nation, and driving the value creation of a central enterprise".</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p>Article 16 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.</p> | <p>Article 16 Subject to the registration or filing with the securities supervisory and management authority of the State Council, the Company may issue shares to domestic and foreign investors.</p> |
| <p>Article 17 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas-listed foreign shares. Overseas-listed foreign shares of the Company currently listed in Hong Kong are H shares. Shares issued by the Company include domestic shares and overseas-listed foreign shares listed in Hong Kong (H shares), both are ordinary shares.</p> | <p>Article 17 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas-listed foreign shares. Overseas-listed foreign shares of the Company currently listed in Hong Kong are H shares. Shares issued by the Company include domestic shares and overseas-listed foreign shares listed in Hong Kong (H shares), both are ordinary shares.</p> <p><u>Domestically listed domestic shares issued by the Company shall be centrally deposited in a depository organisation that complies with the relevant requirements; overseas-listed foreign shares issued by the Company may be held in custody by a escrow company in accordance with the rules of securities regulation and depository in the place where the Company is listed, and may also be held in the name of shareholders.</u></p> |

| <p style="text-align: center;">Number and Content of the Existing Articles</p> | <p style="text-align: center;">Number and Content of the New Articles</p> |
|---|---|
| <p><u>Article 23</u> ...</p> <p>The directors, supervisors and senior management members of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% per year of the total number of shares held by them during their tenure in the Company. The shares held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s) and the aforesaid person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service. ...</p> | <p>Article 20 ...</p> <p>The directors, supervisors and senior management members of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% per year of the total number of shares held by them during their tenure in the Company <u>as determined upon their appointment</u>. The shares held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s) and the aforesaid person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service.</p> |
| <p><u>Article 23</u> ...</p> <p><u>Unless otherwise provided by the laws, administrative regulations or this Articles of Association, shares of the Company are freely transferrable without any lien.</u> The Company does not accept any share of the Company to be the subject of any pledge.</p> | <p><u>Article 21 The shares of the Company may be transferred in accordance with the law. If the shares are pledged within the period of restriction on transfer prescribed by the laws or administrative regulations, the pledgee may not exercise the pledge right within the period of restriction on transfer.</u></p> <p>The Company does not accept any share of the <u>Company</u> to be the subject of any pledge.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>CHAPTER 4 <u>REDUCTION OF CAPITAL AND REPURCHASE OF SHARE</u></p> | <p>CHAPTER 4 <u>INCREASE, REDUCTION AND REPURCHASE OF SHARE</u></p> |
| <p>Article 22 The Company may, based on its requirements for operation and development and <u>in accordance with the relevant requirements of this Articles of Association, approve an increase of capital in the following manners:</u></p> <p><u>(1) by offering new shares for subscription to unspecified investors;</u></p> <p><u>(2) by placing new shares to its existing shareholders;</u></p> <p>(3) by allotting <u>new</u> shares to its existing shareholders;</p> <p>(4) by capitalizing its capital reserve;</p> <p>(5) by other means which is required by the laws, administrative regulations and by other means authorized by the China Securities Regulatory Commission (the “CSRC”).</p> <p>The Company’s increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations of the State.</p> | <p>Article 22 The Company may, based on its requirements for operation and development and <u>in accordance with the provisions of laws and regulations, and by separate resolution of the general meeting of shareholders, increase the capital in the following manners:</u></p> <p><u>(1) by public offer of shares;</u></p> <p><u>(2) by non-public offer of shares;</u></p> <p>(3) by allotting <u>bonus</u> shares to its existing shareholders;</p> <p>(4) by capitalizing its capital reserve;</p> <p>(5) by other means which is required by the laws, administrative regulations and by other means authorized by the China Securities Regulatory Commission (the “CSRC”).</p> <p>The Company’s increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations of the State.</p> <p><u>The increase in the registered capital of the Company shall be registered with the company registration authority in accordance with the law.</u></p> |
| <p><u>Article 24</u> <u>In accordance with the provisions of the Articles of Association,</u> the Company may reduce <u>its</u> registered capital.</p> | <p><u>Article 23</u> The Company may reduce the registered capital. <u>The Company must proceed in accordance with the procedure(s) under the Company Law and other relevant rules and the requirements of this Articles of Association when it reduces its registered capital.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p><u>Article 25</u> <u>The Company must prepare a balance sheet and an inventory of assets and proceed in accordance with the procedure(s) under the Company Law and other relevant rules and the requirements of this Articles of Association</u> when it reduces its registered capital.</p> <p>The Company shall notify its creditors within ten (10) days from the date of the Company’s resolution on reduction of registered capital and shall publish an announcement <u>at least three (3) times</u> in the newspaper within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within <u>ninety (90) days</u> from the date of the <u>first</u> announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.</p> <p>The registered share capital of the Company following the <u>reduction of capital</u> shall not fall below the minimum statutory requirement.</p> | <p><u>Article 24</u> The Company must prepare a balance sheet and an inventory of assets when it <u>needs</u> to reduce its registered capital.</p> <p>The Company shall notify its creditors within ten (10) days from the date of the Company’s resolution on reduction of registered capital and shall publish an announcement in the newspaper <u>or the National Enterprise Credit Information Publicity System</u> within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within <u>forty-five (45) days</u> from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.</p> <p>The registered share capital of the Company following the reduction of capital shall not be less than the minimum statutory requirement.</p> <p><u>The reduction of registered capital of the Company shall be registered with the company registration authority in accordance with the law.</u></p> |
| <p><u>Article 27</u> <u>The Company may, with the approval of the examining and approval authority, repurchase its shares in one of the following manners:</u></p> <p><u>(1) to make an offer of repurchase to all of its shareholders in the same proportion;</u></p> <p><u>(2) to repurchase shares through public trading on a stock exchange;</u></p> <p><u>(3) to repurchase through an off-market agreement;</u></p> <p><u>(4) other means approved by China Securities Regulatory Commission.</u></p> | <p><u>Article 26</u> <u>The repurchase of its shares by the Company may be conducted through open and centralized trading or by other means recognised by laws, administrative regulations and the securities regulatory authorities of the place where the shares are listed.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Where the Company repurchases its shares in the circumstances set out in (3), (5) and (6) of Article 26, it shall be conducted through open centralized trading.</p> | <p>Where the Company repurchases its shares in the circumstances set out in (3), (5) and (6) of Article 25, it shall be conducted through open centralized trading <u>or by other means permitted by laws, administrative regulations and the securities regulatory authorities of the place where the shares of the Company are listed.</u></p> |
| <p><u>Article 28</u> Where the Company <u>repurchases</u> its shares for <u>reasons</u> set out in (1) and (2) of Article 26, <u>it shall seek prior approval of the shareholders at general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive its rights thereunder with prior approval by shareholders at general meeting obtained in the same manner.</u></p> <p>Where the Company repurchases its shares in the circumstances set out in (3), (5) and (6) of Article 26 of the Articles of Association, it shall seek prior <u>approval of the shareholders at general meeting, or</u> be authorized by the general meeting, and it may also be approved by a resolution of the board of directors attended by more than two-thirds of directors.</p> <p><u>The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.</u></p> <p><u>The Company shall not assign a contract for repurchasing its shares or any of its rights thereunder.</u></p> | <p><u>Article 27</u> Where the Company purchases its shares for <u>circumstances set out</u> in (1) and (2) of Article 25, it shall be approved by a <u>resolution</u> of the shareholders at general meeting. Where the Company repurchases its shares in the circumstances set out in (3), (5) and (6) of Article 25 of the Articles of Association, it shall be conducted <u>in accordance with the Articles of Association or</u> be authorized by the general meeting, and be approved by a resolution of the board of directors attended by above two-thirds of directors.</p> <p>After the <u>purchase</u> by the Company of its shares pursuant to the laws and the circumstances described under Article 25, for those circumstances described under paragraph (1) of Article 25...</p> <p><u>If there are other provisions in the laws and regulations or the listing rules of the place where the shares of the Company are listed on matters relating to the aforesaid share repurchases, such provisions shall prevail.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 29 After the purchase by the Company of its shares pursuant to the laws and the circumstances described under Article 26, for those circumstances described under paragraph (1) under Article 26, <u>... upon involving cancellation of shares, and the Company shall apply to the original company registration authority for registration of the change of its registered capital.</u> <u>The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled shares.</u></p> | |
| <p>Article 30 <u>Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its outstanding shares:</u> <u>(1) where the Company repurchases its shares at par value, payment shall be made out of book balance of the distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;</u> <u>(2) where the Company repurchases its shares at a premium to their par value, payment up to the par value shall be made out of the book balance of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:</u> <u>1. if the shares being repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;</u></p> | Deleted |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p><u>2. if the shares being repurchased were issued at a premium to their par value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's share premium account (or capital reserve account) (including the premiums on the fresh issue);</u></p> <p><u>(3) payment by the Company in consideration of the following shall be made out of the Company's distributable profits:</u></p> <p><u>1. acquisition of rights to repurchase shares of the Company;</u></p> <p><u>2. variation of any contract for repurchasing shares of the Company;</u></p> <p><u>3. release of its obligation under any contract for repurchasing its shares;</u></p> <p><u>(4) after the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be transferred to the Company's share premium account (or capital reserve account).</u></p> | |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <u>CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF THE COMPANY'S SHARES</u> | Deleted |
| <u>Article 31 The Company or its subsidiaries (including affiliates of the Company) shall not, by any means (including gifts, advance, guarantee, compensation or loan) and at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company. The Company or its subsidiaries shall not, by any means and at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person. This provision does not apply to the circumstances stated in Article 33.</u> | Deleted |
| <u>Article 32 The financial assistance referred to in this Chapter includes (without limitation) the following means:</u> <u>(1) gift;</u> <u>(2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;</u> <u>(3) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;</u> | Deleted |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p><u>(4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would be reduced to a material extent.</u></p> <p><u>The expression “assuming an obligation” referred to in this Chapter includes the assumption of obligations by the changing of the obligor’s financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.</u></p> | |
| <p><u>Article 33 The following activities shall not be regarded to be activities as prohibited in Article 31:</u></p> <p><u>(1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;</u></p> <p><u>(2) the lawful distribution of the Company’s assets by way of dividend;</u></p> <p><u>(3) the allotment of bonus shares as dividends;</u></p> <p><u>(4) a reduction of registered capital, a repurchase of shares or a reorganization of the shareholding structure of the Company effected in accordance with the Articles of Association;</u></p> | Deleted |

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| <p><u>(5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);</u></p> <p><u>(6) the provision of money by the Company for contributions to employees share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).</u></p> | |
| <p>Article 36 The Company shall establish the register of shareholders with the information provided by the share registrar. <u>Shareholders enjoy right and assume obligation in accordance with the class of share they hold; shareholders holding the same class of share enjoy the same right and assume the same obligation.</u></p> <p><u>The register of shareholders shall contain the following particulars:</u></p> <p><u>(1) the name, address, occupation or nature of each shareholder;</u></p> <p><u>(2) the class and number of shares held by each shareholder;</u></p> <p><u>(3) the amount paid-up or payable in respect of shares held by each shareholder;</u></p> <p><u>(4) the serial numbers of the shares held by each shareholder;</u></p> <p><u>(5) the date on which a person registers as a shareholder;</u></p> <p><u>(6) the date on which a person ceases to be a shareholder.</u></p> <p><u>The register of shareholders shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.</u></p> | <p>Article 30 The Company shall establish the register of shareholders with the information provided by the share registrar.</p> |

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| <p>Article 37 The Company may, in accordance with the mutual understanding or agreements made between securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas-listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas-listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.</p> <p><u>The Company shall maintain a duplicate of the register of holders of overseas-listed foreign shares at the Company's address; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of overseas-listed foreign shares at all times.</u></p> <p><u>If there is any inconsistency between the original and the duplicate of the register of holders of overseas-listed foreign shares, the original version shall prevail.</u></p> | <p>Article 31 The Company may, in accordance with the mutual understanding or agreements made between securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas-listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register which may be available for inspection by shareholders. The original register of holders of overseas-listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.</p> |
| <p>Article 39 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.</p> | <p>Article 33 <u>For shareholders of overseas-listed foreign shares,</u> different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.</p> |
| <p>Article 41 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall <u>decide on a date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.</u></p> | <p>Article 35 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board <u>or the convener of the shareholders' general meeting shall decide the date for shareholding registration. Shareholders whose names appear in the register of shareholders after the close of the date for shareholding registration are shareholders who enjoy the relevant rights.</u></p> |

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| Addition | <p><u>Article 36</u> <u>If a registered share certificate is stolen, lost or destroyed, the shareholder may request the People’s Court to declare the share certificate void in accordance with the procedure for publicizing notice for assertion stipulated in the Civil Procedure Law of the People’s Republic of China. After the People’s Court declares the share certificate to be void, the shareholder can apply to the Company for the issuance of a replacement share certificate in accordance with the laws of the place where the original register of shareholders of overseas listed foreign shares is kept, the rules of the stock exchange or other relevant provisions.</u></p> |
| <p><u>Article 42</u> <u>Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.</u></p> <p><u>If a holder of domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with Clause 143 of the Company Law.</u></p> <p>...</p> <p><u>If a holder of overseas-listed foreign shares loses his share certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange or other relevant regulations of the place where the original register of holders of 18overseas-listed foreign shares is maintained.</u></p> | <p><u>Article 37</u> <u>For any shareholders of overseas-listed foreign shares (H shares) entered in the register of shareholders or any person requesting to have his name registered in the register of shareholders, if a holder of overseas-listed foreign shares loses his share certificates (the “original certificate”), he may apply for their replacement in respect of such shares (the “relevant shares”), it may be dealt with in accordance with the relevant laws, the rules of the stock exchange or other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is maintained.</u></p> <p>...</p> |

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| <p>The issue of replacement share certificates to holders of overseas-listed foreign shares of the Company listed in Hong Kong (H shares) shall comply with the following requirements:</p> <p>...</p> <p>(3) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate <u>in such newspapers designated by the Board</u>. The announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.</p> <p>...</p> | <p>The issue of replacement share certificates to holders of overseas-listed foreign shares of the Company listed in Hong Kong (H shares) shall comply with the following requirements:</p> <p>...</p> <p>(3) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate. The announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.</p> <p>...</p> |
| <p><u>Article 44 Where the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of shareholders.</u></p> | Deleted |
| <p><u>Article 45 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.</u></p> | Deleted |

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| <p>Article 46 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.</p> | <p>Article 38 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.</p> <p><u>Domestic and foreign shareholders are also ordinary shareholders and have the same rights and obligations.</u></p> |
| <p>Article 47 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(1) the right to propose, convene, preside over, attend or appoint a proxy to attend <u>shareholders’ general meetings</u> and to exercise the corresponding voting right thereat in accordance with laws;</p> <p><u>(2) the right to dividends and other distributions in proportion to the number of shares held;</u></p> <p>(3) the right to supervise the <u>business activities</u> of the Company and to put forward proposals and raise inquiries;</p> <p>(4) the right to transfer, donate, or pledge shares held by them in accordance with <u>State</u> laws, administrative regulations, the relevant requirements of the <u>Articles</u> of Association;</p> | <p>Article 39 The shareholders of the Company shall be entitled to the following rights:</p> <p><u>(1) the right to receive dividends and other distributions in proportion to the number of shares held;</u></p> <p>(2) the right to propose, convene, preside over, attend or appoint a proxy to attend <u>shareholders’ general meetings</u>, speak at shareholders’ general meetings and to exercise the <u>corresponding</u> voting right thereat in accordance with laws, <u>unless individual shareholders are required by the securities regulatory rules of the place of listing or applicable laws and regulations to abstain from voting on individual matters;</u></p> <p>(3) the right to supervise the operation of the Company and to put forward proposals and raise inquiries;</p> <p>(4) the right to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations, the relevant requirements of <u>these</u> Articles of Association;</p> |

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| <p><u>(5) the right to be informed of and participate in decision making on material matters of the Company as prescribed under the laws, administrative regulations and the Articles of Association;</u></p> <p><u>(6) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</u></p> <p><u>1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;</u></p> <p><u>2. subject to payment of a reasonable charges, to inspect and make copy of:</u></p> <p><u>(i) all parts of the register of shareholders;</u></p> <p><u>(ii) personal particulars of each of the Company's directors, supervisors, managers and other senior management, including:</u></p> <p><u>a) present name and alias and any former name and alias;</u></p> <p><u>b) principal address;</u></p> <p><u>c) nationality;</u></p> <p><u>d) primary and all other part-time occupations;</u></p> <p><u>e) identification document and its number.</u></p> <p><u>(iii) report on the state of the Company's share capital and the Company's bond counterfoil;</u></p> <p><u>(iv) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;</u></p> <p><u>(v) minutes of shareholders' general meetings, Board meeting and supervisory committee meeting and financial accounting reports;</u></p> | <p><u>(5) the right to inspect and make copy of the Articles of Association, the register of shareholders, the Company's bond counterfoil, minutes of shareholders' general meetings, Board meeting and supervisory committee meeting and financial accounting reports;</u></p> <p><u>If a shareholder who separately or collectively holds above 3% of the shares of the Company for above 180 consecutive days requests to inspect the accounting books and certificates of the Company, he shall submit a written request to the Company stating the purpose. If the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and certificates for an improper purpose that may harm the lawful interests of the Company, it may refuse to provide access for inspection, and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons therefor. If the Company refuses to provide access for inspection, the shareholder may file a lawsuit with the People's Court.</u></p> <p><u>Shareholders may entrust intermediary organisations such as an accounting firm, a law firm or other intermediary to inspect the materials specified in the preceding paragraph.</u></p> <p><u>The shareholder and the engaged accounting firm, law firm or other intermediary to shall comply with the provisions of laws and administrative regulations relating to the protection of state secrets, commercial secrets, personal privacy and personal information when they inspect the materials and make copy thereof.</u></p> |

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| <p>3. Shareholders demanding inspection of the information or copies of the materials as described under the preceding paragraph shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder’s identity, the Company shall provide such information at the shareholder’s request.</p> <p>(7) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;</p> <p>(8) with respect to shareholders who vote against any resolution adopted at the shareholders’ general meeting on the merger or split of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(9) other rights conferred by laws, administrative regulations and the Articles of Association of the Company.</p> | <p>(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;</p> <p>(7) with respect to shareholders who vote against any resolution adopted at the shareholders’ general meeting on the merger or split of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(8) other rights stipulated by laws, administrative regulations, department regulations or these Articles of Association.</p> |
| <p>Addition</p> | <p><u>Article 40 Where the contents of a resolution of a shareholders’ general meeting or the Board meeting of the Company are in violation of laws or administrative regulations, a shareholder shall be entitled to the right to request the People’s Court to hold the resolution as void.</u></p> |

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| | <p><u>Where the procedures for convening a shareholders’ general meeting or the Board meeting of the Company or the manner of voting thereat are in violation of the laws, administrative regulations or the Articles of Association of the Company, or where the contents of the resolution are in violation of the Articles of Association of the Company, the shareholders may request the People’s Court to revoke the resolution within sixty (60) days from the date of the resolution, unless there is only a minor defect in the procedures for convening a shareholders’ general meeting or the Board meeting or in the manner of voting thereat, which does not materially affect the resolution.</u></p> |
| <p>Article 50 The shareholders of the Company shall assume the following obligations:</p> <p>(1) To abide by laws, administrative regulations and the Articles of Association;</p> <p>(2) To pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(3) Not to abuse their shareholders’ rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;</p> <p>Shareholders of the Company who abuse their shareholder’s rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law.</p> | <p>Article 43 The shareholders of the Company shall assume the following obligations:</p> <p>(1) To abide by laws, administrative regulations and the Articles of Association;</p> <p>(2) To pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(3) Not to divest the shares unless required by the laws and regulations;</p> <p>(4) Not to abuse their shareholders’ rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;</p> <p>(5) Other obligations imposed by laws, administrative regulations and the provisions of these Articles of Association.</p> |

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| <p>Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be liable for the debts owed by the Company together with the Company.</p> <p>(4) Not to divest the shares unless required by the laws and regulations;</p> <p>(5) Other obligations imposed by laws, administrative regulations and the Articles of Association.</p> <p><u>Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.</u></p> <p>...</p> | <p>Shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law. Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be liable for the debts owed by the Company together with the Company.</p> |
| <p><u>Article 50</u></p> <p>...</p> <p>If a shareholder who holds more than 5% of the voting rights in the Company creates a charge on its shares, it shall report to the Board of the Company in writing on the date of creation of the charge.</p> | <p><u>Article 44</u> If a shareholder who holds more than 5% of the voting rights in the Company creates a charge on its shares, it shall report to the Board of the Company in writing on the date of creation of the charge. <u>Pledges of H shares shall be made in accordance with the requirements of the securities regulatory rules where the Company is listed overseas.</u></p> |
| <p><u>Article 52 Directors, supervisors and other senior management members of the Company shall observe the laws, administrative regulations and the Articles of Association and perform faithfully the fiduciary duties and diligence duties to the Company and voluntarily safeguard the security of the Company's asset and not use the convenience of their functions to assist in or tolerate appropriation of the Company's capital by controlling shareholders. They shall not infringe interests of the Company via illegal guarantee, unfair connected transaction and any other means.</u></p> | <p>Deleted</p> |

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| <p><u>Upon discovery of any infringement of assets of the Company in any form including but not limited to appropriation of capital of the Company by controlling shareholders or de facto controlling persons, the Board of the Company shall immediately freeze any equities of the Company held by such controlling shareholders, and, in case such controlling shareholders failing to settle such infringed assets in cash, such infringed assets shall be settled by realization of such equities held by such controlling shareholders.</u></p> <p><u>In case any supervisor of the Company assist or tolerate any controlling shareholders or their affiliates to infringe assets of the Company, upon proposal by the Board of the Company or shareholders holding 3% (inclusive) or more shares of the Company, a shareholders' general meeting shall be convened to remove such supervisor;</u></p> <p><u>In case any director of the Company assist or tolerate any controlling shareholders or their affiliates to infringe assets of the Company, upon proposal by the supervisory committee of the Company or shareholders holding 3% (inclusive) or more shares of the Company, a shareholders' general meeting shall be convened to remove such director;</u></p> | |

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| <p><u>In case any other senior management member of the Company assist or tolerate any controlling shareholders or their affiliates to infringe assets of the Company, upon proposal by one-third (inclusive) or more of the Board or the supervisory committee of the Company, a Board meeting shall be convened to remove such senior management member; Any director, supervisor or senior management member of the Company in breach of the fiduciary duties to assist in or tolerate by using their status any infringement of assets of the Company by controlling shareholders or their affiliates and contribute an offence, subject to resolution pass by the Board or the supervisory committee of the Company, shall be transferred to the judiciary against related criminal liability.</u></p> | |
| <p><u>Article 53 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company; if they have violated this provision and caused damage to the Company, they shall be liable for such damages.</u></p> <p><u>(1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;</u></p> | Deleted |

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| <p><u>(2) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person), by any means, of the Company's assets, including (without limitation) opportunities beneficial to the Company;</u></p> <p><u>(3) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save for a restructuring of the Company submitted to the general meeting of shareholders for approval in accordance with the Articles of Association.</u></p> | |
| <p><u>Article 54 The term "controlling shareholder" referred to in the preceding Article means a person who satisfies any one of the following conditions:</u></p> <p><u>(1) a person who, acting alone or in concert with others, has the power to elect more than half of the Board members;</u></p> <p><u>(2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;</u></p> <p><u>(3) a person who, acting alone or in concert with others, holds 30% (inclusive) or more of the issued and outstanding shares of the Company;</u></p> <p><u>(4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.</u></p> | Deleted |

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| <p>Article 56 The shareholders' general meeting may exercise the following functions and powers:</p> <p>(1) to decide on the operating policies and investment plans of the Company;</p> <p>(2) to elect and replace directors and supervisors who are not representatives of employees, decide on matters relating to the remuneration of directors and supervisors;</p> <p>(3) to consider and approve reports of the Board;</p> <p>(4) to consider and approve reports of the supervisory committee;</p> <p>(5) to consider and approve the Company's proposed annual financial budget and final budgetary report;</p> <p>(6) to consider and approve the Company's profit distribution plans and plans for making up losses;</p> <p>(7) to decide on increases or reductions in the Company's registered capital;</p> <p>(8) to decide on matters such as merger, split, dissolution, liquidation or change of the corporate form of the Company;</p> <p>(9) to decide on the issue of bonds by the company;</p> <p>(10) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accountants' firms;</p> <p>(11) to amend the Articles of Association;</p> <p>(12) to consider the proposals submitted by shareholders holding not less than 3% (inclusive) of the Company's voting shares;</p> | <p>Article 47 The shareholders' general meeting may exercise the following functions and powers:</p> <p>(1) to decide on the operating policies and investment plans of the Company;</p> <p>(2) to elect and replace directors and supervisors who are not representatives of employees, decide on matters relating to the remuneration of directors and supervisors;</p> <p>(3) to consider and approve reports of the Board;</p> <p>(4) to consider and approve reports of the supervisory committee;</p> <p>(5) to consider and approve the Company's proposed annual financial budget and final budgetary report;</p> <p>(6) to consider and approve the Company's profit distribution plans and plans for making up losses;</p> <p>(7) to decide on increases or reductions in the Company's registered capital;</p> <p>(8) to decide on the issue of bonds by the company;</p> <p>(9) to decide on matters such as merger, split, dissolution, liquidation or change of the corporate form of the Company;</p> <p>(10) to amend the Articles of Association;</p> <p>(11) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accountants' firms;</p> <p>(12) to consider and approve matters relating to the guarantee under Article 48;</p> |

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| <p><u>(13) Shareholders' general meeting of the Company may authorize or entrust the Board to address matters authorized or entrusted by them; when authorizing or entrusting the Board to address matters authorized or entrusted by them, shareholders' general meeting of the Company shall abide by the laws and safeguard the lawful rights and interests of shareholders of the Company, and enforce requirements of the laws and regulations to ensure efficient operation and scientific decision of the Company. Matters which may be authorized or entrusted to the Board are as follows:</u></p> <p><u>1. Amend the text of the Articles of Association of the Company after amendment of the Articles of Association of the Company being passed in principle at shareholder's general meeting;</u></p> <p><u>2. distribution of interim dividend;</u></p> <p><u>3. matters involved in issuance of new shares and convertible bond;</u></p> <p><u>4. matters involved in acquisition of shares of the Company for the reasons set out in (3), (5) and (6) of Article 26 of the Articles of Association;</u></p> <p><u>5. other matters which may be authorized or entrusted to the Board pursuant to laws, administrative regulations and the Articles of Association.</u></p> <p>(14) to consider and approve matters relating to the guarantee under Article 57;</p> <p>(15) to consider 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;</p> | <p>(13) to consider 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;</p> <p>(14) to consider and approve matters relating to changes in the use of proceeds;</p> <p><u>(15) to consider the equity incentive plan and employee shares scheme;</u></p> <p>(16) to consider other matters required by laws, administrative regulations, departmental regulations or the provisions of the Articles of Association to be decided by the shareholders' general meeting.</p> <p><u>The Board shall convene a shareholders' general meeting to deliberate on any matters that are required by the laws, administrative regulations, regulatory rules of the place of listing and the Articles of Association and resolved by the shareholders' general meeting to be decided by the shareholders' meeting, so as to safeguard the shareholders' decision-making rights in respect of such matters. Where necessary and reasonable, the general meeting may authorise the Board to decide or handle specific matters relating to the matters resolved that cannot be decided at the general meeting within the scope authorised by the general meeting.</u></p> |

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| <p>(16) to consider and approve matters relating to changes in the use of proceeds;</p> <p><u>(17) to consider the share repurchase of the Company as stipulated in Article 26 of the Articles of Association;</u></p> <p>(18) other matters required by laws, administrative regulations and the provisions of the Articles of Association to be <u>resolved</u> by the shareholders' general meeting.</p> | <p><u>For matters authorised by the general meeting to be decided or dealt with by the Board, in the case of an ordinary resolution, the resolution in relation to the authorisation shall be passed by a majority of the votes held by the shareholders (including proxies of shareholders) with voting rights present at the general meeting; in the case of a special resolution, the resolution in relation to the authorisation shall be passed by above two-thirds of the votes held by the shareholders (including proxies of shareholders) with voting rights present at the general meeting. The contents of the authorisation shall be clear and specific.</u></p> |
| <p><u>Article 57</u> External guarantee by the <u>Company shall be voted on and approved by more than two-thirds of all Board members.</u> In the event that any of the following circumstances applies, such guarantees are subject to review and approval by the general meeting of shareholders:</p> <p>(1) any guarantee provided by the Company and its controlled subsidiaries after the aggregate amount of their external guarantees exceeds 50% of the Company's latest audited net assets;</p> <p>(2) 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>(3) any guarantee provided by the <u>Company</u> in excess of 30% of its latest audited total assets <u>within one year;</u></p> | <p><u>Article 48</u> External guarantee <u>which shall be approved by the Board shall be considered and approved by more than two-thirds of all Board members present at the meeting of the Board, in addition to being considered and approved by a majority of all directors.</u> In the event that any of the following circumstances applies, such guarantees are subject to review and approval by the general meeting of shareholders:</p> <p>(1) any guarantee provided by the Company and its controlled subsidiaries after the aggregate amount of their external guarantees exceeds 50% of the Company's latest audited net assets;</p> <p>(2) 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>(3) any guarantee provided by the <u>listed company on a cumulative basis</u> in excess of 30% of its latest audited total assets <u>within 12 consecutive months;</u></p> |

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| <p>(4) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;</p> <p>(5) a single guarantee for amount in excess of 10% of the Company's latest audited net assets;</p> <p>(6) Other external guarantees required by the CSRC, the Shanghai Stock Exchange or these Articles to be considered by the General Meeting.</p> <p>Any breach of the above vetting authority and scrutiny procedures will be investigated and held liable in accordance with the law.</p> | <p>(4) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;</p> <p>(5) a single guarantee for amount in excess of 10% of the Company's latest audited net assets;</p> <p>(6) a guarantee to be provided to a shareholder, a de facto controller and its related parties.</p> <p><u>When the guarantee in (3) of the preceding paragraph is deliberated at the general meeting of shareholders, it shall be passed by above two-thirds of the voting rights held by the shareholders present at the meeting.</u></p> |
| <p>Addition</p> | <p><u>Article 49 In the event of a “financial assistance” transaction of the Company, in addition to being considered and approved by a majority of all non-related directors, the transaction shall also be considered and approved by above two-thirds of the non-affiliated directors present at the Board meeting.</u></p> <p><u>Financial assistance matters falling under one of the following categories shall also be submitted to the shareholders' general meeting for consideration after consideration and approval by the Board:</u></p> <p><u>(1) the amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;</u></p> <p><u>(2) the gearing ratio of the target of the financial assistance exceeds 70% as shown in the latest financial statement data;</u></p> <p><u>(3) the cumulative amount of financial assistance within the last twelve months exceeds 10% of the Company's audited net assets for the most recent period;</u></p> |

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| | <p><u>(4) other circumstances as stipulated by the stock exchange where the Company is listed domestically or the Articles of Association of the Company.</u></p> <p><u>If the target of the financial assistance is a holding subsidiary within the scope of the consolidated statement of the Company, and other shareholders of the holding subsidiary do not include controlling shareholders and de facto controllers of the listed company and their associates, the provisions of the preceding two paragraphs shall be exempted.</u></p> <p><u>The directors, supervisors and senior management of the Company shall not enter into financial assistance contracts on behalf of the Company without authorisation in violation of the approval authority and deliberation procedures.</u></p> <p><u>In the event that a director, president or other senior management personnel of the Company exceeds their authority to enter into a financial assistance contract without authorisation and causes damage to the Company, the Company shall hold the parties responsible.</u></p> |
| <p><u>Article 59</u> ...</p> <p>The Board shall hold an extraordinary general meeting of shareholders within two (2) months upon the occurrence of one of the following circumstances: ...</p> <p>(2) the uncovered losses are in excess of one-third of the Company's total paid-up share capital; ...</p> | <p><u>Article 51</u> ...</p> <p>The Board shall hold an extraordinary general meeting of shareholders within two (2) months upon the occurrence of one of the following circumstances: ...</p> <p>(2) the uncovered losses are in excess of one-third of the Company's total share capital; ...</p> |

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| <p>Article 60 Independent directors have the right to propose the Board to convene extraordinary general meetings. The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.</p> <p>...</p> | <p>Article 52 Independent directors have the right to propose the Board to convene extraordinary general meetings, <u>but shall obtain the approval of a majority of all independent directors</u>. The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.</p> <p>...</p> |
| <p>Article 62 Shareholders separately or aggregately holding over 10% of shares of the Company shall be entitled to request and demand the Board to convene extraordinary general meetings and shall make written request to the Board. The Board shall reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting <u>as soon as possible but in any event</u> within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association. If the Board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five (5) days upon <u>receiving the written request</u>. Should there be amendments to the original requests in the notice, consent has to be obtained from the relevant shareholders. If the Board does not agree to convene the extraordinary general meeting or does not reply within ten (10) days upon receiving the request, shareholders separately or aggregately holding over 10% of shares of the Company shall be entitled to propose the Supervisory Committee to convene the extraordinary general meeting, and shall make request to the Supervisory Committee in writing.</p> <p>...</p> | <p>Article 54 Shareholders separately or aggregately holding over 10% of shares of the Company shall be entitled to request and demand the Board to convene extraordinary general meetings and shall make written request to the Board. The Board shall reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association. If the Board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five (5) days upon <u>making the Board resolutions</u>. Should there be amendments to the original requests in the notice, consent has to be obtained from the relevant shareholders. If the Board does not agree to convene the extraordinary general meeting or does not reply within ten (10) days upon receiving the request, shareholders separately or aggregately holding over 10% of shares of the Company shall be entitled to propose the Supervisory Committee to convene the extraordinary general meeting, and shall make request to the Supervisory Committee in writing.</p> <p>...</p> |

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| <p>Article 63 Supervisory committee or shareholders, if decided to convene general meetings on their own, shall inform the Board in writing and make filing with the stock exchange for record.</p> <p>Prior to the publication of announcement of the shareholders resolutions, holding by the convening shareholders shall not be less than 10%.</p> <p>Supervisory committee or Shareholders convening the meeting shall provide relevant evidences to the stock exchange prior to issuing the notice of general meeting and announcing resolutions of the general meeting.</p> | <p>Article 55 Supervisory committee or shareholders, if decided to convene general meetings on their own, shall inform the Board in writing and make filing with the stock exchange for record.</p> <p>Prior to the publication of announcement of the shareholders resolutions, holding by the convening shareholders shall not be less than 10%. <u>The convening shareholder shall disclose an announcement no later than the time when the notice of the general meeting of shareholders is given and undertake that his shareholding shall not be less than 10% of the total share capital of the Company between the date of the proposal to convene the general meeting of shareholders and the date of the general meeting of shareholders.</u></p> <p>Supervisory committee or Shareholders convening the meeting shall provide relevant evidences to the stock exchange prior to issuing the notice of general meeting and announcing resolutions of the general meeting.</p> |
| <p>Article 66 When convening an annual general meeting, the Company shall give written notice to all shareholders in the register twenty (20) clear business days prior to the date of the meeting to inform them the matters to be considered in the meeting as well as the date, time and venue of the meeting. When convening an extraordinary general meeting, the Company shall give written notice to all shareholders in the register ten (10) business days or fifteen (15) days (whichever is longer) prior to the date of the meeting to inform them the matters to be considered in the meeting as well as the date, time and venue of the meeting.</p> <p>...</p> | <p>Article 58 When convening an annual general meeting, the Company shall give written notice to all shareholders in the register at least twenty-one (21) clear days prior to the date of the meeting to inform them the matters to be considered in the meeting as well as the date, time and venue of the meeting. When convening an extraordinary general meeting, the Company shall give written notice to all shareholders in the register at least ten (10) clear business days or fifteen (15) days (whichever is longer) prior to the date of the meeting to inform them the matters to be considered in the meeting as well as the date, time and venue of the meeting.</p> <p>...</p> |

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| <p>Article 69 In relation to a general meeting convene by the Company, the Board, the Supervisory Committee and shareholders separately or aggregately holding more than 3% of the shares of the Company are entitled to propose motions to the Company. Shareholders separately or aggregately holding more than 3% of the shares of the Company, may propose extraordinary motions to the convener in writing ten (10) days before the convening of such general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motions within two (2) days after receiving the proposed motions. ...</p> <p>The proposals that have not been set out in the notice of the shareholders' general meeting or that do not comply with Article 68, shall not be voted on or resolved at the shareholders' meeting.</p> | <p>Article 61 In relation to a general meeting convene by the Company, the Board, the Supervisory Committee and shareholders separately or aggregately holding more than 1% of the shares of the Company are entitled to propose motions to the Company. Shareholders separately or aggregately holding more than 1% of the shares of the Company, may propose extraordinary motions to the convener in writing ten (10) days before the convening of such general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motions within two (2) days after receiving the proposed motions. ...</p> <p>The proposals that have not been set out in the notice of the shareholders' general meeting or that do not comply with Article 60, shall not be voted on or resolved at the shareholders' meeting.</p> |
| <p>Article 71 The notice of a general <u>meeting shall meet the following criteria:</u> (1) is made in writing; (2) specifying the venue, date and time of the meeting; (3) setting out the matters and motions to be considered at the meeting;</p> | <p>Article 63 The notice of a general meeting <u>shall be made in writing and include the followings:</u> (1) the time, venue and duration of the meeting; (2) setting out the matters and motions to be considered at the meeting; (3) containing a prominent written statement that all shareholders are entitled to attend general meeting and may appoint in writing proxies to attend and vote on his behalf and that a proxy need not be a shareholder;</p> |

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| <p><u>(4) providing shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of the such proposal shall be properly explained;</u></p> <p><u>(5) disclosing the nature and degree of the material interest of any director, supervisor, manager and other senior management member in the matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, manager and other senior management member as a shareholder is different from that on other holders of the same class of shares, the difference shall be specified;</u></p> <p><u>(6) setting out the full text of any special resolution proposed to be approved at the meeting;</u></p> <p>(7) containing a prominent written statement that all shareholders are entitled to attend general meeting and <u>a shareholder eligible for attending and voting</u> is entitled to <u>appoint</u> in writing <u>one or more proxies</u> to attend and vote on his behalf and that a proxy need not be a shareholder;</p> <p><u>(8) specifying the delivery time and place of the authorization letter for proxy voting of the meeting;</u></p> <p>(9) specifying the date of equity registration of shareholders entitled to attend the general meeting;</p> | <p>(4) specifying the date of equity registration of shareholders entitled to attend the general meeting;</p> <p>(5) specifying the name and phone number of the regular contact person for the meeting;</p> <p>(6) the voting time and methods for voting by internet or other means.</p> <p>...</p> |

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| <p>(10) specifying the name and phone number of the regular contact person for the meeting.</p> <p><u>If a general meeting for domestic shareholders adopts voting by internet or other means, the voting time and methods for voting by internet or other means and the matters to be voted on should be clearly stated in the notice of a general meeting. The starting time of voting by internet and other means shall not be earlier than 3:00 pm of the day before the meeting and shall not be later than 9:30 am of the meeting day. The closing time of voting by internet and other means shall not be earlier than 3:00 pm of the meeting day.</u></p> <p>...</p> | |
| <p><u>Article 72</u> Where the elections of directors and supervisors are to be discussed at the general meeting, a notice of the general meeting of shareholders shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following contents:</p> <p>(1) personal particulars such as educational background, working experience and part-time jobs;</p> <p>(2) whether or not the candidate has any connected relationship with the Company <u>or its controlling shareholders and de facto controllers;</u></p> | <p><u>Article 64</u> Where the elections of directors and supervisors are to be discussed at the general meeting, a notice of the general meeting of shareholders shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following contents:</p> <p>(1) personal particulars such as educational background, working experience and part-time jobs;</p> <p>(2) whether or not the candidate has any connected relationship with the <u>directors, supervisors, senior management or de factor controller of the Company or shareholders holding above 5% of the shares of the Company;</u></p> |

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| <p>(3) disclose the number of shares of the Company held by the candidate;</p> <p>(4) whether or not the candidate has been subject to penalties by the China Securities Regulatory Commission and other relevant authorities as well as sanctions by any stock exchange.</p> <p>...</p> | <p><u>(3) whether there are circumstances under which the candidate is prohibited from being nominated as a director, supervisor and senior management of a listed company in accordance with the requirements of the securities regulatory rules of the place where the Company is listed;</u></p> <p>(4) disclose the number of shares of the Company held by the candidate;</p> <p>(5) whether or not the candidate has been subject to penalties by the China Securities Regulatory Commission and other relevant authorities as well as sanctions by any stock exchange.</p> <p>...</p> |
| <p><u>Article 73 For holders of domestic shares, notice of general meeting may also be made in the form of announcement, it shall be published in one or more media that meet the conditions stipulated by the securities authority of the State Council. All holders of the domestic shares shall be deemed to have received the notice of the relevant general meeting upon the publication of announcement.</u></p> <p><u>For holders of foreign shares, the notice of the general meeting shall be served on all shareholders (whether or not such shareholder is entitled to vote at the general meeting) by personal delivery or by pre-paid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. It may also, without contravening the laws and regulations as well as the Listing Rules on which the Company is listed, be published on websites or in other electronic means designated by the Company and the Stock Exchange of Hong Kong Limited.</u></p> | <p><u>Article 65</u> The notice of the general meeting shall be served on the shareholders (whether or not such shareholder is entitled to vote at the general meeting) by <u>announcement or any other manner stipulated by Article 214 of the Articles of Association and in compliance with the rules governing the securities of the place of listing.</u></p> |

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| <p><u>Article 74</u> <u>Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.</u></p> | Deleted |
| <p><u>Article 76</u> Any shareholder whose name appears on the register on the record day or his proxy is entitled to attend and vote at the general meeting in accordance with the laws, regulations and this Articles of Association. Any shareholder entitled to attend and vote at the general meeting may <u>also</u> do so in person or appoint one (1) or several proxies (who may not be shareholders) <u>to act as his proxy</u> to attend and vote at the meeting on his behalf.</p> | <p><u>Article 67</u> Any shareholder whose name appears on the register on the record day or his proxy is entitled to attend and vote at the general meeting in accordance with the laws, regulations and this Articles of Association. Any shareholder entitled to attend and vote at the general meeting may attend the meeting in person. Any <u>shareholder of domestic shares</u> may appoint <u>one (1) proxy (who may not be shareholders) to attend and vote at the meeting on his behalf, and any shareholder of foreign shares may appoint one (1)</u> or several proxies proxy (who may not be shareholders) to attend and vote at the meeting on his behalf.</p> |
| <p><u>Article 77</u> Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents or stock account card. Proxies attending the meeting shall present their personal identity cards and the authorization letters from the shareholder.···</p> | <p><u>Article 68</u> Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents or stock account card. Proxies attending the meeting shall present their personal identity cards and the authorization letters from the shareholder (<u>excluding recognised clearing houses (“recognised clearing houses”) as defined in the Securities and Futures Ordinance of Hong Kong or their agents</u>).···</p> |

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| <p>Article 78 The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(1) the right of the shareholder to speak at the meeting;</p> <p>(2) the right to demand a poll alone or jointly with others;</p> <p>(3) the right to exercise voting rights <u>on a show of hands or on a poll</u>, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.</p> | <p>Article 69 The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(1) the right of the shareholder to speak at the meeting;</p> <p>(2) the right to demand a poll alone or jointly with others;</p> <p>(3) the right to exercise voting rights, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.</p> <p><u>Where the shareholder of the foreign shares is a recognised clearing house (or its agents), it may authorise one or above person as it thinks fit to act as its proxies at any general meeting of shareholders or creditor meeting; provided that, if above one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised may exercise the same rights on behalf of a recognised clearing house (or its agents) as if such person was an individual member of the Company.</u></p> <p>...</p> |
| <p><u>Article 81 Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favour of or against each resolution dealing with the businesses to be transacted at the meeting.</u> Such letter of authorization shall contain a statement that in the absence of instructions by the shareholder, his proxy may vote as he thinks fit.</p> | <p>Article 72 Such letter of authorization shall contain a statement that in the absence of instructions by the shareholder, his proxy may vote as he thinks fit.</p> |

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| <p><u>Article 82</u> <u>Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of authorization shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.</u></p> | Deleted |
| <p><u>Article 85</u> The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions. Ordinary resolutions put forward in the general meeting shall be adopted by <u>more than half</u> of shareholders (including their proxies) attending the meeting. Special resolutions put forward in the general meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) attending the meeting. ...</p> | <p><u>Article 75</u> The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions. Ordinary resolutions put forward in the general meeting shall be adopted by a <u>simple majority</u> of shareholders (including their proxies) <u>with voting rights</u> attending the meeting. Special resolutions put forward in the general meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) <u>with voting rights</u> attending the meeting. ...</p> |
| <p><u>Article 86</u> A general meeting shall be conducted in the form of a physical meeting at the designated venue for meeting. In addition, the Company will provide online and other means for the convenience of participation by the shareholders. A shareholder who participates in a general meeting by the aforesaid means shall be deemed as being present.</p> | <p><u>Article 76</u> <u>The venue of the general meeting of the Company shall be the Company's domicile or such other place as may be specified in the notice of the general meeting.</u> A general meeting shall be conducted in the form of a physical meeting at the designated venue for meeting. In addition, the Company will provide online and other means for the convenience of participation by the shareholders. A shareholder who participates in a general meeting by the aforesaid means shall be deemed as being present.</p> |

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| <p><u>Article 89</u> <u>At any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded by the following persons before or after deciding on a show of hands:</u></p> <p><u>(1) the chairman of the meeting;</u></p> <p><u>(2) at least two (2) shareholders entitled to vote or their proxies; or</u></p> <p><u>(3) one (1) or more shareholders (including proxies) individually or jointly holding more than 10% (inclusive) of the voting shares represented by all shareholders present at the meeting.</u></p> <p><u>Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or not, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution at the meeting.</u></p> <p><u>The demand for a poll may be withdrawn by the person who makes such demand.</u></p> | Deleted |
| <p><u>Article 90</u> <u>A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.</u></p> | Deleted |
| <p><u>Article 91</u> On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.</p> | <p><u>Article 79</u> On a poll taken at a meeting, a shareholder of <u>foreign shares</u> (including proxy) entitled to two or more votes need not cast all his votes in the same way.</p> |

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| <p>Article 92 When the number of votes for and against a resolution is equal, <u>whether the vote is taken by raising hands or by ballot</u>, the chairman of the meeting shall be entitled to a casting vote.</p> | <p>Article 80 When the number of votes for and against a resolution is equal, the chairman of the meeting shall be entitled to a casting vote.</p> |
| <p>Article 93 The following resolutions shall be adopted as ordinary resolutions at a general meeting:</p> <ol style="list-style-type: none"> (1) working reports of the Board and the supervisory committee; (2) profit distribution proposals and plans for making up losses formulated by the Board; (3) appointment and removal of directors, supervisors, and determination of their emoluments and mode of payment; (4) annual <u>financial budgets, final accounts, balance sheets and profit and loss accounts and other financial statements</u> of the Company; (5) other matters unless otherwise required to be adopted as special resolutions in accordance with the applicable laws and administrative regulations or the Articles of Association. <p><u>When a resolution is proposed at the shareholders' general meeting with respect to the provision of guarantee for the benefit of a shareholder or a de facto controller by the Company, the shareholder or the shareholder controlled by the de facto controller as mentioned shall abstain from voting. Such resolution requires the approval by more than half of the other shareholders (including proxies) present at the shareholders' general meeting.</u></p> | <p>Article 81 The following resolutions shall be adopted as ordinary resolutions at a general meeting:</p> <ol style="list-style-type: none"> (1) working reports of the Board and the supervisory committee; (2) profit distribution proposals and plans for making up losses formulated by the Board; (3) appointment and removal of directors, supervisors, and determination of their emoluments and mode of payment; (4) annual <u>financial budget programmes and settlement schemes</u> of the Company; (5) <u>annual reports of the Company</u>; (6) other matters unless otherwise required to be adopted as special resolutions in accordance with the applicable laws and administrative regulations or the Articles of Association. |

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| <p>Article 94 The following resolutions shall be adopted as special resolutions at a general meeting:</p> <p>(1) <u>The following resolutions shall be adopted as special resolutions at a general increase or reduction of share capital and issuance of shares of any class, warrants and other similar securities</u> of the Company;</p> <p>(2) <u>issuance of debentures of the Company;</u></p> <p>(3) split, division, division, merger, dissolution and liquidation of the Company;</p> <p>(4) amendments to the Articles of Association;</p> <p>(5) the major assets purchased or sold by the Company or the guaranteed amount within one year reaching or exceeding 30% of the latest period's audited total assets;</p> <p>(6) share incentive scheme;</p> <p>(7) <u>Adjustment and change to the company's cash dividend policy;</u></p> <p>(8) other matters <u>approved</u> by ordinary resolution of the general meeting pursuant to the laws, administrative regulations or the Articles of Association which are believed could materially affect the Company and need to be approved by special resolution.</p> | <p>Article 82 The following resolutions shall be adopted as special resolutions at a general meeting:</p> <p>(1) <u>increase or reduction of registered share capital</u> of the Company;</p> <p>(2) split, division, division, merger, dissolution and liquidation of the Company;</p> <p>(3) amendments to the Articles of Association;</p> <p>(4) the major assets purchased or sold by the Company or the guaranteed amount within one year reaching or exceeding 30% of the latest period's audited total assets;</p> <p>(5) share incentive scheme;</p> <p>(6) other matters <u>determined</u> by ordinary resolution of the general meeting pursuant to the laws, administrative regulations or the Articles of Association which could materially affect the Company and need to be approved by special resolution.</p> |
| <p>Article 95 <u>All reasonable expenses incurred for such meeting convened by the shareholders in accordance with the requirements of Article 62 of this Articles shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.</u></p> | Deleted |

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| <p><u>Article 97</u> ...</p> <p>When voting on the election of directors and supervisors, the general meeting shall implement accumulative voting system according to these Articles of Association or the resolution of the shareholder's general meeting. ...</p> | <p><u>Article 84</u> ...</p> <p>When voting on the election of directors and supervisors, the general meeting shall implement accumulative voting system according to these Articles of Association or the resolution of the shareholder's general meeting. <u>The votes of minority shareholders in the election of independent directors shall be counted and disclosed separately.</u> ...</p> |
| <p><u>Article 107</u> ...</p> <p>Chairman of the meeting shall be responsible for deciding whether a resolution at the general meeting has been passed, <u>whose decision shall be final and conclusive and be announced at the meeting and</u> be recorded in the minutes of the meeting.</p> | <p><u>Article 93</u> ...</p> <p>Chairman of the meeting shall be responsible for <u>announcing</u> whether a resolution <u>at the general meeting</u> has been passed, which shall be recorded in the minutes of the meeting.</p> |
| <p><u>Article 109</u> <u>In the event that the votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.</u> The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting and valid information regarding the voting circumstances by internet or any other means shall be kept at the address of the Company for 10 years.</p> | <p><u>Article 95</u> The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting and valid information regarding the voting circumstances by internet or any other means shall be kept at the address of the Company for 10 years.</p> |

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| <p>Article 110 ... The secretary to the Board shall be responsible for taking minutes of the general meetings. The minutes shall record the following information:</p> <p>(1) The time, venue, agenda and the name of the convener of the meeting;</p> <p>(2) The name of the chairman of the general meeting, and the names of the directors, supervisors, managers and other senior management members who attend or observe in the meeting;</p> <p>(3) The number of shares carrying voting rights held respectively by holders of domestic shares (including their proxies), holders of overseas-listed foreign shares (including their proxies), holders of floating shares (including their proxies) and holders of non-floating shares (including their proxies) attending the meeting, and the percentage of the total number of shares of the Company they represent;</p> <p>(4) The discussions in respect of each motion, the main points of the speeches and the voting results (which shall include voting circumstances on each resolution by holders of domestic shares, holders of overseas-listed foreign shares, holders of floating shares and holders of non-floating shares);</p> <p>(5) The inquiries and proposals raised by shareholders and the corresponding response or explanations;</p> <p>(6) The names of the lawyer, counting officer and scrutineer;</p> <p>(7) Other details that are required by the Articles of Association to be recorded in the minutes.</p> | <p>Article 97 The general meetings shall be recorded by minutes for which the secretary to the Board shall be responsible.</p> <p>The minutes shall record the following information:</p> <p>(1) The time, venue, agenda and the name of the convener of the meeting;</p> <p>(2) The name of the chairman of the general meeting, and the names of the directors, supervisors, managers and other senior management members who attend or observe in the meeting;</p> <p>(3) The number of shares carrying voting rights held respectively by holders of domestic shares (including their proxies) and holders of overseas-listed foreign shares (including their proxies) attending the meeting, and the percentage of the total number of shares of the Company they represent;</p> <p>(4) The discussions in respect of each motion, the main points of the speeches and the voting results (which shall include voting circumstances on each resolution by holders of domestic shares and holders of overseas-listed foreign shares);</p> <p>(5) The inquiries and proposals raised by shareholders and the corresponding response or explanations;</p> <p>(6) The names of the lawyer, counting officer and scrutineer;</p> <p>(7) Other details that are required by the Articles of Association to be recorded in the minutes.</p> |

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| <p>Article 111 The convening, voting procedure and consideration of resolution of general meeting of the Company, including notice, registration, consideration of resolution, poll, vote counting, announcement of voting results, forming of meeting resolution, minutes and its signature, announcement, principle for authorizing power to the Board by the general meeting, substance of authorization and other matters not prescribed in this Articles of Association shall be <u>conducted in pursuance to relevant requirements as stipulated in the Company's Procedure at General Meeting</u>, which constitutes Appendix I to this Articles of Association and <u>has the same force and effect as this Articles of Association.</u></p> | <p>Article 99 <u>The Company shall establish the Procedure at the general meeting, setting out the details</u> of the procedures for convening and voting procedure of general meeting, including notice, registration, consideration of resolution, poll, vote counting, announcement of voting results, forming of meeting resolution, minutes and its signature, announcement, principle for authorizing power to the Board by the general meeting, substance of authorization and other matters not prescribed in this Articles of Association. The Company's Procedure at General Meeting constitutes Appendix I to the Articles of Association and <u>prepared by the Board and approved by the shareholders' meeting.</u></p> |
| <p>Article 112 <u>Copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days after receipt of reasonable charges.</u></p> | Deleted |
| <p>CHAPTER 9 <u>SPECIAL PROCEDURES FOR THE VOTING BY CLASS SHAREHOLDERS</u></p> | Deleted |
| <p>Article 122 A Board of directors shall be established by the Company. The Board shall comprise eleven (11) directors, with one chairman and one Vice-chairman. <u>If the number of directors is lower than eleven (11) due to dismissal or resignation, the Board may elect other person for the purpose of filling the casual vacancy and propose at a general meeting for approval.</u></p> | <p>Article 100 A Board of directors shall be established by the Company. The Board shall comprise eleven (11) directors with one chairman <u>and may have</u> one Vice-chairman.</p> |

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| <p>Article 123 Directors shall be elected at shareholders' general meeting. The term of office of the directors shall be three (3) years. Upon maturity of the current term of office, a director shall be eligible to offer himself for re-election and reappointment. Directors shall be elected at a general meeting from persons nominated by the Board or by shareholders representing more than 3% (inclusive) of the issued shares. <u>The period of written notice in relation to intention to nominate candidate for director and in relation to the nominee's acknowledgement of his acceptance of the nomination shall be at least 7 days. The period of delivery of such notices to the Company shall commence from the date after the notice with regard to the meeting for election of directors was despatched at the earliest and expire no later than seven days before the date of the meeting aforesaid.</u> Candidates for directors shall make a written undertaking prior to the notice of shareholders' general meeting, agree to accept the nomination, promise the information about candidates publicly disclosed to be true, accurate and complete, and ensure that directors duties will be effectively performed after being elected.</p> | <p>Article 101 Directors shall be elected at shareholders' general meeting. The term of office of the directors shall be three (3) years. Upon maturity of the current term of office, a director shall be eligible to offer himself for re-election and reappointment. Directors shall be elected at a general meeting from persons nominated by the Board or by shareholders representing more than 1% (inclusive) of the issued shares. Candidates for directors shall make a written undertaking prior to the notice of shareholders' general meeting, agree to accept the nomination, promise the information about candidates publicly disclosed to be true, accurate and complete, and ensure that directors duties will be effectively performed after being elected.</p> <p>Article 102 Election of directors must be passed by a simple majority of shareholders (including their proxies) with voting rights attended the general meeting.</p> <p>Article 103 The chairman and vice chairman shall be elected and dismissed a simple majority of the directors, with tenure of office of three (3) years and eligible for re-election.</p> |

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| <p><u>Save for members of the first session of the Board</u>, election of directors must be passed by <u>more than one-half</u> of shareholders (including their proxies) with voting rights attended the general meeting. <u>Accumulative voting system shall be adopted for the director election at a general meeting. Implementation particulars of the accumulative voting system shall be as follows: when more than two directors are eligible for election at a general meeting, each share held by shareholders shall have the number of votes equal to that of directors to be elected; shareholders may cast all his votes to one nominee or cast his votes to different nominees; the election of directors shall be determined by ratio of votes in favour of each nominee after the voting.</u> The chairman and vice chairman shall be elected and dismissed by such numbers of directors <u>exceeding one-half of all the directors</u>, with tenure of office of three (3) years and eligible for re-election. ... <u>The directors of the Company shall not be required to hold shares of the Company.</u> The directors shall comply with the laws, administrative regulations and the Articles of Association of the Company and shall perform duties to the Company as follows: ... Any incomes obtained by directors in violation of any provisions of this Article shall belong to the Company. The director shall be accountable to indemnify the Company against any losses incurred. The Directors shall comply with the laws, administrative regulations and the Articles of Association of the Company and shall perform their diligent duties to the Company as follows: ...</p> | <p><u>Article 163</u> The directors, <u>supervisors and senior management</u> shall comply with the laws, administrative regulations and the Articles of Association and shall perform duties to the Company as follows: ... <u>Article 163</u> ... Any incomes obtained by directors, <u>supervisors and the senior management members</u> in violation of any provisions of this Article shall belong to the Company. ... <u>Article 169</u> <u>Directors, supervisors, senior management who violates any law, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties</u> shall be accountable to indemnify the Company against any losses incurred. ... <u>Article 164</u> The Directors shall comply with the laws, administrative regulations and the Articles of Association of the Company and shall perform their diligent duties to the Company as follows: ...</p> |

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| <p>(iv) to sign the <u>securities issuance documents</u> and regular reports of the Company for written confirmation of their comments, to ensure the Company <u>discloses information in a timely and fair manner</u> and the truthfulness, accuracy and completeness of the information disclosed by the Company; <u>if it cannot guarantee the integrity, accuracy and completeness of the contents of securities issuance documents and regular reports or has disputes, it shall issue opinions and state reasons in the written confirmation and the Company shall disclose them. Where the Company refuses to disclose, Directors may directly apply for disclosing;</u> ...</p> | <p>(4) to sign the regular reports of the Company for written confirmation of their comments, to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company; ... <u>The provisions on the diligent duties set forth in (4), (5) and (6) of the preceding paragraph shall also apply to the senior management.</u> <u>The provisions on the diligent duties set forth in (1) to (4) and (6) of the preceding paragraph shall also apply to supervisors.</u></p> |
| <p><u>Article 128</u> The Board shall report to the shareholders' general meeting and exercise the following powers: (1) to be <u>responsible</u> for convening shareholders' general meetings and report its work to the shareholders' general meeting; ... (4) to <u>formulate</u> the Company's plans on annual financial budgets and final budgetary report; (5) to <u>formulate</u> the Company's profit distribution plans and plans on making up losses; (6) to <u>formulate</u> proposals for increase or decrease of the registered capital of the Company and issue of bonds of the Company; (7) to <u>formulate</u> plans for major acquisitions, purchase of shares of the Company or plans for merger, split, dissolution or alteration of corporate form of the Company; ...</p> | <p><u>Article 110</u> The Board shall report to the shareholders' general meeting and exercise the following powers: (1) to convene shareholders' general meetings and report its work to the shareholders' general meeting; ... (4) to <u>formulate</u> the Company's plans on annual financial budgets and final budgetary report; (5) to <u>formulate</u> the Company's profit distribution plans and plans on making up losses; (6) to <u>formulate</u> proposals for increase or decrease of the registered capital of the Company and issue of bonds of the Company; (7) to <u>formulate</u> plans for major acquisitions, purchase of shares of the Company or plans for merger, split, dissolution or alteration of corporate form of the Company; ...</p> |

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| <p>(9) to determine the appointment or removal of the manager, the secretary to the Board and other senior management of the Company based on the nomination by the manager and to decide on their remunerations and rewards and penalties; to determine the appointment or removal of the deputy manager, chief financial officer and other senior management of the Company based on the nomination by the manager and to decide on their remunerations and rewards and penalties;</p> <p>(10) to formulate the basic management system of the Company;</p> <p>(11) to formulate proposals for amendment to the Articles of Association;</p> <p>...</p> <p><u>(16) to formulate employee shares scheme and equity incentive plan;</u></p> <p><u>(17) Pursuant to the authorization of shareholders' general meeting, consider the purchase of shares of the Company for the reasons of paragraph (3), (5) and (6) of Article 26 of the Articles of Association;</u></p> <p><u>(18) to exercise any other powers specified in the Articles of Association or authorized by shareholders at general meeting.</u></p> <p><u>Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7), (11), (16) and (17) of this Article which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.</u></p> <p>...</p> | <p>(10) to determine the appointment or removal of the manager, the secretary to the Board and other senior management of the Company based on the nomination by the manager and to decide on their remunerations and rewards and penalties; to determine the appointment or removal of the deputy manager, chief financial officer and other senior management of the Company based on the nomination by the manager and to decide on matters about their remunerations and rewards and penalties;</p> <p>(11) to formulate the basic management system of the Company;</p> <p>(12) to formulate proposals for amendment to the Articles of Association;</p> <p>...</p> <p><u>(16) to exercise any other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association.</u></p> <p>...</p> |

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| <p><u>Article 130</u> ...</p> <p>The Rules for the Proceedings of the Board of the Directors shall stipulate convening and voting procedure of the meeting.</p> <p><u>Article 144</u> Rules for the proceedings of the Board of the Directors of the Company, as attached as Appendix II of this Articles of Association, <u>shall have the same effect as this Articles of Association.</u></p> | <p><u>Article 124</u> ...</p> <p>The Rules for the Proceedings of the Board shall stipulate convening and voting procedure of the meeting. Rules for the Proceedings of the Board has been attached as Appendix II of the Articles of Association and <u>prepared by the Board and approved by the shareholders' meeting.</u></p> |
| <p><u>Article 131</u> <u>In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with the value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the shareholders' general meetings, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval by the shareholders' general meeting.</u></p> <p><u>The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the preceding paragraph of this Article by the Company.</u></p> <p><u>The term "fixed assets disposal" referred to in this Article represents (among others) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.</u></p> <p>...</p> | Deleted |

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| <p><u>Article 131</u> ...</p> <p>The Board shall determine power of external investment, purchase and sale of assets, pledge of assets, external guarantee, entrusted assets management, connected transaction and external donations and establish strict examination and determination decision pursuant to relevant laws, regulations and <u>listing rules of Hong Kong and Shanghai stock exchange</u>; significant investment project shall be examined by relevant experts and professionals retained for the purpose thereof and propose to shareholders at a general meeting for approval.</p> | <p><u>Article 112</u> The Board shall determine power of external investment, purchase and sale of assets, pledge of assets, external guarantee, entrusted assets management, connected transaction and external donations and establish strict examination and determination decision pursuant to relevant laws, regulations and <u>listing rules of the place where the shares of the Company are listed</u>; significant investment project shall be examined by relevant experts and professionals retained for the purpose thereof and propose to shareholders at a general meeting for approval.</p> |
| <p><u>Article 132</u> <u>The Board have the power to approve fixed assets investment in normal production operation and technical transformation and external investment proposal with an amount representing less than 30% of the latest audited net assets of the Company. Investment proposal with an amount exceeding 30% of the latest audited net assets of the Company shall be examined by relevant experts and professionals should be retained for the purpose thereof and propose to shareholders at a general meeting for approval.</u></p> <p><u>Any external investment involving connected transaction shall be subject to requirements of Rules Governing the Listing of Stocks on the Shanghai stock exchange, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and relevant laws and regulations in relation to report and approval of connected transaction.</u></p> <p><u>The external investment referred to in this Article include investment in shareholdings, acquisition of assets, wealth management agency and investment in securities.</u></p> | Deleted |

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| <p>Article 133 The chairman of the Board shall exercise the following powers:</p> <p>(1) to preside over shareholders' general meetings and to convene and preside over Board meetings;</p> <p>(2) to supervise and check on the implementation of resolutions of the Board;</p> <p>(3) to sign the securities certificates issued by the Company;</p> <p><u>(4) to sign financing agreement together with relevant security and guarantee contract which occur in normal operation activities, except for significant financing agreement, which shall be jointly signed with another director;</u></p> <p>(5) to exercise other powers conferred by the Board.</p> <p>...</p> | <p>Article 113 The chairman of the Board shall exercise the following powers:</p> <p>(1) to preside over shareholders' general meetings and to convene and preside over Board meetings;</p> <p>(2) to supervise and check on the implementation of resolutions of the Board;</p> <p>(3) to sign the securities certificates issued by the Company;</p> <p>(4) to exercise other powers conferred by the Board.</p> <p>...</p> |
| <p>Article 134 Regular meetings of the Board shall be held at least <u>twice</u> every year and shall be convened by the chairman of the Board. <u>Directors shall be notified</u> about the meeting ten (10) days in advance <u>by way of telex, telegraph, express post, registered mail, email or by person; in case of emergency, extraordinary meeting may be convened when proposed by more than one-third (inclusive) of directors or managers of the Company.</u></p> <p><u>In principle, Board meeting shall be held at the address of the Company. However, Board meeting may be held in other places in and outside China through Board resolution.</u></p> | <p>Article 114 Regular meetings of the Board shall be held at least <u>four (4) times</u> every year and shall be convened by the chairman of the Board. <u>All directors and supervisors shall be notified</u> about the meeting ten (10) days in advance by <u>written notice. The meeting shall be attended by a majority of the directors entitled to attend the meeting, either in person or by electronic means of communication. The approval of the Board shall not be obtained by circulation of written resolutions.</u> In order to convene an extraordinary Board meeting, all directors shall be notified at least 8 hours before through telephone, post or facsimile.</p> <p><u>The venue of Board meetings shall be the domicile of the Company or such other place as may be specified in the notice of the Board meeting.</u></p> |

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| <p>Article 135 In order to convene an extraordinary Board meeting, all directors shall be notified at least 8 hours before through telephone, telegraph or facsimile.</p> <p><u>Extraordinary Board meetings may be convened when proposed by the shareholders representing not less than 10% of the voting rights, not less than one-third of the directors, supervisory committee or managers of the Company.</u></p> <p>The chairman of the Board shall convene and chair the Board meeting within ten (10) days after the proposal is received.</p> | |
| <p>Addition</p> | <p><u>Article 115</u> <u>The chairman of the Board shall convene and chair the Board meeting within ten (10) days after the proposal is received under any one of the following circumstances:</u></p> <p><u>(1) when the chairman of the Board deems it necessary;</u></p> <p><u>(2) when proposed by more than one-third of the directors;</u></p> <p><u>(3) when proposed by the supervisory committee;</u></p> <p><u>(4) when proposed by the manager;</u></p> <p><u>(5) when proposed by a majority of independent directors;</u></p> <p><u>(6) when proposed by shareholders representing above one-tenth of the voting rights;</u></p> <p><u>(7) when required to be convened by the securities regulatory authorities;</u></p> <p><u>(8) other circumstances as stipulated in the Articles of Association.</u></p> |

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| <p>Article 136 The Board meeting shall be held with the presence of more than half of the directors. Each director shall have one vote when voting on a Board resolution. Resolutions of the Board shall be passed by more than half of all directors. In the case of equal votes in favour of and against the resolution, the chairman of the Board shall have a casting vote.</p> <p>...</p> | <p>Article 116 The Board meeting shall be held with the presence of a majority of the directors. Each director shall have one vote when voting on a Board resolution. Resolutions of the Board shall be passed by a majority of all directors. In the case of equal votes in favour of and against the resolution, the chairman of the Board shall have a casting vote.</p> <p>...</p> |
| <p>Article 138 Ordinary or extraordinary Board meeting may be held by telephone conference or by similar communication equipment in so far as attending directors are able to hear clearly other directors' speech and to exchange. In such case all attending directors shall be deemed as having attended the meeting in person.</p> | <p>Article 118 Board meetings may be held by telephone conference or by similar communication equipment in so far as attending directors are able to hear clearly other directors' speech and to exchange. In such case all attending directors shall be deemed as having attended the meeting in person.</p> |

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| <p><u>Article 139</u> A written resolution may be made in lieu of a Board meeting, <u>provided that the draft</u> of such resolution shall be delivered to each director by post, <u>telegraph</u>, facsimile or designated person and <u>such resolution shall be passed by the signing for approval of more than two-thirds of</u> directors and be delivered to the secretary to the Board in any manner aforementioned.</p> | <p><u>Article 119</u> A written resolution may be made in lieu of an <u>extraordinary</u> Board meeting, and the <u>resolution related to the meeting</u> shall be delivered to each director by post, <u>email</u>, facsimile, by hand or <u>other means</u>. The <u>number</u> of directors who have <u>signed their assent shall be the number required to make such decisions in accordance with Article 110 of the Articles of Association, and such resolution shall become</u> a resolution of the Board after delivery to the secretary to the Board in any manner aforementioned. <u>However, where a controlling shareholder of the Company or a director has a conflict of interest in a matter to be considered by the Board which the Board considers to be material, the matter should be dealt with by way of a meeting of the Board (and not by way of a written resolution). Independent non-executive directors who do not have a material interest in the transaction and their close associates shall attend the relevant board meeting.</u></p> |
| <p><u>Article 143</u> <u>All minutes of Board meetings shall be recorded and kept in Chinese. Following each Board meeting, the minutes thereof shall be circulated among directors for examination and signing as soon as possible. Any amendment to the minutes proposed by director shall be reported to the chairman in writing within 6 business days after receipt of such minutes.</u></p> | Deleted |
| <p><u>Article 145</u> Resolution of Board meeting shall be signed by the chairman and all directors (including their proxies) and the secretary to the Board of the Company and integral copies thereof shall be prepared and distributed to each director forthwith.</p> | <p><u>Article 123</u> Resolution of Board meeting shall be signed by the chairman and all directors (including their proxies) and integral copies thereof shall be prepared and distributed to each director forthwith.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 146 An independent director is a director who, other than a member of the special committee of the Board, does not serve in other position in the Company and does not have any relationship with the Company and any of its substantial shareholder which may hinder his forming of any independent and objective judgment.</p> | <p>Article 125 An independent director is a director who does not serve in other position other than that of a director in the Company and does not have any direct or indirect interests or other relationship with the Company and any of its substantial shareholder or de facto controller which may influence his forming of any independent and objective judgment. Independent directors shall perform their duties independently and shall not be influenced by the Company, its substantial shareholders, de facto controllers or individuals.</p> |
| <p>Article 147 The Company shall have independent directors, the number of whom shall not be less than one-third of the numbers of members of the Board and among them, at least one of them shall be an accounting professional with senior title or qualification of certified accountant.</p> | <p>Article 127 Independent directors of the Company shall represent not less than one-third of the members of the Board and shall include at least one accounting professional.</p> |
| <p>Article 148 Independent directors shall be liable to fiduciary and diligence duties to the Company and all shareholders. Independent directors shall perform their duties faithfully and safeguard the interests of the Company in accordance with relevant laws, regulations and the requirements of these Articles of Association, and in particular ensure that the lawful interests of public shareholders are not undermined. Independent directors shall discharge their duties independently and shall not be influenced by the Company's substantial shareholders, controller de facto or other persons or units which have relationship with the Company and shall ensure that they have sufficient time and energy to discharge their duties effectively. Performance evaluation of independent directors is conducted by self-evaluation and mutual evaluation.</p> | <p>Article 126 Independent directors shall be liable to loyalty and diligence duties to the Company and all shareholders. Independent directors shall perform their duties conscientiously, play the roles of participation in decision-making, supervision, checks and balances, and professional consultation in the Board, safeguard the interests of the listed company as a whole and protect the lawful rights and interests of the minority shareholders in accordance with the laws, administrative regulations, the rules of the CSRC, the business rules of the stock exchange and the provisions of these Articles of Association.</p> |

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| <p><u>Article 149 Nomination, election and replacement of independent directors shall be as follows:</u></p> <p>(1) The Board, the supervisory committee of the Company and shareholders representing individually or jointly more than 1% of shares of the Company in issue may nominate for independent directors for the purpose of election at general meeting.</p> <p>(2) Persons intend to nominate an independent director shall obtain the consent of the intended nominee therefor prior to his nomination. The nominator shall have full knowledge of the nominee’s general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee’s qualifications and the independence required as an independent director. The nominee shall make a statement that he has no relationship with the Company that may affect his independent objective judgment, which statement shall be made public by the Company.</p> <p>(3) Independent directors shall have the same term of office as other directors of the Company and shall be eligible for re-election and re-appointment upon expiry, provided that the office shall not be longer than 6 years. An independent director shall not be dismissed without proper reason during his term. In case dismissed during his term, it shall be disclosed as a special disclosure of the Company.</p> <p>(4) Independent directors may resign before the end of their term. The independent director resigning shall submit to the Board a resignation report in writing which shall contain explanation on any matter relevant to his resignation or matter must be brought to the attention of shareholders and creditors of the Company.</p> | <p><u>Article 128</u> The Board, the supervisory committee of the Company and shareholders holding individually or jointly more than 1% of shares of the Company in issue may nominate for independent directors for the purpose of election at general meeting.</p> <p><u>The investor protection agency established by law may publicly request shareholders to entrust it to exercise the right to nominate independent directors on their behalf.</u></p> <p><u>The nominee provided for in the first paragraph shall not nominate as a candidate for independent director any person with whom the nominee has an interest or any other close relationship that may influence the independent performance of his or her duties.</u></p> <p><u>Article 129</u> Persons intend to nominate an independent director shall obtain the consent of the intended nominee therefor prior to his nomination. The nominator shall have full knowledge of the nominee’s general information such as profession, educational background, professional title, detailed working experience, all posts he or she concurrently holds and whether he or he has a record of not being in good standing, and give opinion on the nominee’s independence and other criteria required as an independent director. The nominee shall make a public statement of the independence and other criteria for being an independent director.</p> <p><u>Article 130</u> Independent directors shall have the same term of office as other directors of the Company and shall be eligible for re-election and re-appointment upon expiry, provided that the office shall not be longer than 6 years.</p> |

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| <p><u>If the resignation of an independent director causes the proportion of independent directors in the board of the Company to fall below the minimum number of statutory requirements or the Articles of Association of the Company, the resignation of this independent director shall be effective only after the succeeding independent director has filled his vacancy.</u></p> <p><u>Article 150</u> If the independent directors fail to meet the requirements for independence or being not appropriate to perform the duties of independent directors or resign, and as a result, the number of independent directors of the Company falls below the number required hereunder, the deficiency of director shall be filled in accordance with Article 123 of this Articles of Association.</p> | <p><u>Article 131</u> The Company may dismiss an independent director during his term in accordance with the statutory procedures. If the independent director fail to meet the requirements for independence or being not appropriate to perform the duties of independent directors, he shall immediately cease to perform his duties and resign from his office. If he does not resign, the Board shall immediately terminate his duties in accordance with the provisions after the Board has become aware or should have become aware of the occurrence of such fact. Where an independent director resigns or is released of his duties as a result of the circumstances set forth in the preceding paragraph, which results in the proportion of independent directors on the Board or its special committees failing to comply with the provisions of the Articles of Association, or where there is a lack of accounting professionals among the independent directors, the Company shall complete the by-election within sixty (60) days from the date of the occurrence of the foregoing facts.</p> <p><u>Article 132</u> Independent directors may resign before the end of their term. The independent director resigning shall submit to the Board a resignation report in writing which contains explanation on any matter relevant to his resignation or matter must be brought to the attention of shareholders and creditors of the Company. The Company should disclose the reasons for and concerns about the resignation of the independent director.</p> |

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| | <p>If the resignation of an independent director <u>will</u> cause the proportion of independent directors in the board <u>or its special committees to fail to comply with the provisions of these</u> Articles of Association <u>or there a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his duties until the date on which a new independent director is appointed. The Company shall complete the by-election within sixty (60) days from the date of the independent director submits resignation.</u></p> |
| Addition | <p><u>Article 133 The independent directors shall perform the following duties:</u></p> <p><u>(1) To participate in the decision-making of the Board and express their opinions on the matters deliberated;</u></p> <p><u>(2) To supervise the potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management as set out in Articles 24, 27, 28 and 28 of the Measures for the Management of Independent Directors of Listed Companies to ensure that the decisions made by the Board are in line with the interests of the Company as a whole, and to protect the lawful rights and interests of the minority shareholders;</u></p> <p><u>(3) To provide professional and objective advice on the operation and development of the listed company and to promote the improvement of the level of decision-making by the Board;</u></p> <p><u>(4) Other duties as stipulated by the laws, administrative regulations, the CSRC and the listing rules of the place where the securities are listed.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p><u>Article 151 Independent directors shall express their independent opinion on significant matters to the Company, including:</u></p> <p><u>(1) Nomination, appointment and dismissal of directors;</u></p> <p><u>(2) Engagement and dismissal of senior management members;</u></p> <p><u>(3) Remuneration of directors and senior management members of the Company;</u></p> <p><u>(4) Any existing or new loan borrowed from the Company by or other funds transfer made by the Company's shareholders, actual controllers or affiliated enterprises with an amount in total more than RMB3 million or more than 5% of the latest audited net asset value of the Company, and whether the Company has taken effective measures to collect the amount due;</u></p> <p><u>(5) Matter which may undermine the interests of the minority shareholders;</u></p> <p><u>(6) Other matters as prescribe under the laws, administrative regulations and the Articles of Association.</u></p> | Deleted |
| <p><u>Article 152 Material connected transaction and engagement and dismissal of accountant firm shall be approved by more than one-half of independent directors before being submitted to the Board for discussion. Proposal of convening extraordinary general meeting and Board meeting and solicitation of proxies before the convening of general meeting shall be approved by more than one-half of independent directors. With consent of all independent directors, independent directors may engage external auditing institutions and consultancy to audit and to advise on specific matters of the Company, and relevant fee shall be borne by the Company.</u></p> | Deleted |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p><u>Article 153 Independent directors shall give one of the following opinions on matters as described in Article 151 and Article 152:</u></p> <p><u>(1) Consent opinion;</u></p> <p><u>(2) Qualified opinion with reason thereof;</u></p> <p><u>(3) Negative opinion with reason thereof;</u></p> <p><u>(4) Unable to give opinion and the hindrance thereof.</u></p> | Deleted |
| Addition | <p><u>Article 134 Independent Directors shall exercise the following special powers and duties:</u></p> <p><u>(1) To independently engage intermediaries to conduct audits, consultations or verifications on specific matters of the Company;</u></p> <p><u>(2) To propose to the Board convening of an extraordinary general meeting;</u></p> <p><u>(3) To propose the convening of a meeting of the Board;</u></p> <p><u>(4) To openly solicit shareholders' rights from shareholders in accordance with the laws;</u></p> <p><u>(5) To express independent opinions on matters that may prejudice the interests of the Company or the minority shareholders;</u></p> <p><u>(6) Other duties and responsibilities as prescribed by the laws, administrative regulations and the CSRC.</u></p> <p><u>The exercise by an independent director of the powers and duties set out in (1) to (3) of the preceding paragraph shall be subject to the approval of a majority of all the independent directors.</u></p> <p><u>The Company shall disclose in a timely manner any exercise of the powers and duties listed in the first paragraph by an independent director. In the event that the aforesaid powers and duties cannot be exercised properly, the Company shall disclose the specific circumstances and reasons therefor.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| Addition | <p><u>Article 135</u> <u>The following matters shall be submitted to the Board for deliberation after being approved by a majority of all the independent directors of the Company:</u></p> <p><u>(1) Connected transactions that shall be disclosed;</u></p> <p><u>(2) The proposal of the Company and related parties to change or waive their commitments;</u></p> <p><u>(3) Decisions made and measures taken by the Board of the Company in respect of acquisitions;</u></p> <p><u>(4) Other matters as prescribed by laws, administrative regulations and the CSRC.</u></p> |
| Addition | <p><u>Article 136</u> <u>The Company shall convene special meetings of independent directors on a regular or irregular basis. Matters set out in (1) to (3) of the first paragraph of Article 133 and Article 134 of the Articles of Association shall be deliberated at special meetings of the independent directors.</u></p> |
| <p><u>Article 155</u> <u>The Company shall provide independent directors with operation condition necessary for them to perform their duties. The secretary to the Board shall provide assistance to independent directors for performing their duties. Such assistance includes without limitation briefing and providing materials. Fee incurred by independent directors in engaging intermediaries and exercising their power shall be borne by the Company.</u></p> | Deleted |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p><u>Article 156</u> <u>The Company shall provide independent directors with allowance, the standard of which shall be drafted by the Board, then proposed at general meeting for approval and disclosed in annual report of the Company.</u> <u>The independent directors shall not receive any extra non-disclosed benefits from the Company, its major shareholders, or other interested entities and individuals other than the above-mentioned allowance.</u></p> | Deleted |
| <p><u>Article 154</u> The Company shall formulate system of <u>work</u> of independent directors and the <u>secretary to the Board shall assist in performance of duties by independent directors. The Company shall ensure that independent directors enjoy the same right to information as other directors, and timely provide relevant material and information to independent directors and regularly inform them operating situation of the Company; when necessary, the Company shall organize independent directors for on-site inspection.</u></p> | <p><u>Article 137</u> The Company shall formulate system of independent directors. <u>The system of independent directors shall be in compliance with the laws, administrative regulations, the requirements of the CSRC and the business rules of the stock exchange, shall be conducive to the sustainable and standardized development of the Company, and shall not be detrimental to the interests of the Company. The Company shall provide the necessary safeguards for independent directors to perform their duties in accordance with the laws.</u></p> |
| <p><u>Article 157</u> The Board of the Company shall, in accordance with resolution of general meeting, establish certain special committees. Members of the special committees shall all be directors, of which for the audit committee, the nomination committee, and the remuneration and appraisal committee, independent directors shall be the <u>majority</u> and serve as the convener. The convener of the audit committee shall be the accounting professional.</p> | <p><u>Article 138</u> The Board of the Company shall, in accordance with resolution of general meeting, establish certain special committees. Members of the special committees shall all be directors, of which for the audit committee, the nomination committee, and the remuneration and appraisal committee, independent directors shall represent <u>more than half of the members</u> and serve as the convener. The convener of the audit committee shall be the accounting professional.</p> |

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| <p><u>Article 160</u> Main duties of special committees under the Board shall be performed in accordance with <u>relevant requirements of Code of Corporate Governance for Listed Companies in China.</u></p> | <p><u>Article 141</u> Main duties of special committees under the Board shall be performed in accordance with the <u>laws, administrative regulations, CSRC regulations and business rules of the stock exchange, etc.</u></p> |
| <p><u>CHAPTER 11 SECRETARY TO THE BOARD</u> <u>CHAPTER 12 MANAGER OF THE COMPANY</u></p> | <p><u>CHAPTER 9 MANAGERS AND OTHER SENIOR MANAGEMENT</u></p> |
| <p><u>Article 161</u> The Company shall have a secretary to the Board, who shall be a senior management member of the Company.</p> | <p><u>Article 147</u> The Company shall have a secretary to the Board. The secretary of the Board shall be <u>nominated by the Chairman of the Board and appointed and dismissed by the Board.</u></p> <p><u>Article 145</u> <u>Managers, deputy managers, the financial controller and the secretary to the Board</u> are the senior management of the Company.</p> |
| <p><u>Article 162</u> <u>Secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His primary duties include:</u></p> <p><u>(1) to ensure that the Company has complete constitutional documents and records;</u></p> <p><u>(2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with the law;</u></p> <p><u>(3) to ensure that the Company’s register of shareholders is properly maintained, and that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;</u></p> | <p><u>Article 148</u> <u>The secretary to the Board is responsible for the preparation of the shareholders’ general meetings and Board meetings of the Company, the custody of documents and management of the information of the Company’s shareholders as well as the disclosure of information.</u></p> <p><u>The secretary to the Board shall comply with the laws and regulations, regulatory requirements, self-regulatory rules, the Articles of Association and other relevant provisions.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p><u>(4) to be responsible for information disclosure of the Company, including establishment of information disclosure system, visitor reception, answering inquiry, contact with shareholders and provision of openly disclosed information of the Company to investors.</u></p> <p><u>(5) to be responsible for management work in relation to investor relationship;</u></p> <p><u>(6) to proactively assist in performance of duties by independent directors.</u></p> | |
| <p><u>Article 164</u> The Company shall have one manager, who shall be appointed and dismissed by the Board. The manager shall have tenure of office of three (3) years and shall be eligible for re-appointment. ...</p> | <p><u>Article 143</u> The Company shall have one manager <u>and may have the deputy general manager</u>, who shall be appointed and dismissed by the Board. The manager shall have tenure of office of three (3) years and shall be eligible for re-appointment. ...</p> |
| <p><u>Article 165</u> The manager of the Company shall be accountable to the Board and exercise the following powers: ...</p> <p>(3) to <u>draft</u> plans for the establishment of the Company's internal management structure; ...</p> <p>(5) to <u>formulate</u> the <u>basic</u> rules and regulations of the Company; ...</p> | <p><u>Article 144</u> The manager of the Company shall be accountable to the Board and exercise the following powers: ...</p> <p>(3) to <u>draft</u> plans for the establishment of the Company's internal management structure; ...</p> <p>(5) to <u>formulate</u> the <u>specific</u> rules and regulations of the Company; ...</p> |
| <p><u>Article 166</u> The manager may attend Board meetings as a non-voting attendee. <u>The manager of the Company who is not a director shall have no voting rights at Board meetings.</u></p> | <p><u>Article 145</u> The manager may attend Board meetings as a non-voting attendee.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 167 The manager in performing his function shall act honestly and diligently and in accordance with the laws, administrative regulations, the Articles of Association and the Company's work rules for the general manager. In case the general manager violates any of the laws, regulations and the Articles of Association and causes losses to the Company, the Board should take legal actions.</p> | <p>Article 146 The manager in performing his function shall act honestly and diligently and in accordance with the laws, administrative regulations, the Articles of Association and the Company's work rules for the general manager. In case the manager of the Company violates any of the laws, regulations and the Articles of Association and causes losses to the Company, the Board should take legal actions.</p> |
| <p>Article 169 Supervisory committee shall comprise five (5) supervisors of which one (1) is the chairman of the supervisory committee. Supervisors shall have tenure of office for three (3) years and shall be eligible for re-election and re-appointment. The appointment and dismissal of the chairman of the supervisory committee shall be passed by not less than two-thirds of its members.</p> <p>...</p> | <p>Article 151 Supervisory committee shall comprise five (5) supervisors of which one (1) is the chairman of the supervisory committee. Supervisors shall have tenure of office for three (3) years and shall be eligible for re-election and re-appointment. The appointment and dismissal of the chairman of the supervisory committee shall be passed by a majority of its members.</p> |
| <p>Article 170 The supervisory committee is made up of representatives of the shareholders and two representatives of the Company's staff and workers. The supervisors who are the representatives of shareholders shall be elected at the general meeting from nominees nominated by the supervisory committee or shareholders representing more than 3% (inclusive) of shares in issue. Written notice of the intention to nominate nominee for supervisor and that of the acknowledgement of acceptance of the nomination from the nominee shall be delivered to the Company 7 days before the convention of the general meeting.</p> | <p>Article 152 The supervisory committee is made up of representatives of the shareholders and two representatives of the Company's staff and workers. The supervisors who are the representatives of shareholders shall be elected at the general meeting from nominees nominated by the supervisory committee or shareholders representing more than 1% (inclusive) of shares in issue. Candidates for the supervisors shall <u>give a written undertaking prior to the announcement of the notice of the general meeting that they agree to accept the nomination, undertake that the publicly disclosed information of them is true, accurate and complete, and guarantee that they will perform their duties as the supervisors faithfully after being elected.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Election of supervisor shall be passed by shareholders (including their proxies) attending the general meeting representing more than half of the voting rights.</p> | <p>Election of supervisors who are the representatives of shareholders shall be passed by shareholders (including their proxies) attending the general meeting representing a majority of the voting rights. ...</p> |
| <p>Article 173 The supervisory committee shall be accountable to all shareholders and exercise the following powers: ... Supervisors shall attend Board meetings as non-voting attendees and raise inquiry or suggestion on resolutions of the Board.</p> | <p>Article 155 The supervisory committee shall be accountable to all shareholders and exercise the following powers: ... (10) may require directors, managers and other senior management to submit reports on the performance of their duties; ...</p> |
| <p>Article 174 Resolutions of the supervisory committee shall be passed by more than two-thirds (inclusive) of all supervisory committee members.</p> | <p>Article 156 The supervisory committee meets at least once every six (6) months. The supervisors may propose the convening of an extraordinary meeting of the supervisory committee. Resolutions of the supervisory committee shall be passed by a majority of supervisors.</p> |
| <p>Article 176 Minutes shall be prepared for the supervisory committee meeting, on which the supervisors present at the meeting and the person responsible to record shall sign. Each supervisor is entitled to request that his statements made with elaborations at the meeting be noted in the minutes. The minutes of the supervisory committee meetings shall be duly kept as the Company's important filings for record for ten (10) years.</p> | <p>Article 157 The supervisory committee shall make minutes of its decisions on the issues deliberated, on which the supervisors present at the meeting shall sign. Each supervisor is entitled to request that his statements made with elaborations at the meeting be noted in the minutes. The minutes of the supervisory committee meetings should shall be kept as the Company's filings for record for at least ten (10) years.</p> |

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| <p>Article 175 The supervisory committee shall formulate the regular rules of procedures to clearly define its discussion method and voting procedures so as to ensure the work efficiency and scientific decision-making of the supervisory committee.</p> <p>The Rules of Procedures of the Supervisory Committee shall at least contain the manners of meeting convening, notice, meeting procedures, voting procedures and minutes of the meeting.</p> <p>Article 180 The Company's Rules of Procedures of the Supervisory Committee has been attached as Appendix III of the Articles of Association and shall have the same effect as the Articles of Association.</p> | <p>Article 161 The supervisory committee shall formulate the Rules of Procedures of the Supervisory Committee to clearly define its discussion method and voting procedures so as to ensure the work efficiency and scientific decision-making of the supervisory committee.</p> <p>The Rules of Procedures of the Supervisory Committee shall contain the meeting convening and voting procedures of the supervisory committee. The Rules of Procedure of the Supervisory Committee has been attached as Appendix III of the Articles of Association and prepared by the supervisory committee and approved by the shareholders' meeting.</p> |
| <p>Article 181 A person may not serve as a director, supervisor, manager, or any other senior management member of the Company if any of the following circumstances applies:</p> <p>(1) a person without civil capacity or with restricted civil capacity;</p> <p>(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;</p> | <p>Article 162 A person may not be nominated as a director, supervisor and senior management member of the Company if any of the following circumstances exists:</p> <p>(1) Circumstances in which he is prohibited from acting as a director, supervisor or senior management member in accordance with the Company Law and other laws and regulations and other relevant provisions;</p> <p>(2) Being prohibited by the CSRC to act as a director, supervisor and senior management member of listed companies for a period which has not yet expired;</p> |

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| <p><u>(3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation due to poor operation and management and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;</u></p> <p><u>(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked due to a violation of the law and who incurred personal liability, where less than three (3) years have elapsed since the date of the revocation of the business licence;</u></p> <p><u>(5) a person who has a relatively large amount of debts due and outstanding;</u></p> <p><u>(6) a person who is under criminal investigation by the judicial body for violation of the criminal law where the said investigation is not yet concluded;</u></p> <p><u>(7) a person who is not eligible for enterprise leadership according to the laws and administrative regulations;</u></p> <p><u>(8) a non-natural person;</u></p> <p><u>(9) a person convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of the conviction;</u></p> <p><u>(10) any other circumstances as prescribed by the laws, administrative regulations and departmental rules.</u></p> | <p><u>(3) Being publicly recognised by the stock exchange as unsuitable to serve as a director, supervisor and senior management member of listed companies for a period which has not yet expired;</u></p> <p><u>(4) Other circumstances as stipulated by the laws and regulations and the listing rules of the place where the Company's shares are listed.</u></p> <p><u>Where a candidate for director, supervisor and senior management member has one of the following circumstances, the Company shall disclose the specific circumstances of the candidate, the reasons for the proposed employment of the candidate and whether it will affect the standard operation of the Company:</u></p> <p><u>(1) Being subject to administrative penalties by the CSRC within the last thirty-six (36) months;</u></p> <p><u>(2) Being publicly condemned or notified of criticism above three (3) times by the stock exchange within the recent thirty-six (36) months;</u></p> <p><u>(3) Being investigated by the judicial authorities for suspected crimes or being investigated by the CSRC for suspected violations of laws and regulations, with no clear conclusive opinion yet;</u></p> <p><u>(4) There is a major breach of trust and other adverse records.</u></p> <p><u>The above period shall end on the date on which the Board, the general meeting of shareholders and other authorised bodies of the Company consider the motion for the appointment of the candidates for directors, supervisors and senior management members.</u></p> |
| Article 182 to Article 193 | Deleted |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| Addition | <p><u>Article 166</u> <u>Where a director, supervisor and other senior management member directly or indirectly enters into a contract or transaction with the Company, he shall report the matters relating to the entering of the contract or transaction to the Board or the general meeting of shareholders, and the contract or transaction shall be subject to the approval of the Board or the general meeting of shareholders.</u></p> <p><u>The provisions of the preceding paragraph shall apply to the entering of contracts or transactions with the Company by close family members of the directors, supervisors and senior management members, enterprises directly or indirectly controlled by the directors, supervisors and senior management members or their close family members, and associates who have other affiliations with the directors, supervisors and senior management members.</u></p> |
| <p><u>Article 202</u> The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the <u>PRC accounting standards formulated by the finance regulatory department of the State Council.</u></p> | <p><u>Article 170</u> The Company shall establish its financial and accounting system in accordance with the laws, administrative <u>regulations and the requirements formulated by the relevant departments of the State.</u></p> |
| <p><u>Article 203</u> The Company shall <u>prepare</u> a financial report upon expiration of each financial year and submit it for <u>examination and verification</u> in accordance with the law.</p> <p><u>Article 206</u> <u>The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.</u></p> | <p><u>Article 171</u> The Company shall <u>compile</u> a financial <u>accounting</u> report upon expiration of each financial year and submit it for <u>audit by an accounting firm</u> in accordance with the law.</p> <p><u>The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the provisions of the finance department of the State Council.</u></p> |

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| <p><u>Article 204</u> <u>The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or regulatory documents promulgated by local government and competent department to be prepared by the Company.</u></p> | Deleted |
| <p><u>Article 205</u> The Company shall deposit its financial reports at the Company for inspection by the shareholders at least twenty (20) days before the convening of the <u>annual general meeting</u>. Each shareholder of the Company is entitled to obtain the financial reports mentioned in this Chapter. <u>The Company shall send the aforesaid report to each holder of overseas-listed foreign shares by pre-paid mail at least twenty-one (21) days before the convening of the annual general meeting. The address of the recipient shall be the registered address as shown on the register of shareholders.</u></p> | <p><u>Article 172</u> The Company shall deposit its financial reports at the Company for inspection by the shareholders at least twenty (20) days before the convening of the <u>annual general meeting</u>. Each shareholder of the Company is entitled to obtain the financial reports mentioned in this Chapter.</p> |
| <p><u>Article 207</u> <u>The results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations.</u></p> | Deleted |

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| <p>Article 208 The Company shall publish financial reports at least twice in each accounting year, i.e. report and disclose the annual report to the CSRC and the stock exchange where the securities of the Company are listed and other regulatory authorities within four months from the end of each accounting year, and report and disclose the interim report to the dispatch authorities of the CSRC and the stock exchange where the securities of the Company are listed and other regulatory authorities within two months from the end of the first half of each accounting year. In addition, the Company shall publish a preliminary announcement of the results for each accounting year and a preliminary announcement of the results for the first half of the accounting year within three months after the end of the relevant accounting year and for a period of six months or less of the relevant accounting year.</p> <p>The above annual reports, interim reports and preliminary results announcements were prepared in accordance with the relevant laws, administrative regulations, the regulations of the CSRC and the stock exchanges and other regulatory authorities where the securities of the Company are listed.</p> | <p>Article 173 The Company shall report and disclose the annual report to the securities regulatory authorities of the place of listing within four months from the end of each accounting year, report and disclose the interim report to the securities regulatory authorities of the place of listing within two months from the end of the first half of each accounting year, and report and disclose the quarterly report within the period prescribed by the securities regulatory rules of the place where the Company is listed.</p> <p>The above annual reports, interim reports and quarterly reports were prepared in accordance with the relevant laws, administrative regulations and the securities regulatory rules of the place where the Company is listed.</p> |
| <p>Article 209 The Company shall not keep accounts other than those provided by law. Assets of the Company shall not be held in any account in any individual's name.</p> | <p>Article 174 The Company shall not keep account books other than those provided by law. Assets of the Company are not held in any account in any individual's name.</p> |

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| <p><u>Article 210 Profits of the Company after income tax shall be distributed in the following order:</u></p> <p><u>(1) To make up loss in undistributed profits;</u></p> <p><u>(2) To credit to statutory reserves;</u></p> <p><u>(3) Shall there be preference shares, to pay the dividends of preference shares;</u></p> <p><u>(4) To credit to discretionary reserve based on the resolution of the general meeting;</u></p> <p><u>(5) To pay dividend of ordinary shares.</u></p> <p><u>The proportion of amount credited in accordance with item (5) of this Article shall be proposed by the Board to the annual general meeting for approval.</u></p> <p>In the event that a distribution of profit to shareholders passed at general meeting is <u>in violation of the first item of this Article</u> and is made before making up for loss and crediting into statutory reserves, the profits distributed in violation shall be returned to the Company by shareholders.</p> | <p><u>Article 175 When the Company distributes its after-tax profit for the year, 10% of the profit shall be withdrawn and included in the Company's statutory reserve. If the accumulated amount of the Company's statutory reserve accounts for above 50% of the Company's registered capital, it may not be withdrawn.</u></p> <p><u>If the Company's statutory reserve is insufficient to make up for the losses of previous years, the Company shall make up for the losses with the current year's profits before withdrawing the statutory reserve in accordance with the provisions of the preceding paragraph.</u></p> <p><u>After the Company has withdrawn the statutory provident fund from the after-tax profit, it may also withdraw any provident fund from the after-tax profit by resolution of the shareholders' general meeting.</u></p> <p><u>The after-tax profit remaining after the Company has made up for its losses and withdrawn the provident fund shall be distributed in proportion to the shareholding of the shareholders, except where the Articles of Association stipulate that such distribution shall not be made in proportion to the shareholding.</u></p> <p>In the event that a distribution of profit to shareholders passed at general meeting is in violation of the <u>preceding paragraph</u> and is made before making up for loss and crediting into statutory reserves, the profits distributed in violation shall be returned to the Company by shareholders.</p> |

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| <p><u>Article 211 Capital reserve fund includes the following items:</u> <u>(1) premium received when shares are issued at a premium over their par value; and</u> <u>(2) any other income required to be included in the capital reserve fund by the competent finance department of the State Council.</u></p> | Deleted |
| <p><u>Article 212</u> ... <u>The Company may convert its reserve funds into capital upon a resolution adopted in shareholders' general meeting and issue new shares to shareholders in proportion to their respective existing shareholdings or increase the nominal value of shares, provided, however, that when the statutory reserve fund is converted into capital, the balance of the statutory reserve fund shall not fall below 25% of the Company's registered capital.</u></p> | <p><u>Article 176</u> ... <u>If the Company's losses are to be made up by provident funds, the Company shall first apply any provident fund and the statutory provident funds; if the losses still cannot be made up, the Company may apply the capital provident fund in accordance with the provisions.</u> When the statutory reserve is converted to <u>increase registered</u> capital, the balance of the reserve fund shall not fall below 25% of the <u>Company's</u> registered capital before the <u>increase by conversion.</u></p> |
| <p><u>Article 213</u> The Company shall distribute annual dividends. The Board shall complete the distribution of dividends within two months <u>after</u> the profit distribution plan has been resolved at <u>shareholders' general meeting. No dividends shall be distributed before making up losses and crediting into the Company's statutory reserve fund.</u></p> | <p><u>Article 177</u> The distribution of dividends <u>(or shares)</u> shall be completed within two months <u>after</u> the profit distribution plan has been resolved at shareholders' general meeting or the Board of the Company <u>formulates a specific plan in accordance with the conditions and cap for the following year's interim dividend approved by the annual general meeting.</u></p> |
| <p><u>Article 214</u> <u>Unless otherwise resolved at the general meeting, shareholders at the general meeting may authorize the Board to distribute interim dividend. The laws and regulations also require that the amount of interim dividend shall not exceed 50% of the distributable profits stated in the Company's interim income statement.</u></p> | Deleted |

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| <p>Article 215 The Company's profit distribution policy shall be: ...</p> <p>(3) Conditions of dividend distribution and the proportion of dividend distribution ... 4. In principle, in distributing cash dividends, the Company shall at the same time satisfy the following criteria:... (v) If the Board of the Company does not propose to distribute profit in cash in the year when the Company is profitable, it shall state the reason why the profit is not distributed in its annual report for the year and the use and plan of use in respect of the undistributed capital reserved. <u>Independent directors shall express independent opinions on such non-distribution of profits and disclose their opinions to the public.</u> If the Company does not propose to distribute profit in cash when it is profitable during the reporting period, it shall provide online voting platforms to its shareholders other than on-site meeting when it holds general meetings.</p> <p>(4) Verification procedures for profit distribution: ...3. In formulating specific plans for distribution of dividends in cash, the Board should seriously look into and verify matters such as the timing, conditions and minimum proportion of dividend distribution in cash, conditions for adjustment and the decision-making process of the Board. <u>Independent directors should issue clear opinions;</u></p> | <p>Article 178 The Company's profit distribution policy shall be: ...</p> <p>(3) Conditions of dividend distribution and the proportion of dividend distribution ... 4. In principle, in distributing cash dividends, the Company shall at the same time satisfy the following criteria:... (v) If the Board of the Company does not propose to distribute profit in cash in the year when the Company is profitable, it shall state the reason why the profit is not distributed in its annual report for the year and the use and plan of use in respect of the undistributed capital reserved. If the Company does not propose to distribute profit in cash when it is profitable during the reporting period, it shall provide online voting platforms to its shareholders other than on-site meeting when it holds general meetings.</p> <p>(4) Verification procedures for profit distribution: ... 3. In formulating specific plans for distribution of dividends in cash, the Board should seriously look into and verify matters such as the timing, conditions and minimum proportion of dividend distribution in cash, conditions for adjustment and the decision-making process of the Board;</p> |

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| <p>4. Independent directors <u>may gather opinions from minority shareholders, formulate proposals for dividend distribution, and directly submit to the Board for consideration;</u></p> <p>(5) Decision making procedures of profit distribution</p> <p>1. Only after review and approval of the profit distribution plan by the Board of the Company, the profit distribution can be submitted to the general meeting for consideration. In considering the profit distribution plan by the Board, the plan shall be passed by a majority of all directors, and <u>independent directors shall issue independent opinion with respect to the specific plan for profit distribution;</u></p> <p>...</p> <p>(6) Procedures for adjusting the profit distribution policy</p> <p>1. The Company shall root in protecting the interests of its shareholders and shall make extensive arguments and explain its reason when adjusting the profit distribution policy based on the external operating environment or its own operating conditions. The profit distribution policy adjusted shall not violate applicable regulations of the CSRC and <u>stock exchanges in Shanghai and Hong Kong;</u></p> <p>...</p> | <p>4. Independent directors <u>shall be entitled to express their independent opinions if they consider that the specific cash dividend proposal may harm the interests of the listed company or the minority shareholders. If the Board fails to adopt the opinions of the independent directors or fails to adopt them in full, the opinions of the independent directors and the specific reasons for not adopting them shall be record and disclosed in the resolution of the Board.</u></p> <p>(5) Decision making procedures of profit distribution</p> <p>1. Only after review and approval of the profit distribution plan by the Board of the Company, the profit distribution can be submitted to the general meeting for consideration. In considering the profit distribution plan by the Board, the plan shall be passed by a majority of all directors;</p> <p>...</p> <p>(6) Procedures for adjusting the profit distribution policy</p> <p>1. The Company shall root in protecting the interests of its shareholders and shall make extensive arguments and explain its reason when adjusting the profit distribution policy based on the external operating environment or its own operating conditions. The profit distribution policy adjusted shall not violate applicable regulations of the CSRC and the <u>securities regulatory authorities in which the shares of the Company are listed;</u></p> <p>...</p> |

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| <p>Article 217 The Company shall calculate any dividend and other payment to shareholders in Renminbi, whereas dividend and other payment on domestic shares shall be paid in Renminbi and dividend and other payment on overseas-listed foreign shares listed in Hong Kong (H shares) shall be paid in Hong Kong Dollar. The conversion formula for payment in Hong Kong Dollar shall be:</p> <p>Amount of dividend or other conversion payment = dividend or other payment in Renminbi ÷ average Renminbi benchmark exchange rate for each foreign currency unit announced by the People’s Bank of China during the week prior to the announcement of payment of dividend and other amounts</p> | <p>Article 180 The Company shall calculate any dividend and other payment to shareholders in Renminbi; whereas dividend and other payment on domestic shares shall be paid in Renminbi and dividend and other payment on overseas-listed foreign shares listed in Hong Kong shall be paid in Hong Kong Dollar or Renminbi in accordance with the regulations on foreign exchange management and cross-border Renminbi management and other regulations. The conversion formula for payment in Hong Kong Dollar shall be:</p> <p>Amount of dividend or other conversion payment = dividend or other payment in Renminbi ^ average Renminbi benchmark exchange rate for each foreign currency unit announced by the People’s Bank of China during the week prior to the announcement of payment of dividend and other amounts</p> |
| <p>Article 220 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company’s annual financial statements and review the Company’s other financial reports (including accounting statement and verification of net assets) and to provide other relevant services such as consulting.</p> | <p>Article 183 The Company shall appoint an accounting firm which is qualified under the Securities Law to audit the accounting statement, verify net assets and provide other relevant services such as consulting. The appointment shall last for a period of one year and is renewable.</p> |

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| <p>Article 221 The accounting firm appointed by the Company shall <u>hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting of shareholders.</u> <u>The accounting firm appointed by the Company shall have the following rights:</u></p> <p><u>(1) the right to inspect at any time the books, records and evidence of the Company, and to require the directors, managers and other senior management members of the Company to provide any relevant information and explanation thereof;</u></p> <p><u>(2) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accounting firm; and</u></p> <p><u>(3) the right to attend shareholders' general meetings and to receive all notices of, and other information relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.</u></p> | <p>Article 184 The appointment of the accounting firm by the Company <u>shall be determined by the general meeting of shareholders, and the Board shall not appoint the accounting firm before the determination by the general meeting of shareholders.</u></p> |
| <p>Article 223 <u>If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position as an accounting firm of the Company while such vacancy still exists, such accounting firms may continue to act.</u></p> | <p>Deleted</p> |

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| <p><u>Article 224</u> <u>The shareholders in general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages from the Company in respect of such removal.</u></p> | Deleted |
| <p><u>Article 225</u> <u>The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in the general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.</u></p> | <p><u>Article 186</u> <u>The auditing fee of an accounting firm shall be determined by the shareholders in the general meeting.</u></p> |
| <p><u>Article 226</u> <u>The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved by shareholders in the general meeting. The resolution of the shareholders' general meeting shall be filed with the securities regulatory authority of the State Council.</u> <u>Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the appointment of an accounting firm, which is not an incumbent firm, to replace an existing accounting firm or to fill a casual vacancy in the office of the accounting firm, or to reappoint a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or to remove the accounting firm before the expiration of its term of office, the following provisions shall apply:</u></p> | <p><u>Article 187</u> <u>Notice of the Company's removal or non-renewal of an accounting firm shall be given to the accounting firm concerned thirty (30) days in advance. When the general meeting of shareholders votes on the removal of the accounting firm, such firm is allowed to make representation.</u> <u>Where the accounting firm resigns from its post, it shall make clear at the shareholders' general meeting whether there has been any impropriety on the part of the Company.</u></p> |

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| <p><u>(1) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant financial year before the notice of meeting is given to the shareholders. Leaving includes leaving by removal, resignation and retirement.</u></p> <p><u>(2) If the leaving firm makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):</u></p> <p><u>1. in any notice given to shareholders about a resolution to be made, state the representations that has been made by the accounting firm which is about to leave; and</u></p> <p><u>2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.</u></p> <p><u>(3) If the firm’s representations are not sent in accordance with paragraph (2) above, the relevant firm may require that the representations be read out at the shareholders’ general meeting and may lodge further complaints.</u></p> <p><u>(4) An accounting firm which is leaving its post shall be entitled to attend:</u></p> <p><u>1. the shareholders’ general meeting relating to the expiry of its term of office;</u></p> <p><u>2. any shareholders’ general meeting at which the vacancy due to its removal is to be filled up; and</u></p> <p><u>3. any shareholders’ general meeting convened on its resignation,</u></p> | |

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| <p><u>The accounting firm about to leave the post shall have the right to receive all notices of, and other information relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accounting firm of the Company.</u></p> | |
| <p><u>Article 227 Prior to the removal or the non-renewal of the appointment of an accounting firm, notice of such removal or non-renewal shall be given to the accounting firm concerned and such firm shall be entitled to make representation at the shareholders' general meeting. Where the accounting firm resigns from its post, it shall make clear at the shareholders' general meeting whether there has been any impropriety on the part of the Company.</u></p> <p><u>Any accounting firm may resign from its office by depositing a resignation notice at the Company's legal address which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:</u></p> <p><u>1. a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders or creditors of the Company; or</u></p> | Deleted |

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| <p><u>2. any information is to be disclosed.</u> <u>Where a notice is deposited under the preceding paragraph, the Company shall send a copy of the notice to the competent authority within fourteen (14) days. If the notice contains a statement referred to in item (2) of the preceding paragraph, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement to every holder of overseas-listed foreign shares by prepaid post, and it shall be sent to the addresses recorded in the register of shareholders.</u> <u>Where the notice of resignation of an accounting firm contains a statement that any information is to be disclosed, the accounting firm may require the Board to convene a shareholders' extraordinary general meeting for the purpose of giving an explanation about its resignation.</u></p> | |
| <p><u>Article 233</u> The Company <u>must</u> safeguard legitimate interests of staff and reinforce labour protection to achieve safe production.</p> | <p><u>Article 193</u> The Company <u>shall</u> safeguard legitimate interests of staff and reinforce labour protection to achieve safe production.</p> |
| <p><u>Article 236</u> <u>In the event of a merger or split of the Company, a plan shall be proposed by the Board of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association and the relevant examining and approving formalities shall be processed as required by the law. Shareholders who oppose the plan of merger or split of the Company shall have the right to request that the Company or the shareholders who consent to such plan to purchase their shares at a fair price. A specific document of the Company's resolution on the merger or split should be prepared for inspection by the shareholders.</u> <u>The aforesaid document should also be dispatched to the holders of overseas-listed foreign shares by mail.</u></p> | Deleted |

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| <p>Article 237 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company’s resolution on merger and shall make newspaper announcement at least three times within thirty (30) days of the date of the Company’s resolution on merger.</p> <p>After the merger, claims and liabilities of parties to the merger shall be taken over by the surviving company or the newly established company.</p> | <p>Article 196 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company’s resolution on merger and shall make an announcement on newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company’s resolution on merger.</p> <p>Within thirty (30) days from the date of receipt of the notice, or within forty-five (45) days from the date of publication if no notice has been received, the creditor may demand that the Company settle the debt or provide corresponding guarantee.</p> <p>Article 197 Upon the merger, claims and liabilities of parties to the merger shall be taken over by the surviving company or the newly established company.</p> |

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| <p>Article 238 When the Company is split, its assets shall be split up accordingly. In the event of a split of the Company, <u>all the parties involved shall execute a split agreement and</u> prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on the split and shall make a newspaper announcement <u>at least three times</u> within thirty (30) days of the date of the Company's resolution on the split. Obligation with respect to debts incurred by the Company before its split shall be borne by the companies after the split <u>in accordance with agreement reached.</u></p> | <p>Article 198 When the Company is split, its assets shall be split up accordingly. In the event of a split of the Company, balance sheets and inventories of assets shall be prepared. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on the split and shall make an announcement on newspaper <u>or the National Enterprise Credit Information Publicity System</u> within thirty (30) days of the date of the Company's resolution on the split.</p> <p>Article 199 Obligation with respect to debts incurred by the Company before its split shall be <u>severally and jointly</u> borne by the companies after the split, <u>unless otherwise agreed in the written agreement between the Company and the creditors on the settlement of debts prior to the split.</u></p> |
| <p>Article 240 The Company <u>shall</u> be dissolved and <u>liquidation should be made in accordance with the laws upon the occurrence of one</u> of the following <u>circumstances:</u></p> <ol style="list-style-type: none"> (1) a resolution on dissolution is passed by shareholders at the general meeting; (2) dissolution is necessary due to a merger or split of the Company; (3) <u>the Company is declared bankrupt because of inability to repay debts due;</u> (4) <u>the Company's is in breach of laws or administrative regulations</u> and is ordered to close down; (5) the Company encounters substantial difficulties in operation and management which render its continuance causing material loss to shareholders and the Company is unable to solve such difficulties in other ways, shareholders holding more than 10% of all voting rights may apply to the People's Court for the dissolution of the Company. | <p>Article 201 If the Company is dissolved due to the <u>following reasons:</u></p> <ol style="list-style-type: none"> (1) a resolution on dissolution is passed by shareholders at the general meeting; (2) dissolution is necessary due to a merger or split of the Company; (3) <u>suspension of business licence, order to close down or revocation;</u> (4) the Company encounters substantial difficulties in operation and management which render its continuance causing material loss to shareholders and the Company is unable to solve such difficulties in other ways, shareholders holding above 10% of all voting rights may apply to the People's Court for the dissolution of the Company. <p><u>In the event that the Company is dissolved under the provisions of this Article, it shall make public the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten (10) days.</u></p> |

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| <p><u>Article 241</u> <u>Where the Company is dissolved under paragraph (1) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days of the shareholders resolution, and its members shall be determined by ordinary resolution at a general meeting.</u></p> <p><u>Where the Company is dissolved under paragraph (3) of the preceding Article, the People’s Court shall organize the shareholders, relevant organizations and relevant professionals to establish a liquidation committee to proceed with the liquidation in accordance with the provisions of relevant laws.</u></p> <p><u>Where the Company is dissolved under paragraph (4) of the preceding Article, the relevant competent authority shall organize the shareholders, relevant organizations and professionals to establish a liquidation committee to proceed with the liquidation.</u></p> <p>Where the Company is dissolved under paragraph (5) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days of the cause of the dissolution and commence liquidation afterwards, and its members shall be determined by the Board or by the general meeting. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the People’s Court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.</p> | <p><u>Article 202</u> <u>Where the Company is dissolved under paragraph (1), (3) or (4) of Article 201 of the Articles of Association,</u> a liquidation committee shall be set up within fifteen (15) days of the cause of the dissolution and commence liquidation afterwards, and its members shall be determined by the Board or by the general meeting. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the People’s Court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p><u>Article 242</u> Where the Board proposes to liquidate the Company due to causes other than that the Company has declared it is insolvent, the Board shall include a statement in its notice convening a shareholders' general meeting that after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation. Upon the passing of the resolution by the shareholders in the general meeting for the liquidation of the Company, all functions and powers of the Board shall cease. The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation and to present a final report at the shareholders' general meeting on completion of the liquidation.</p> | Deleted |
| <p><u>Article 243</u> The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make newspaper announcement at least 3 times within sixty (60) days of that date and shall register for rights of the creditors. ...</p> | <p><u>Article 203</u> The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make an announcement on newspaper or the National Enterprise Credit Information Publicity System within sixty (60) days from that date. ...</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 244 During the liquidation period, the liquidation committee shall exercise the following functions and duties:</p> <p>...</p> <p>(4) to settle outstanding taxes;</p> <p>...</p> <p>(6) to deal with the remaining assets of the Company after the repayment of debts; and</p> <p>...</p> <p>Members of the liquidation committee shall perform their duties faithfully and carry out the liquidation in accordance with the law. Members of the liquidation committee shall not take advantage of their position to take bribes or other illegal income, or misappropriate the assets of the Company. If members of the liquidation committee cause loss to the Company or its creditors, either willfully or due to material wrongdoings, they shall be liable for compensation.</p> | <p>Article 204 During the liquidation period, the liquidation committee shall exercise the following functions and duties:</p> <p>...</p> <p>(4) to settle outstanding taxes and taxes arising from the liquidation process;</p> <p>...</p> <p>(6) to distribute the remaining assets of the Company after the repayment of debts;</p> <p>...</p> <p>Article 208 Members of the liquidation committee shall perform their duties in the liquidation and shall have the obligations of loyalty and diligence. Members of the liquidation committee shall not take advantage of their position to take bribes or other illegal income, or misappropriate the assets of the Company. If members of the liquidation committee cause loss to the Company due to negligence in performing their duties, they shall be liable for compensation. If members of the liquidation committee cause loss to the Company or its creditors either willfully or due to material wrongdoings, they shall be liable for compensation.</p> |
| <p>Article 245 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or the relevant competent authority for confirmation. The Company's assets shall be settled in the following order:</p> <p>(1) liquidation cost;</p> <p>(2) salary and social security insurance expense owing to staffs of the Company during the 3 years commencing from the date of the liquidation;</p> <p>(3) taxes owed and any surtaxes payable pursuant to administrative regulations in China;</p> <p>(4) bank loans, bond of the Company and other debt.</p> | <p>Article 205 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or the People's Court for confirmation. The Company's assets shall be settled in the following order:</p> <p>The remaining property of the Company after paying the liquidation cost, salary, social security insurance expense and statutory compensation owing to staffs and paying taxes owed and repayment of the Company's debts in accordance with the provisions above shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.</p> |

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| <p>After repayment of its debts <u>in accordance with the provisions above</u>, the remaining <u>assets of the Company</u> shall be distributed to the shareholders of the Company <u>according to the class</u> of shares held by <u>them and</u> in proportion to their respective shareholdings.</p> <p>During the liquidation period, the Company <u>shall not</u> carry out any <u>new</u> business activities.</p> | <p>During the liquidation period, <u>the Company shall survive but shall not</u> carry out business activities <u>unrelated to the liquidation</u>.</p> <p><u>The Company's property shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.</u></p> |
| <p><u>Article 246 In the event of the Company's liquidation owing to dissolution</u>, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, the liquidation committee shall immediately apply to the court for declaration of bankruptcy.</p> <p>After the <u>Company is declared</u> bankrupt by a <u>ruling</u> of the People's Court, the liquidation committee shall transfer the liquidation matters to the People's Court.</p> | <p><u>Article 206</u> If the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, the liquidation committee shall apply to the court for <u>liquidation</u> due to bankruptcy in accordance with the laws.</p> <p>After the People's Court <u>accepts</u> the bankruptcy <u>application</u>, the liquidation committee shall transfer the liquidation matters to the <u>administrator appointed</u> by the People's Court.</p> |
| <p><u>Article 247</u> Following the completion of liquidation of the Company, the liquidation committee shall present a report on liquidation and prepare a <u>statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by certified public accountants in China</u> and then submitted to the general meeting or <u>relevant competent authorities</u> for confirmation.</p> <p><u>The liquidation committee shall within thirty (30) days after the date of the shareholders' general meeting or the affirmation from the concerned competent authorities</u>, submit the <u>aforementioned documents</u> to the company registration authorities for cancellation of the Company's registration and announces that the Company ceases to exist.</p> | <p><u>Article 207</u> Following the completion of liquidation of the Company, the liquidation committee shall present a report on liquidation, submit the report to the general meeting of shareholders or the <u>People's Court</u> for confirmation <u>and</u> submit the report to the company registration authorities for cancellation of the Company's registration and announces that the Company ceases to exist.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| Addition | <u>Article 209</u> <u>If the Company is declared bankrupt by law, it shall be liquidated in accordance with the law on corporate bankruptcy.</u> |
| <u>Article 248</u> The Company <u>may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association,</u> amend the Articles of Association. | <u>Article 210</u> The Company <u>shall,</u> amend the Articles of Association <u>in any of the following circumstances:</u> <u>(1) After the Company Law or relevant laws or administrative regulations have been amended, the matters provided for in the Articles of Association are in conflict with the provisions of the amended laws or administrative regulations;</u> <u>(2) Changes in the circumstances of the Company which are inconsistent with the matters recorded in the Articles of Association;</u> <u>(3) The general meeting of shareholders decides to amend the Articles of Association.</u> |
| <u>Article 249</u> The Company <u>may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association,</u> amend the Articles of Association. | Deleted |
| Addition | <u>Article 211</u> <u>Where the amendment of the Articles of Association passed by the general meeting of shareholders shall be subject to the approval of the competent authorities, it shall be submitted to the competent authorities for approval; where it involves matters relating to the registration of the Company, the registration of the change shall be made in accordance with the law.</u> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| Addition | <u>Article 212</u> The Board shall amend the Articles of Association in accordance with the resolution of the general meeting of shareholders on the amendment of the Articles of Association and the approval opinions of the relevant competent authorities. |
| Addition | <u>Article 213</u> Matters relating to the amendment of the Articles of Association which are information required to be disclosed by the laws and regulations shall be announced in accordance with the provisions. |
| <u>CHAPTER 24 SETTLEMENT OF DISPUTES</u> | Deleted |
| <p><u>Article 251</u> The notice of the Company may be served as follows: ...</p> <p>(3) By fax or email;</p> <p><u>(4) By announcement on the website designated by the Company, Shanghai Stock Exchange and the Hong Kong Stock Exchange in accordance with the laws, regulations and listing rules of the stock exchange at the location where the Company's shares are listed;</u></p> <p><u>(5) By bulletin, which shall be published on newspapers;</u></p> <p><u>(6) By other means agreed between the Company and the recipient or approved by the recipient;</u></p> <p>(7) By other means approved by the relevant regulatory authority at the location where the Company's shares are listed or stipulated in the Articles of Association. ...</p> <p>The Company's notices once delivered by public announcement is deemed to be received by all relevant persons.</p> | <p><u>Article 214</u> The notice of the Company may be served as follows: ...</p> <p>(3) By announcement;</p> <p>(4) By other means approved by the relevant regulatory authority and stock exchange at the location where the Company's shares are listed or stipulated in the Articles of Association. ...</p> <p>The Company's notices once delivered by public announcement or on the <u>Company's designated media that meet the conditions set by the CSRC and the website of the stock exchange as the media for the publication of the Company's announcements and other information that needs to be disclosed</u> is deemed to be received by all relevant persons.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| Addition | <u>Article 218</u> If a notice of the Company is delivered by hand and the person to be served signs (or affix a seal) on the return of service, the date of receipt by the person served shall be the date of service; if a notice of the Company is delivered by post, the third working day from the date of delivery to the post office shall be the date of service; if a notice of the Company is delivered by announcement, the date of the first publication of the announcement shall be the date of service. |
| Addition | <u>Article 219</u> The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of the meeting or any resolution passed at the meeting. |
| <u>Article 255</u> The Company shall comply with the following provisions: (1) <u>China State Shipbuilding Corporation</u> shall be the controlling shareholder or actual controller of the Company and maintains its absolute controlling status in the Company. | <u>Article 220</u> The Company shall comply with the following provisions: (1) <u>China State Shipbuilding Corporation Limited</u> shall be the controlling shareholder or actual controller of the Company and maintains its absolute controlling status in the Company. |
| <u>CHAPTER 28 INTERPRETATION AND DEFINITION OF THIS ARTICLES OF ASSOCIATION</u> | <u>CHAPTER 24 SUPPLEMENTAL PROVISIONS</u> |
| <u>Article 260</u> The Board is responsible for the interpretation of the Articles of Association. Where there are matters not contained in the Articles of Association, these matters shall be proposed by the Board for approval by way of special resolution at the shareholders' general meeting. | <u>Article 225</u> Where there are matters not <u>contained</u> in the Articles of Association, <u>these matters shall be handled in accordance with the laws, administrative regulations, departmental rules and the relevant provisions of the securities regulatory rules of the place where the Company's shares are listed</u> and proposed by the Board for approval by way of special resolution at the shareholders' general meeting. |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p><u>Article 261 In the Articles of Association, the following expressions have the following meanings:</u> <u>“Articles of Association” the existing Articles of Association of the Company in force;</u> <u>“Board” the board of directors of the Company;</u> <u>“PRC” the People’s Republic of China;</u> <u>“Renminbi” or “RMB” the lawful currency of the PRC;</u> <u>“Chop” common chop used and the formal chop (if any) kept by the Company or either one of the two (as the case may be) from time to time.</u></p> | Deleted |
| Addition | <p><u>Article 226 The articles of the association have been prepared in Chinese version and English version, both of which are legally binding. The Chinese version shall prevail in case of discrepancy between the Chinese version and its English translation.</u></p> |
| Addition | <p><u>Article 227 All references to “above” and “below” in the Articles of Association shall be inclusive of the relevant number; while references to “less than” and “more than” shall be exclusive of the relevant number.</u></p> |
| Addition | <p><u>Article 229 The Board of the Company is responsible for the interpretation of the Articles of Association.</u></p> |

In the light of the above amendments, the serial numbers of the corresponding articles of the Articles of Association are being amended simultaneously. In accordance with the Company Law of the People’s Republic of China (2023 Revised), all reference to General Meeting (“股東大會”) shall be amended to General Meeting (“股東會”) in the Chinese version.

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

**COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR PROCEEDINGS
OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 1 In order to regulate the Company’s activities to ensure that the functions of general meeting of the shareholders can be carried out in accordance with laws, these Rules are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules for the General Meetings of Listed Companies, the Governance Rules of Listed Companies, the Articles of Association and <u>relevant laws and regulations of the securities regulatory bodies of both the mainland China and Hong Kong Special Administrative Region (hereinafter collectively referred to as “the Places”).</u></p> | <p>Article 1 In order to regulate the Company’s activities to ensure that the functions of general meeting of the shareholders can be carried out in accordance with the relevant requirements of the laws, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (<u>the “Company Law”</u>), the Securities Law of the People’s Republic of China (<u>the “Securities Law”</u>), the Rules for the General Meetings of Listed Companies, the Governance Rules of Listed Companies, <u>the listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange</u> and the Articles of Association <u>of the Company</u>.</p> |
| <p>Article 2 … The board of directors of the Company shall properly carry out its duties and <u>convene</u> general meeting(s) seriously at the prescribed time. All directors of the board shall be diligent and responsible to ensure that general meetings are convened in the normal course and its functions carried out in accordance with laws.</p> | <p>Article 2 … The board of directors of the Company shall properly carry out its duties and <u>organise</u> general meeting(s) seriously at the prescribed time. All directors of the board shall be diligent and responsible to ensure that general meetings are convened in the normal course and its functions carried out in accordance with laws.</p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 4 General meetings are categorized as annual general meeting and extraordinary general meeting. An annual general meeting shall be convened once every year and shall take place within six months from the end of the previous financial year.</p> <p>Extraordinary general meeting shall be convened from time to time. An extraordinary general meeting shall be convened within two months from the occurrence of the circumstances as set out in paragraph 2 of the Article 59 of the Rules of the Articles of Association.</p> <p>If the Company is unable to convene an annual general meeting within the period as aforesaid, the Company shall report to the local office of China Securities Regulatory Commission (the “CSRC”) and the stock exchange where shares of the Company are listed for trading (the “Stock Exchange”), explaining the reason and publish an announcement.</p> | <p>Article 4 General meetings are categorized as annual general meeting and extraordinary general meeting. An annual general meeting shall be convened once every year and shall take place within six months from the end of the previous financial year.</p> <p>Extraordinary general meeting shall be convened from time to time. An extraordinary general meeting shall be convened within two months from the occurrence of the circumstances as set out in paragraph 2 of the Article 51 of the Rules of the Articles of Association.</p> <p>If the Company is unable to convene an annual general meeting within the period as aforesaid, the Company shall report to the local office of China Securities Regulatory Commission (the “CSRC”) and the stock exchange where shares of the Company are listed for trading (the “Stock Exchange”), explaining the reason and publish an announcement.</p> |
| <p>Article 5 Without prior approval obtained in a general meeting, the Company shall not enter into any contract with any party other than the directors, supervisors, managers and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company’s business.</p> | <p>Article 5 Without prior approval obtained in a general meeting, the Company shall not enter into any contract with any party other than the directors, managers and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company’s business.</p> |
| <p>Article 6 The board of directors of the Company shall engage legal counsel to attend general meeting(s) and to opine and issue announcements on the following issues:</p> <p>...</p> | <p>Article 6 The Company shall engage legal counsel when it convenes general meeting(s) and to provide legal opinions and issue announcements on the following issues:</p> <p>...</p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 8 Independent directors shall have the right to propose the board to convene extraordinary general meetings. The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting as soon as possible and in any event within ten (10) days upon receiving the request from the Independent directors in accordance with the requirements of the laws, administrative regulations and the Articles of Association of the Company.</p> | <p>Article 8 Independent directors shall have the right to propose the board to convene extraordinary general meetings <u>but shall obtain the consent of a majority of all independent directors.</u> The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the request from the independent directors in accordance with the requirements of the laws, administrative regulations and the Articles of Association of the Company.</p> |
| <p>Article 9 The supervisory committee shall have the right to propose to the board of the directors to convene an extraordinary general meeting, such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association of the Company, reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting <u>as soon as possible and in any event</u> within ten (10) days upon receiving the proposal.</p> | <p>Article 9 The supervisory committee shall have the right to propose to the board of the directors to convene an extraordinary general meeting, such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association of the Company, reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the proposal.</p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| <p align="center">Number and Content of the Existing Articles</p> | <p align="center">Number and Content of the New Articles</p> |
|---|---|
| <p>Article 10 Shareholders holding more than 10% of shares (individually or together with others) shall be entitled to request and demand the board to convene extraordinary general meetings and shall make written request to the board. The board shall, in accordance with the requirements of the laws, administrative regulations and the provisions of the Articles of Association of the Company, reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting <u>as soon as possible and in any event</u> within ten (10) days upon receiving the request.</p> <p>If the board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five (5) days upon <u>receiving the written request</u>...</p> <p>If the supervisory committee agrees to convene the extraordinary general meeting, it shall issue a notice thereof within five (5) days of its receipt of the request, and any amendment made in the notice to the original <u>proposals</u> shall be subject to the consent of the relevant shareholders...</p> | <p>Article 10 Shareholders holding more than 10% of shares (individually or together with others) shall be entitled to request and demand the board to convene extraordinary general meetings and shall make written request to the board. The board shall, in accordance with the requirements of the laws, administrative regulations and the provisions of the Articles of Association of the Company, reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the request.</p> <p>If the board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five (5) days upon <u>the decision-making of the board</u>...</p> <p>If the supervisory committee agrees to convene the extraordinary general meeting, it shall issue a notice thereof within five (5) days of its receipt of the request, and any amendment made in the notice to the original <u>requisition</u> shall be subject to the consent of the relevant shareholders...</p> |
| <p>Article 15 In relation to a general meeting convene by the Company, the Board, the Supervisory Committee and shareholders separately or aggregately holding more than <u>3%</u> of the shares of the Company are entitled to propose motions to the Company. Shareholders separately or aggregately holding more than <u>3%</u> of the shares of the Company, may propose extraordinary motions to the convener in writing ten (10) days before the convening of such general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motions within two (2) days after receiving the proposed motions.</p> <p>...</p> | <p>Article 15 In relation to a general meeting convene by the Company, the Board, the Supervisory Committee and shareholders separately or aggregately holding more than <u>1%</u> of the shares of the Company are entitled to propose motions to the Company. Shareholders separately or aggregately holding more than <u>1%</u> of the shares of the Company, may propose extraordinary motions to the convener in writing ten (10) days before the convening of such general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motions within two (2) days after receiving the proposed motions.</p> <p>...</p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 16 When convening an annual general meeting, the Company shall give written notice of the annual general meeting to all shareholders at least twenty (20) clear business days before the annual general meeting to inform them of the matters to be considered in the meeting as well as the date, time and venue of the meeting.···</p> | <p>Article 16 When convening an annual general meeting, the Company shall give written notice of the annual general meeting to all shareholders at least twenty-one (21) clear days before the annual general meeting to inform them of the matters to be considered in the meeting as well as the date, time and venue of the meeting.···</p> |
| <p><u>Article 17 For holders of domestic shares, notice of the meetings may also be given by way of public announcement, which shall be published in one or more media that meet the conditions prescribed by the securities regulatory authority under the State Council. Upon such announcement, the shareholders of domestic shares shall be deemed to have received the notice of the relevant general meeting.</u></p> <p><u>For holders of foreign shares, the notice of the general meeting shall be served on all shareholders (whether or not such shareholder is entitled to vote at the general meeting) by personal delivery or by pre-paid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. It may also, without contravening the laws and regulations as well as the Listing Rules on which the Company is listed, be published on websites or in other electronic means designated by the Company and the Stock Exchange of Hong Kong Limited.</u></p> | <p>Deleted</p> |
| <p>Addition</p> | <p><u>Article 17 The notice of the general meeting shall be served on shareholders (whether or not such shareholder is entitled to vote at the general meeting) by the means of notice in accordance with the Articles of Association or in such other manner as may be permitted by the stock exchange on which the securities of the Company are listed.</u></p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
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| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 18 The notice of a general meeting shall <u>meet the following criteria:</u></p> <p>(1) <u>is made in writing;</u></p> <p>(2) <u>specifying</u> the venue, <u>date</u> and time of the meeting;</p> <p>(3) setting out the matters and motions <u>to be discussed at the meeting;</u></p> <p><u>(4) providing shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of the such proposal shall be properly explained;</u></p> <p><u>(5) disclosing the nature and degree of the material interest of any director, supervisor, manager and other senior management member in the matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, manager and other senior management member as a shareholder is different from that on other holders of the same class of shares, the difference shall be specified;</u></p> <p><u>(6) setting out the full text of any special resolution proposed to be approved at the meeting;</u></p> | <p>Article 18 The notice of a general meeting shall be <u>made in writing and include the followings:</u></p> <p>(1) the time, venue and <u>duration</u> of the meeting;</p> <p>(2) the matters and motions <u>to be considered at the meeting;</u></p> <p>(3) a prominent written statement that all shareholders are entitled to attend the general meeting and to <u>appoint in writing</u> proxies to attend and vote on his behalf and that a proxy need not be a shareholder;</p> <p>(4) specifying the date of equity registration of shareholders entitled to attend the general meeting;</p> <p>(5) specifying the name and phone number of the regular contact person for the meeting;</p> <p><u>(6) the voting time and procedures for voting by the internet or other means.</u></p> <p>...</p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>(7) containing a prominent written statement that all shareholders are entitled to attend general meeting and a <u>shareholder eligible for attending and voting is entitled</u> to appoint in writing <u>one or more proxies</u> to attend and vote on his behalf and that a proxy need not be a shareholder;</p> <p><u>(8) specifying the delivery time and place of the authorization letter for proxy voting of the meeting;</u></p> <p>(9) specifying the date of equity registration of shareholders entitled to attend the general meeting;</p> <p>(10) specifying the name and phone number of the regular contact person for the meeting.</p> <p><u>If a general meeting for domestic shareholders adopts voting by internet or other means, the voting time and methods for voting by internet or other means and the matters to be voted on should be clearly stated in the notice of a general meeting.</u></p> <p>...</p> | |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 20 Where the elections of directors and supervisors are to be discussed at the general meeting, a notice of the general meeting of shareholders shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following contents:</p> <p>(1) personal particulars such as educational background, working experience and part-time jobs;</p> <p>(2) whether or not the candidate has any connected relationship with the listed company or its controlling shareholders and de facto controllers;</p> <p>(3) disclose the number of shares of the listed company held by the candidate;</p> <p>(4) whether or not the candidate has been subject to penalties by the China Securities Regulatory Commission and other relevant authorities as well as sanctions by any stock exchange.</p> | <p>Article 20 Where the elections of directors and supervisors are to be discussed at the general meeting, a notice of the general meeting of shareholders shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following contents:</p> <p>(1) personal particulars such as educational background, working experience and part-time jobs;</p> <p>(2) whether or not the candidate has any connected relationship with the directors, supervisors, senior management or de factor controller of the Company or shareholders holding above 5% of the shares;</p> <p>(3) whether there are circumstances under which the candidate is prohibited from being nominated as a director, supervisor and senior management of a listed company in accordance with the requirements of the securities regulatory rules of the place where the Company is listed;</p> <p>(4) disclose the number of shares of the Company held by the candidate;</p> <p>(5) whether or not the candidate has been subject to penalties by the China Securities Regulatory Commission and other relevant authorities as well as sanctions by any stock exchange.</p> <p><u>Save for election of directors and supervisors by accumulative voting system, each nominee for director and supervisor shall be proposed in separate resolution.</u></p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 23 The Company shall hold its general meeting(s) at its premises or at the place required by the Articles of Association of the Company.</p> <p>A general meeting will be in the form of physical meeting to be held on-site. The Company shall facilitate the participation of shareholders at the general meetings by online voting. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p> <p>...</p> | <p>Article 23 The Company shall hold its general meeting(s) at its premises or at the place required by the Articles of Association of the Company.</p> <p><u>The venue of the general meeting of shareholders of the Company shall be the domicile of the Company or such other place as may be specified in the notice of the general meeting of shareholders.</u></p> <p>A general meeting <u>will</u> be in the form of physical meeting to be held on-site. The Company shall, <u>in accordance with the provisions of the laws, administrative regulations, the CSRC or its Articles of Association, adopt safe, economical and convenient networks and other means</u> to facilitate the participation of shareholders at the general meetings. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p> <p>...</p> |
| <p>Article 24 The starting time of online or other voting method shall not be earlier than 3:00 pm on the day before the on-site general meeting(s), and shall not be later than 9:30 am on the date of the on-site general meeting(s), its finishing time shall not be earlier than 3:00 pm on the date on which the on-site general meeting(s) concludes.</p> <p>...</p> | <p>Article 24 <u>The Company shall clearly set out in the notice of the general meeting(s) the time for voting online or by other means and the voting procedures.</u></p> <p>The starting time of online or other voting method shall not be earlier than 3:00pm on the day before the on-site general meeting(s), and shall not be later than 9:30am on the date of the on-site general meeting(s), its finishing time shall not be earlier than 3:00pm on the date on which the on-site general meeting(s) concludes.</p> <p>...</p> |
| <p>Article 26 All the shareholders, or their proxies, appearing on the register of shareholders as of the record date shall be entitled to attend the general meeting(s) and the listed company and the persons convening the meeting may not refuse their attending for any reason.</p> | <p>Article 26 All the shareholders, or their proxies, appearing on the register of shareholders as of the record date shall be entitled to attend the general meeting(s) and the Company and the persons convening the meeting may not refuse their attending for any reason.</p> |

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| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p>Article 29 Any shareholder entitled to attend and vote at the general meeting(s) may appoint one (1) or several proxies (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(1) the right of the shareholder to speak at the meeting;</p> <p>(2) the right to demand a poll alone or jointly with others;</p> <p>(3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.</p> | <p>Article 29 Any shareholder entitled to attend and vote at the general meeting(s) are <u>entitled to attend the general meeting(s). Any shareholder of domestic shares may appoint one (1) proxy (who may not be shareholders) to attend and vote at the meeting on his behalf, and any shareholder of foreign shares</u> may appoint one (1) or several proxies (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(1) the right of the shareholder to speak at the meeting;</p> <p>(2) the right to demand a poll alone or jointly with others;</p> <p>(3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.</p> <p><u>Where the shareholder of foreign shares is a recognised clearing house (or its agents), it may authorise one or above person as it thinks fit to act as its proxies at any general meeting of shareholders or creditor meeting; provided that, if above one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised may exercise the same rights on behalf of a recognised clearing house (or its agents) as if such person was an individual member of the Company.</u></p> <p><u>If, pursuant to the requirements of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, any shareholder is required to abstain from voting or be restricted to vote for or against only and such shareholders have breached such requirement, their votes shall be deemed as invalid.</u></p> |

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| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 35 ...</p> <p>A general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to, or fails to perform his/her duties, a supervisor elected by half or more of the supervisors shall preside over the meeting. ...</p> <p>When a general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the general meeting to continue, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting, a person may be elected at the general meeting to act as the chairman of the meeting.</p> | <p>Article 35 ...</p> <p>A general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to, or fails to perform his/her duties, the vice-chairman of the supervisory committee shall preside over the meeting. If the vice-chairman is unable to, or fails to perform his/her duties, a supervisor elected by a majority of the supervisors shall preside over the meeting. ...</p> <p>When a general meeting is held and the chairman of the meeting violates these rules which makes it difficult for the general meeting to continue, subject to the approval of a majority of the shareholders having the voting rights who are present at the meeting, a person may be elected at the general meeting to act as the chairman of the meeting.</p> |
| <p>Article 39 When voting on the election of directors and supervisors, the general meeting shall implement accumulative voting system may implement accumulative voting system according to these Articles of Association or the resolution of the shareholder’s general meeting. <u>Accumulative voting system shall be adopted for listed companies in which a single shareholder and persons acting in concert interest hold 30% or above of the total shares of the Company.</u></p> | <p>Article 39 When voting on the election of directors and supervisors, the general meeting shall implement accumulative voting system according to these Articles of Association or the resolution of the shareholder’s general meeting. <u>The votes of minority shareholders in the election of independent directors shall be counted and disclosed separately.</u></p> |

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| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p><u>Article 46</u> <u>At any shareholders’ general meeting, a resolution shall be decided on a show of hands unless a poll is demanded by the following persons before or after deciding on a show of hands:</u></p> <p><u>(1) the chairman of the meeting;</u></p> <p><u>(2) at least two (2) shareholders entitled to vote or their proxies; or</u></p> <p><u>(3) one (1) or more shareholders (including proxies) individually or jointly holding more than 10% (inclusive) of the voting shares represented by all shareholders present at the meeting.</u></p> <p><u>Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or not, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution at the meeting.</u></p> <p><u>The demand for a poll may be withdrawn by the person who makes such demand.</u></p> | Deleted |
| <p><u>Article 49</u> When the number of votes for and against a resolution is equal, <u>whether the vote is taken by raising hands or by ballot</u>, the chairman of the meeting shall be entitled to a casting vote.</p> | <p><u>Article 48</u> When the number of votes for and against a resolution is equal, the chairman of the meeting shall be entitled to a casting vote.</p> |
| <p><u>Article 50</u> ...</p> <p>Ordinary resolutions put forward in the general meeting shall be adopted by <u>more than half</u> of shareholders (including their proxies) with voting rights attending the meeting.</p> | <p><u>Article 49</u> ...</p> <p>Ordinary resolutions put forward in the general meeting shall be adopted by a <u>simple majority</u> of shareholders (including their proxies) with voting rights attending the meeting.</p> |

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| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|---|
| <p>Article 52 The following resolutions shall be adopted as special resolutions at a general meeting:</p> <p>(1) <u>increase or reduction of share capital and issuance of shares of any class, warrants and other similar securities of the Company;</u></p> <p>(2) <u>issuance of debentures of the Company;</u></p> <p>...</p> <p>(4) amendments to the Articles of Association <u>of the Company;</u></p> <p>...</p> <p>(7) <u>Adjustment and change to the company’s cash dividend policy;</u></p> <p>(8) other matters approved by ordinary resolution of the general meeting pursuant to the laws, administrative regulations or the Articles of Association which are <u>believed</u> could materially affect the Company and need to be approved by special resolution.</p> | <p>Article 51 The following resolutions shall be adopted as special resolutions at a general meeting:</p> <p>(1) <u>increase or reduction of registered share capital</u> of the Company;</p> <p>...</p> <p>(3) amendments to <u>these</u> Articles of Association;</p> <p>...</p> <p>(6) other matters approved by ordinary resolution of the general meeting pursuant to the laws, administrative regulations or the Articles of Association which are <u>determined</u> to materially affect the Company and need to be approved by special resolution.</p> |
| <p>Article 56 ...</p> <p>Where the convening procedures and the voting manner of a general meeting is in violation of law, administrative regulation or the Articles of Association of the Company , or a resolution is in violation of the Articles of Association of the Company, shareholders may request a people’s court to revoke such resolution within 60 days from the date on which the resolution was made.</p> | <p>Article 55 ...</p> <p>Where the convening procedures and the voting manner of a general meeting is in violation of law, administrative regulation or the Articles of Association of the Company , or a resolution is in violation of the Articles of Association of the Company, shareholders may request a people’s court to revoke such resolution within 60 days from the date on which the resolution was made, <u>unless there is only a minor defect in the procedures for convening a shareholders’ general meeting or the Board meeting or in the manner of voting thereat, which does not materially affect the resolution.</u></p> |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p>Article 57 The secretary to the board of directors shall be responsible for the minutes of the general meeting(s). The minutes shall set out the following:</p> <p>...</p> <p>(3) the number of the shareholders and proxies attending the meeting, the total number of their voting shares and the proportion of the total number of shares of the Company;</p> <p>(4) the process of discussion in respect of each proposal, the main points of the speeches delivered and the voting results;</p> <p>(5) the inquiries and proposals of the shareholders, and the corresponding response or explanations;</p> <p>...</p> <p>(7) other details that are required by the Articles of Association of the Company to be recorded in the minutes.</p> | <p>Article 56 The secretary to the board of directors shall be responsible for the minutes of the general meeting(s). The minutes shall set out the following:</p> <p>...</p> <p>(3) the <u>number of the holders of domestic shares (including their proxies) and holders of overseas-listed foreign shares (including their proxies)</u> attending the meeting, the total number of their voting shares and the proportion of the total number of shares of the Company;</p> <p>(4) the process of discussion in respect of each proposal, the main points of the speeches delivered and the voting results <u>(which shall include the voting circumstances on each resolution by holders of domestic shares and holders of foreign shares);</u></p> <p>(5) <u>the inquiries and proposals of the shareholders, and the corresponding response or explanations;</u></p> <p>...</p> <p>(7) other details that are required by the Articles of Association of the Company to be included in the minutes.</p> |
| <p>Article 58 Chairman of the meeting shall be responsible for deciding whether a resolution at the general meeting(s) has been passed, <u>whose decision shall be final and conclusive</u> and be <u>announced at the meeting(s) and be recorded</u> in the minutes of the meeting(s).</p> | <p>Article 57 Chairman of the meeting shall be responsible for announcing at the meeting whether a resolution at the general meeting(s) has been passed, which shall be included in the minutes of the meeting(s).</p> <p>...</p> |
| <p>Chapter 6 Special Procedures for Voting by Class Shareholders</p> | Deleted |

**APPENDIX IV DETAILS OF PROPOSED AMENDMENTS TO THE RULES FOR
PROCEEDINGS OF GENERAL MEETINGS OF THE SHAREHOLDERS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 69 Where there is any conflict between these Rules and laws and regulations such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Listing Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules for the General Meetings of Listed Companies and the Articles of Association of the Company, these Rules shall be implemented in accordance with the above laws and regulations.</p> | <p>Article 65 Where there is any conflict between these Rules and laws and regulations such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Listing Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules for the General Meetings of Listed Companies, the Articles of Association of the Company and other documents, these Rules shall be implemented in accordance with the above laws, administrative regulations, departmental regulations, industry standards and other documents.</p> |

In the light of the above amendments, the serial numbers of the corresponding articles of the Rules for Proceedings of General Meetings of the Shareholders are being amended simultaneously. In accordance with the Company Law of the People’s Republic of China (2023 Revised), all reference to General Meeting (“股東大會”) shall be amended to General Meeting (“股東會”) in the Chinese version.

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

**COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR PROCEEDINGS
OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p>Article 1 <u>In order to improve the working efficiency of the board of directors (“Board”), clearly define the legal duties and to ensure the legality of the procedures and resolutions of the Board,</u> the Company hereby amends these rules in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Governance Rules for Listed Companies formulated by China Securities Regulatory Commission, the Listing Rules of the <u>Shanghai Stock Exchange and the Hong Kong Stock Exchange</u> respectively, the Articles of Association of the Company <u>and the relevant regulations and policies of the State.</u></p> | <p>Article 1 <u>In order to further standardize the methods of procedures and decision-making process of the Board of Directors, and enhance its standardized operation and scientific decision-making level,</u> the Company hereby formulate these rules in accordance with the relevant provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Governance Rules for Listed Companies formulated by China Securities Regulatory Commission, <u>the listing rules of the place where the Company’s shares are listed,</u> the Articles of Association of <u>the Company.</u></p> |
| <p>CHAPTER 2 DIRECTORS Article 2 to Article 23</p> | Deleted |
| <p>CHAPTER 3 INDEPENDENT DIRECTORS Article 24 to Article 36</p> | Deleted |
| <p>Article 38 A Board shall be established by the Company. The Board shall comprise eleven (11) directors, with one chairman <u>and one Vice-chairman. If the number of directors is lower than eleven (11) due to dismissal or resignation, the Board may elect other person for the purpose of filling the casual vacancy and propose at a general meeting for approval.</u></p> | <p>Article 2 A Board shall be established by the Company. The Board shall comprise eleven (11) directors with one chairman <u>and may have one Vice-chairman. Independent directors shall not account for less than one-third of the members of the Board and shall include at least one accounting professional.</u></p> |
| <p>Article 39 The Board should have a reasonable professional structure and its members should possess knowledge, skills and qualities necessary for their duties.</p> | Deleted |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 41 The Board shall conscientiously perform the required duties under relevant laws, regulations and the Articles of Association of the Company, and ensure that the Company complies with the requirements of laws, regulations and the Articles of Association of the Company. The Board shall also treat all the shareholders equally and pay attention to the interests of the other stakeholders.</p> | Deleted |
| <p>Article 40 The Board is accountable to the shareholders’ general meeting. <u>The governance structure of the Company shall ensure that the Board can exercise their powers and duties in accordance with the requirements of the laws, regulations and the Articles of Association of the Company.</u></p> <p>Article 42 <u>The Board is the standing executive branch of the Company, and is accountable to the shareholders’ general meeting. During the periods which are not the session of the general meetings, the Board shall exercise the powers conferred by the laws, the Articles of Association of the Company and the shareholders’ general meetings, including:</u></p> <p>(1) to be <u>responsible</u> for convening shareholders’ general meetings and report its work to the shareholders’ general meeting;</p> <p>(2) losses; to implement the resolutions of shareholders’ general meetings;</p> <p>(3) to decide on the Company’s business plans and investment plans;</p> <p>(4) to <u>formulate</u> the Company’s plans on annual financial budgets and final budgetary report;</p> | <p>Article 3 The Board is accountable to the shareholders’ general meeting and shall exercise the following powers:</p> <p>(1) to convene shareholders’ general meetings and report its work to the shareholders’ general meeting;</p> <p>(2) to implement the resolutions of shareholders’ general meetings;</p> <p>(3) to decide on the Company’s business plans and investment plans;</p> <p>(4) to <u>formulate</u> the Company’s plans on annual financial budgets and final budgetary report;</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>(5) to formulate the Company’s profit distribution plans and plans on making up</p> <p>(6) to formulate proposals for increase or decrease of the registered capital of the Company and the issue of bonds of the Company;</p> <p>(7) to formulate plans for major acquisitions, purchase of shares of the Company or plans for merger, split, dissolution or alteration of corporate form of the Company;</p> <p>(8) to determine the establishment of the Company’s internal management structure;</p> <p>(9) to appoint or remove the general manager of the Company and the secretary to the Board; to appoint or remove the deputy manager, chief financial officer and other senior management of the Company based on the nomination by the general manager and to decide on their remunerations and rewards and penalties;</p> <p>(10) to formulate the basic management system of the Company;</p> <p>(11) to formulate proposals for amendment to the Articles of Association of the Company;</p> <p>(12) to determine external investments, purchases and sales of assets, pledge of assets, external guarantees, entrusted asset management and connected transactions of the Company within the scope of the authority granted by shareholders’ general meeting;</p> <p>(13) to manage information disclosure of the Company;</p> <p>(14) to propose the appointment or removal of the Company’s auditors to the shareholders’ general meeting;</p> | <p>(5) to formulate the Company’s profit distribution plans and plans on making up losses;</p> <p>(6) to formulate proposals for increase or decrease of the registered capital of the Company and the issue of bonds of the Company;</p> <p>(7) to formulate plans for major acquisitions, purchase of shares of the Company or plans for merger, split, dissolution or alteration of corporate form of the Company;</p> <p>(8) to determine external investments, purchases and sales of assets, pledge of assets, external guarantees, entrusted asset management, connected transactions and external donations of the Company within the scope of the authority granted by shareholders’ general meeting;</p> <p>(9) to determine the establishment of the Company’s internal management structure;</p> <p>(10) to determine the appointment or removal of the manager of the Company, the secretary to the Board and other senior management and to decide on their remunerations and rewards and penalties; to determine the appointment or removal of the deputy manager, chief financial officer and other senior management of the Company based on the nomination by the manager and to decide on matters about their remunerations and rewards and penalties;</p> <p>(11) to formulate the basic management system of the Company;</p> <p>(12) to formulate proposals for amendment to the Articles of Association of the Company;</p> <p>(13) to manage information disclosure of the Company;</p> <p>(14) to propose the appointment or removal of the Company’s auditors to the shareholders’ general meeting;</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p>(15) to receive the work report and inspect the work of the manager of the Company; <u>(16) to formulate employee shares scheme and equity incentive plan;</u> <u>(17) Pursuant to the authorization of shareholders’ general meeting, consider the purchase of shares of the Company;</u> <u>(18) to exercise any other powers specified in the Articles of Association of the Company or authorized by shareholders at general meeting.</u> <u>Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7), (11), (16) and (17) of this Article which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.</u> When the Board decides on major issues of the Company’s headquarter, it should listen to the opinions of the Company’s Party Branch in advance.</p> | <p>(15) to receive the work report and inspect the work of the manager of the Company; (16) other powers conferred by <u>laws, administrative regulations, departmental rules or the Articles of Association.</u> When the Board decides on major issues of the Company’s headquarter, it should listen to the opinions of the Company’s Party Branch in advance.</p> |
| <p>Article 43 In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with the value of fixed assets disposed within four (4) month before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the shareholders’ general meetings, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval by the shareholders’ general meeting. The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the preceding paragraph of this Article by the Company. The term “fixed assets disposal” referred to in this Article represents (among others) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.</p> | <p>Deleted</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|---|
| <p>Article 44 <u>According to the resolutions of the shareholders’ general meeting,</u> the Board may set up strategy committee, audit committee, nomination committee and remuneration and examination committee. The special committees shall all compose of directors of which the <u>independent directors shall be the majority for the audit committee, nomination committee and remuneration and examination Committee and shall also be the convener. The convener of audit committee shall be an accounting professional.</u></p> | <p>Article 5 <u>The Board shall set up strategy committee, audit committee, nomination committee and appraisal committee.</u> The special committees shall all comprise of directors. <u>The term of office of the members is the same as that of the directors and they are eligible for re-election upon expiry of their terms of office.</u></p> |
| <p>Article 45 The strategy committee’s main duties are to research and make recommendations to the long-term development strategy and significant investment decisions of the Company.</p> | <p>Article 6 The strategy committee of the Board is responsible for research and make recommendations to the long-term development strategy and significant investment decisions of the Company. <u>The strategy committee shall comprise of five to seven directors, with the Chairman of the Board of the Company serving as the head member.</u> <u>The strategy committee shall meet at least once a year, and the meetings shall be held in the presence of two-thirds or above of its members.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 46 The audit committee’s <u>main duties</u> are: <u>(1) to propose to engage or replace external audit firms;</u> <u>(2) to monitor the Company’s internal audit system and the implementation thereof;</u> <u>(3) to coordinate the communication between the internal and external auditors;</u> <u>(4) to review the Company’s financial information and the disclosure thereof;</u> <u>(5) to examine and review the Company’s internal control systems.</u></p> | <p>Article 7 The audit committee of the Board is <u>responsible for reviewing the Company’s financial information and the disclosure thereof, supervising and evaluating the internal and external auditing work and internal control.</u> <u>The audit committee shall comprise of three non-executive directors, of which at least two shall be independent directors, and the head member shall be an accounting professional.</u> <u>The audit committee shall meet at least once a quarter, and may convene an extraordinary meeting upon the proposal of above two of its members, or when the chairman of the committee deems necessary. A meeting of the audit committee shall be held with the attendance of above two-thirds of the members.</u></p> |
| <p>Article 47 The nomination committee’s <u>main duties</u> are: <u>(1) to research the standard and procedure of selection of directors and managers and to submit proposals;</u> <u>(2) to widely search for qualified candidates of directors and managers;</u> <u>(3) to examine the candidates of directors and managers and to submit proposals.</u></p> | <p>Article 8 The nomination committee <u>of the Board is responsible for formulating the criteria and procedures for the selection of directors and the senior management members, and selecting and reviewing the candidates of directors and the senior management members and their qualifications for appointment.</u> <u>The nomination committee comprises of three directors, of which a majority of members shall be independent directors and the convenor shall be an independent director.</u> <u>A meeting of the nomination committee shall be convened only upon the proposal of two or more members, or when the head member deems it necessary.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 48 Remuneration and examination committee’s <u>main duties are:</u> <u>(1) to study the criteria of examining directors and managers, to conduct examination and to submit proposals ;</u> <u>(2) to study and examine the remuneration policy and scheme for directors and senior management members.</u></p> | <p>Article 9 The remuneration and appraisal committee of the Board is <u>responsible for formulating and examining the remuneration policy and scheme for directors and senior management members.</u> <u>The remuneration and appraisal committee comprises three directors, of which a majority of members shall be independent directors and the convener shall be an independent director.</u> <u>The remuneration and appraisal committee shall meet at least once a year and a meeting shall be convened upon the proposal of two or more members, or when the head member deems it necessary.</u></p> |
| <p>Article 50 The special committees shall report to the Board and that proposals shall be considered and decided on by the Board.</p> | <p>Article 11 The special committees shall report to the Board and that proposals shall be considered and decided on by the Board. <u>If the recommendations of the special committees are not adopted or not fully adopted, the opinion of the special committees and the specific reasons for not adopting the recommendations shall be recorded in a resolution of the Board and disclosed.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>CHAPTER 5 DUTIES OF THE CHAIRMAN AND SECRETARY TO THE BOARD Article 51 to Article 57</p> | <p>Deleted</p> |
| <p>Article 59 The Board shall convene at least <u>two</u> regular meetings each year and the chairman shall convene such meetings of the Board.</p> <p>To convene the regular meetings of the Board and extraordinary meetings of the Board, the office of the Board shall give written notice affixed with the chop of the office of the Board to all directors, supervisors, managers and the secretary to the Board <u>by facsimile, telegraph, express mail service, registered mail, e-mail or hand delivery</u> 10 days before the date of a regular meeting or 5 days before that of an extraordinary meeting. <u>If the notice is not delivered by hand, a telephone confirmation shall be made and recorded accordingly. In case of urgency when an extraordinary meeting of the Board is required to be convened as soon as possible, the notice of meeting may be given to all directors by telephone, telegraph, facsimile or verbally 8 hours before the meeting, however an explanation shall be given by the convener at the meeting.</u></p> | <p>Article 13 The Board shall convene at least <u>four regular</u> meetings each year and the chairman shall convene such meetings of the Board. <u>The written notice thereof shall be given to all directors and supervisors 10 days in advance.</u> If an extraordinary meeting is to be convened, the notice thereof shall be given to all directors by telephone, <u>post or</u> facsimile 8 hours in advance.</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|--|
| <p>Article 60 The Chairman shall convene an extraordinary meeting of the Board within ten days in any one of the following circumstances:</p> <p>(1) the chairman of the Board considers necessary;</p> <p>(2) jointly proposed by more than one-third of the directors;</p> <p>(3) proposed by the supervisory committee;</p> <p>(4) proposed by the manager;</p> <p>(5) proposed by shareholders representing more than one-tenth of voting rights;</p> <p>(6) proposed by the <u>more than one half</u> of the independent directors;</p> <p>(7) as required by the securities regulatory department;</p> <p>(8) other circumstances stipulated in the Articles of Association of the Company.</p> <p>For extraordinary meetings of the Board proposed to be convened according to the above provision, written proposals with proposer’s signature (or chop) shall be submitted to the chairman of the Board either directly or through the office of the Board. The written proposal shall state the following items:</p> <p><u>1.</u> name of the proposer;</p> <p><u>2.</u> reason for the proposal or the objective facts on which the proposal is based;</p> <p><u>3.</u> time or period within which the meeting is proposed to be convened, venue and form of the meeting;</p> <p><u>4.</u> clear and specific proposal;</p> | <p>Article 14 The Chairman shall convene an extraordinary meeting of the Board within ten days in any one of the following circumstances:</p> <p>(1) the chairman of the Board considers necessary;</p> <p>(2) proposed by more than one-third of the directors;</p> <p>(3) proposed by the supervisory committee;</p> <p>(4) proposed by the manager;</p> <p>(5) proposed by shareholders representing more than one-tenth of voting rights;</p> <p>(6) proposed by a <u>majority</u> of the independent directors;</p> <p>(7) as required by the securities regulatory department;</p> <p>(8) other circumstances stipulated in the Articles of Association of the Company.</p> <p>Article 15 For extraordinary meetings of the Board proposed to be convened according to the above provision, written proposals with proposer’s signature (or chop) shall be submitted to the chairman of the Board either directly or through the office of the Board. The written proposal shall state the following items:</p> <p><u>(1)</u> name of the proposer;</p> <p><u>(2)</u> reason for the proposal or the objective facts on which the proposal is based;</p> <p><u>(3)</u> time or period within which the meeting is proposed to be convened, venue and form of the meeting;</p> <p><u>(4)</u> clear and specific proposal;</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p><u>5.</u> (among others) contact information of the proposer and date of proposal. The contents of the proposal shall be within the powers and duties of the Board stipulated by the Articles of Association of the Company. The materials relating to the proposal shall be submitted together. <u>After receiving the aforesaid written proposals and the relevant materials, the office of the Board shall deliver them to the chairman of the Board on the day of receipt. If the chairman of the Board considers that the contents of proposal is not clear or not specific, or the materials concerning the proposal is not sufficient, the chairman of the Board may request the proposer to revise or supplement.</u> <u>The chairman of the Board shall convene and preside at a meeting of the Board within ten days after receiving a proposal or a requirement from the securities regulatory department.</u> <u>Article 63 Before giving notice of a regular meeting of the Board, the office of the Board shall seek the opinion of each director for drafting the preliminary resolutions which shall be submitted to the chairman for settling.</u> The Chairman shall seek the opinion of the managers and other senior management for their opinions before settling the preliminary resolutions.</p> | <p><u>(5)</u> (among others) contact information of the proposer and date of proposal. The contents of the proposal shall be within the powers and duties of the Board stipulated by the Articles of Association of the Company. The materials relating to the proposal shall be submitted together.</p> <p><u>Article 16 Resolutions at the Board meetings shall be proposed in the following ways:</u> <u>(1) Proposals made by the Company in accordance with the applicable laws, regulations, regulatory requirements of the listing place and the actual business situation of the Company that fall within the terms of reference of the Board.</u> <u>(2) Matters proposed</u> by the directors; <u>(3) Proposals of special committees of the Board;</u> <u>(4) Matters proposed</u> by the supervisory committee; <u>(5) Matters proposed</u> by the manager of the Company; <u>(6) Matters proposed by shareholders holding above 10% of the shares;</u> <u>(7) Matters proposed by the special meeting of independent directors.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 64 <u>The following persons or organisations of the Company shall have the right to propose motions:</u> <u>(1) proposed by one or more directors ;</u> <u>(2) proposed by an independent director and agreed by more than one half of the independent directors;</u> (3) the general manager of the Company; (4) the supervisory committee. <u>Contents of the motions must be matters which the Board has the powers to consider.</u></p> <p>Article 65 <u>Motion must be submitted to the secretary to the Board in writing, who shall, after sorting out, submit the motion within 10 days to the chairman of the Board for review and decide whether such motion shall be considered at regular meeting or at extraordinary meeting of the Board.</u></p> | <p>Article 17 <u>The office of the Board is responsible for soliciting the draft agenda of meetings, and the relevant departments of the Company shall be obliged to provide written information and explanations relating to the proposals in a timely manner. The office of the Board shall collate the relevant information and prepare the agenda of the Board’s proposed meeting with the proposed meeting time and venue, and submit it to the Chairman of the Board for his approval.</u> The Chairman of the Board shall consult with the manager and other senior management members as necessary before formulating proposals.</p> |
| <p>Addition</p> | <p>Article 18 Meetings of the Board shall be convened and chaired by the chairman of the Board. If the chairman of the Board is unable to perform his duties or refuses to perform his duties, the vice-chairman of the Board shall act in his place, and if the vice-chairman is unable to perform his duties or refuses to perform his duties, a majority of the Board members shall joint elect one of the Board members to convene and preside at a meeting of the Board.</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| <p align="center">Number and Content of the Existing Articles</p> | <p align="center">Number and Content of the New Articles</p> |
|--|--|
| <p>Article 61 <u>Written</u> notice of a meeting of the Board shall include the following contents:</p> <p>(1) date, time and venue of the meeting;</p> <p>(2) manner of holding the meeting;</p> <p>(3) matters to be considered (proposals for the meeting);</p> <p>(4) convener and chairman of meeting, proposer of the extraordinary meeting and his/her written proposal;</p> <p>(5) meeting materials necessary for the directors to vote;</p> <p>(6) request that directors should either attend in person or authorize other directors to attend on their behalves;</p> <p>(7) contact person and contact information;</p> <p><u>Meeting notices given verbally shall contain at least the aforesaid items no. (1) and (2), and an explanation that an extraordinary meeting of the Board needs to be convened due to urgency.</u></p> <p><u>Article 69</u> <u>Notice shall be in Chinese, and shall contain information of the meeting including agenda, time and venue together with the materials necessary for the discussion.</u></p> <p><u>A director attending the meeting who does not raise his non-receipt of notice of the meeting prior to or at the meeting shall be deemed to have received such notice.</u></p> | <p>Article 19 Notice of a meeting shall include the following contents:</p> <p>(1) date, time and venue of the meeting;</p> <p>(2) manner of holding the meeting;</p> <p>(3) matters to be considered (proposals for the meeting);</p> <p>(4) convener and chairman of meeting, proposer of the extraordinary meeting and his/her written proposal;</p> <p>(5) meeting materials necessary for the directors to vote;</p> <p>(6) request that directors should either attend in person or authorize other directors to attend on their behalf;</p> <p>(7) contact person and contact information.</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 67</p> <p>The first paragraph The meeting of the Board shall only be convened when more than one half of directors are present. <u>If directors refuse or neglect to attend a meeting of the Board such that a quorum for the meeting is not present, the chairman of the Board and the secretary to the Board shall report to the supervisory department in a timely manner.</u></p> <p>The fourth paragraph Supervisors may attend the meetings of the Board as non-voting attendees and make inquiries or suggestions about matters on which the Board has passed resolutions. Managers and the secretary to the Board who do not act as director concurrently shall attend meetings of the Board as non-voting attendees. If the chairman of the meeting considers necessary, other relevant personnel may be notified to attend the meeting of the Board as non-voting attendees.</p> | <p>Article 21 The meeting of the Board shall only be convened when a <u>majority</u> of directors are present.</p> <p><u>If a director or his associates (within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) have a material interest in any contract or arrangement, such director, unless exempted from the relevant listing rules, laws and regulations of Hong Kong and China, shall not vote on any resolution of the Board approving the aforesaid contract or arrangement, shall not vote on behalf of any other director and shall not be counted in the calculation of the minimum number of attendees at any meeting of the Board as provided for in this Article. The meeting of the Board shall be held with the attendance of a majority of the unrelated directors, and the resolutions of the meeting of the Board shall be passed by a majority of the unrelated directors.</u></p> <p>Supervisors may attend the meetings of the Board as non-voting attendees and make inquiries or suggestions about matters on which the Board has passed resolutions. Managers and the secretary to the Board who do not act as director concurrently shall attend meetings of the Board as non-voting attendees. If the chairman of the meeting considers necessary, other relevant personnel may be notified to attend the meeting of the Board as non-voting attendees.</p> |

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FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 71 The Board may consider and approve resolution in writing instead of convening a Board meeting. <u>Draft of the resolution</u> shall be dispatched to each director by mail, telegraph, fax or in person. <u>Such resolution will be passed as a resolution of the Board only after it is signed and approved by two-thirds or more of the directors</u> and delivered to the secretary to the Board by any one of the aforesaid means. Any director who does not deliver his voting shall be deemed as having failed to attend that meeting.</p> | <p>Article 23 The Board may consider and approve resolution in writing instead of convening an <u>extraordinary</u> Board meeting. <u>The resolution related to the meeting shall become</u> a resolution of the Board only <u>when the number of directors who have signed their assents shall be the number required to make such decisions in accordance with the Articles of Association and</u> delivered to the secretary to the Board by any one of the aforesaid means. Any director who does not deliver his voting shall be deemed as having failed to attend that meeting.</p> <p><u>However, where a controlling shareholder of the Company or a director has a conflict of interest in a matter to be considered by the Board which the Board considers to be material, the matter should be dealt with by way of a meeting of the Board (rather than a written resolution). Independent non-executive directors who or whose close associates do not have a material interest in the transaction shall attend the relevant board meeting.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| <p align="center">Number and Content of the Existing Articles</p> | <p align="center">Number and Content of the New Articles</p> |
|--|---|
| <p>Article 72 Directors shall attend a meeting of the Board in person. Where a director is unable to attend for any reason, he or she shall study the materials regarding the meeting in advance, form a clear opinion, and authorize another director in writing to attend the Board meeting on his or her behalf. The power of attorney shall include:</p> <ol style="list-style-type: none"> (1) the names of the appointer and the proxy; (2) the salient opinion of the appointer on each motion; (3) scope of authorization and instruction on voting by the appointer; (4) the appointer’s signature and date of such instrument. <p>Where a director authorizes another director to sign written confirmations of opinion on periodical reports, he (she) shall be specifically authorized in the power of attorney.</p> <p><u>The proxy shall submit the written power of attorney to the chairman of the meeting and specify the information of his appointment on the attendance book.</u></p> <p>Any director not attending a particular Board meeting nor authorizing a proxy to attend shall be deemed to have failed to attend <u>or has</u> waived the right to vote at that meeting.</p> | <p>Article 24 Directors shall attend a meeting of the Board in person. Where a director is unable to attend for any reason, he or she shall study the materials regarding the meeting in advance, form a clear opinion, and authorize another director in writing to attend the Board meeting on his or her behalf. The power of attorney shall include:</p> <ol style="list-style-type: none"> (1) the names of the appointer and the proxy; (2) the salient opinion of the appointer on each motion; (3) scope of authorization, <u>authorization period</u> and instruction on voting by the appointer; (4) the appointer’s signature and date of such instrument. <p>Where a director authorizes another director to sign written confirmations of opinion on periodical reports, he (she) shall be specifically authorized in the power of attorney.</p> <p>Any director not attending a particular Board meeting nor authorizing a proxy to attend shall be deemed to have failed to attend <u>and</u> has waived the right to vote at that meeting.</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|---|
| <p>Article 76 The chairman of the meeting shall require the directors attending board meetings to present their specific opinion in respect of each motion.</p> <p><u>As to motions on which prior approval by the independent directors is required according to the requirements, the chairman of the meeting shall appoint an independent director to read out the written consent of the independent directors before discussing the relevant motion.</u></p> <p>The chairman of the meeting shall stop any directors from interfering with the ordinary course of the meeting or the other directors’ speech in timely manner.</p> <p>Unless unanimously consented by all attending directors, a motion not included on the agenda may not be voted on at Board meetings. Directors entrusted by other directors to attend Board meetings may not vote on a motion not included in the agenda.</p> <p>The directors shall study the meeting materials carefully, and give opinions independently and diligently after fully understanding the situation.</p> <p>Before the meeting, the directors may obtain relevant information required for making a decision from the office of the Board, convener of the meeting, managers and other senior management members, the special committees, accounting firms, law firms and other relevant personnel and organizations. The directors may also suggest to the chairman of the meeting during the course of a Board meeting to request the above-mentioned personnel and representatives from the organizations to attend the meeting to explain the relevant circumstances.</p> | <p>Article 26 The chairman of the meeting shall require the directors attending board meetings to present their specific opinion in respect of each motion.</p> <p>The chairman of the meeting shall stop any directors from interfering with the ordinary course of the meeting or the other directors’ speech in timely manner.</p> <p>Unless unanimously consented by all attending directors, a motion not included on the agenda may not be voted on at Board meetings. Directors entrusted by other directors to attend Board meetings may not vote on a motion not included in the agenda.</p> <p>Article 27 The directors shall study the meeting materials carefully, and give opinions independently and diligently after fully understanding the situation.</p> <p>Before the meeting, the directors may obtain relevant information required for making a decision from the office of the Board, convener of the meeting, managers and other senior management members, the special committees, accounting firms, law firms and other relevant personnel and organizations. The directors may also suggest to the chairman of the meeting during the course of a Board meeting to request the above-mentioned personnel and representatives from the organizations to attend the meeting to explain the relevant circumstances.</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 67 The second and third paragraphs <u>Resolutions of the Board meeting shall be made by way of voting with one vote by each director, conducted by way of, such as, a show of hands, or casting written votes with the names of the voters stated on the voting papers.</u> A director may cast a vote as affirmative, opposing or abstention vote. Each attending director shall express his/her voting intention by choosing one of the above. The chairman of the meeting shall request each director who fails to choose any of the above or have chosen more than two of the above to vote again, a director who failed to do so shall be deemed to have abstained from voting. Any director who leaves the meeting and does not return and has not voted by choosing any of the above shall be deemed to have abstained from voting. Resolutions of the Board shall be made by more than one half of the number of the directors.</p> <p>If the number of opposing votes and that of affirmative votes are the same, the chairman of the Board shall be entitled to have a casting vote.</p> | <p>Article 28 <u>After each resolution has been fully discussed, the presiding officer shall, in a timely manner, invite the Directors present at the meeting to vote on it.</u></p> <p>Resolutions of the Board meeting shall be made by way of <u>voting</u> with one vote by each director, and <u>conducted by way of an on-site written ballot, an on-site show of hands or by means of a communication ballot.</u> If the number of opposing votes and that of affirmative votes are the same, the chairman of the Board shall be entitled to have a casting vote.</p> <p>A director may cast a vote as affirmative, opposing or abstention vote. Each attending director shall express his/her voting intention by choosing one of the above. The chairman of the meeting shall request each director who fails to choose any of the above or have chosen more than two of the above to vote again, a director who failed to do so shall be deemed to have abstained from voting.</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 68 <u>Board resolutions in respect of the matters under Article 44 shall be passed by the affirmative votes of more than half of the directors except that the matters under (6), (7), (11), (16) and (17) shall be passed by the affirmative votes of more than two-thirds of the directors.</u></p> <p>Article 79 Resolutions of the Board meetings shall contain the following information:-</p> <p>(1) the date and venue of the meeting and the name of the convener;</p> <p>(2) the required number of directors present, actual number of the directors present, and number of proxies;</p> <p>(3) the description of the legality of the relevant procedures of the meeting;</p> <p>(4) description of the proposals considered and voted on at the meeting, and the voting results;</p> <p>(5) separate description of proposals to be submitted to the shareholder’s general meeting for consideration;</p> <p>(6) specific opinion of the independent directors;</p> <p>(7) other matters that should be described and recorded in the resolutions.</p> | <p>Article 29 <u>Resolutions of the Board shall be passed by a majority of all the directors unless otherwise provided by the laws, regulations, relevant rules of the securities regulatory authorities and the Articles of Association.</u></p> <p>Resolutions of the Board meetings shall contain the following information:</p> <p>(1) the date and venue of the meeting and the name of the convener;</p> <p>(2) the required number of directors present, actual number of the directors present, and number of proxies;</p> <p>(3) the description of the legality of the relevant procedures of the meeting;</p> <p>(4) description of the proposals considered and voted on at the meeting, and the voting results;</p> <p>(5) separate description of proposals to be submitted to the shareholder’s general meeting for consideration;</p> <p>(6) specific opinion of the independent directors;</p> <p>(7) other matters that should be described and recorded in the resolutions.</p> <p><u>In the event of inconsistencies in the contents and meaning of different resolutions, the resolution formed at a later time shall prevail.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|---|
| Addition | Article 31 The Board shall act strictly in accordance with the authorisation of the general meeting and the Articles of Association and shall not exceed its authority in forming resolutions. |
| Article 75 <u>The chairman of the meeting shall suspend the voting on a motion if more than half</u> of the attending directors or more than two independent directors consider that, among others, <u>the motion is not clear or not specific, or the materials are insufficient for an informed decision.</u> The director suggesting <u>suspension</u> of voting on a motion shall provide the specific requirements on conditions to be satisfied for the motion to be re-submitted for consideration. | Article 33 If a <u>majority</u> of the attending directors or more than two independent directors consider that the <u>materials for the meeting are incomplete, without sufficient proof or not provided in a timely manner, they may propose in writing to the Board to postpone the convening of the meeting or postpone the deliberation of the matter, and the Board shall accept such proposal. The Company shall disclose the relevant information in a timely manner.</u> The director suggesting <u>postponement</u> of voting on a motion shall provide the specific requirements on conditions to be satisfied for the motion to be re-submitted for consideration. |
| Article 77 If the distribution of profits of the Company is to be discussed in a Board meeting, the motion for such distribution to be considered by the Board may be sent to the registered auditors and require a draft of the audit report (with all financial information confirmed expect for those relating to the distribution) to be issued. After resolution of the distribution has been passed by the Board, the Board shall request the auditors to issue a formal audit report and the Board will then make resolutions on the periodic reports and other relevant matters according to the formal audit report. | Deleted |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 80 <u>Secretary to the Board shall arrange for the preparation of the minutes of the meetings of the Board, such minutes should be objective, comprehensive and true.</u></p> <p>Article 81 Secretary to the Board shall organize the staff of the office of the Board to prepare the minutes of the Board meetings. The minutes shall contain the following information:</p> <p>(1) the session of the meeting, date, time, venue and form of convening the meeting;</p> <p>(2) information on giving the notice of the meeting;</p> <p>(3) the name of the convener and the name of the chairman of the meeting;</p> <p>(4) attendance of directors in person or by proxy;</p> <p>(5) the proposals considered at the meeting, the gist of each director’s presentation and main comments on the related matters, and his or her intention to vote on the proposals;</p> <p>(6) the voting method and result of each proposal (specifying numbers of affirmative, opposing and abstention votes);</p> <p>(7) appropriate. other matters to be recorded as the directors attending the meeting consider</p> <p>The initial draft and the final version of the minutes of the meeting shall be dispatched to all directors within a reasonable period after each board meeting. The initial draft shall be for the directors to give comments while the final version shall be for records.</p> | <p>Article 34 Secretary to the Board shall organize the staff of the office of the Board to prepare the minutes of the Board meetings. The minutes shall contain the following information:</p> <p>(1) the session of the meeting, date, time, venue and form of convening the meeting;</p> <p>(2) information on giving the notice of the meeting;</p> <p>(3) the name of the convener and the name of the chairman of the meeting;</p> <p>(4) attendance of directors in person or by proxy;</p> <p>(5) the proposals considered at the meeting, the gist of each director’s presentation and main comments on the related matters, and his or her intention to vote on the proposals;</p> <p>(6) the voting method and result of each proposal (specifying numbers of affirmative, opposing and abstention votes);</p> <p>(7) other matters to be recorded as the directors attending the meeting consider appropriate.</p> <p>The initial draft and the final version of the minutes of the meeting shall be dispatched to all directors within a reasonable period after each board meeting. The initial draft shall be for the directors to give comments while the final version shall be for records.</p> <p><u>The minutes of the meetings shall be true, accurate and complete, fully reflecting the views of the participants on the matters under consideration, and shall be properly kept.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| <p align="center">Number and Content of the Existing Articles</p> | <p align="center">Number and Content of the New Articles</p> |
|---|---|
| <p>Article 78 <u>The Board shall record minutes of the meeting on matters resolved at each board meeting and the attending directors and the recorder shall sign on the minutes.</u> Any director who disagrees with the minutes may indicate his disagreement in writing when signing the minutes. If necessary, such director may report such disagreement to the regulatory authorities in a timely manner or make a public announcement. If necessary, the Company shall, at the reasonable request of a director, arrange for independent professionals to provide professional advice to the director at the cost of the Company. Any director who fails to sign and confirm the minutes in accordance with the preceding provision, or fails to indicate his/her disagreement in writing, or to report to the regulatory authorities or make a public announcement shall be deemed to have agreed fully the contents of the minutes of the meeting.</p> <p><u>In addition to the minutes of the meeting, when necessary, the secretary to the Board may organize the staff of the office of the Board to make a summary of the minutes of the meeting and to make a separate record of the resolutions passed in the meeting according to the voting result.</u></p> | <p>Article 35 <u>The directors present at the meeting (on their own behalf or on behalf of the Directors delegated to attend the meeting), the secretary to the Board and the person who takes minutes shall sign the minutes of the meeting for confirmation.</u> Any director who disagrees with the minutes may indicate his disagreement in writing when signing the minutes. If necessary, such director may report such disagreement to the regulatory authorities in a timely manner or make a public announcement. If necessary, the Company shall, at the reasonable request of a director, arrange for independent professionals to provide professional advice to the director at the cost of the Company. Any director who fails to sign and confirm the minutes in accordance with the preceding provision, or fails to indicate his/her disagreement in writing, or to report to the regulatory authorities or make a public announcement shall be deemed to have agreed fully the contents of the minutes of the meeting.</p> |
| <p>Article 82 For the resolutions of the meetings signed by the chairman of the Board and all directors (including the proxies) and the secretary to the Board of the Company, a complete copy thereof shall be sent to every director and the general manager of the Company.</p> | <p>Deleted</p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>CHAPTER 10 DECISION-MAKING PROCEDURES FOR CONNECTED TRANSACTIONS AND CREDIT GUARANTEE</p> <p>Article 83 In considering connected transactions, the Board shall comply with the guidance of the listing rules of both Shanghai and Hong Kong, ensure the reasonableness of the transaction price and may engage professional appraiser or independent financial adviser if necessary.</p> <p>Article 84 The annual banking facilities plan of the Company shall be proposed at the Board meeting by the general manger or the chief financial officer of the Company, and the Board may consider and approve the same according to the specific conditions of the annual finance and capital budgeting of the Company. Once approved, general manger or chief financial officer shall implement such plan within the annual credit limit in compliance with the relevant internal control procedures. Material facility contracts shall be jointly signed by the chairman of the Board and a director.</p> <p>Article 85 As for provision of external guarantees, the Board authorizes its chairman and a director jointly sign the guarantee contracts within the planned annual limit as approved by the Board, and such guarantee contracts are only limited to the controlling subsidiaries of the Company.</p> | Deleted |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| <p align="center">Number and Content of the Existing Articles</p> | <p align="center">Number and Content of the New Articles</p> |
|---|---|
| <p>Article 86 Directors shall be responsible for the resolutions of the Board. Where a resolution of the Board violates laws, administrative regulations or <u>these Articles of Association</u>, thereby causing serious losses to the Company, the directors who took part in such a resolution shall be liable to compensate the Company and the directors who cast abstention votes shall have joint responsibility. However, if a director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, that director may be relieved of such liability</p> | <p>Article 36 Directors shall be responsible for the resolutions of the Board. Where a resolution of the Board violates laws, administrative regulations or the <u>Articles of Association</u> of the Company, thereby causing serious losses to the Company, the directors who took part in such a resolution shall be liable to compensate the Company and the directors who cast abstention votes shall have joint responsibility. However, if a director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, that director may be relieved of such liability.</p> |
| <p>Article 88 <u>The chairman of the Board shall procure the relevant personnel to implement resolutions of the Board, to review the implementation thereof, and to report at subsequent meetings about the status of the implementation of resolutions passed.</u></p> | <p>Article 38 <u>Directors shall strictly implement and procure the senior management personnel to implement resolutions of the Board and other relevant resolutions.</u> <u>When one of the following circumstances is found in the course of implementation, the directors shall promptly report to the Board of the listed company and request the Board to take response measures:</u> <u>(1) significant changes in the implementation environment, implementation conditions, etc., resulting in the relevant resolution being unable to be implemented or the continuous implementation of which may result in damage to the interests of the Company;</u> <u>(2) the actual implementation is inconsistent with the content of the relevant resolution or significant risks are identified in the implementation process;</u> <u>(3) significant differences between the actual implementation progress and the relevant resolutions, and it is difficult to achieve the expected goals by continuous implementation.</u></p> |

**APPENDIX V DETAILS OF PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE BOARD OF THE DIRECTORS**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 89 The files of the Board meetings, including, among others, meeting notice and meeting materials, attendance book, the powers of attorney of proxies of directors, the audio record of meetings, voting papers, minutes of the meeting as confirmed and signed by the directors, summary of the minutes, resolutions and announcements of resolutions shall be kept by the secretary to the Board. Any director may inspect the files during reasonable hours by giving reasonable notice.</p> <p>The files of the Board meetings shall be kept for more than 10 years.</p> | <p>Article 39 The files of the Board meetings, including, among others, meeting notice and meeting materials, the powers of attorney of proxies of directors, voting papers, resolutions of the meeting and minutes of the meeting as confirmed and signed by the directors shall be kept by the secretary to the Board. Any director may inspect the files during reasonable hours by giving reasonable notice.</p> <p>The files of the Board meetings shall be kept for more than 10 years.</p> |
| <p>Article 93 Supervisors, senior management members or the chief financial officer of the Company may attend the regular meetings of the Board as non-voting attendees.</p> | Deleted |

In the light of the above amendments, the serial numbers of the corresponding articles of the Rules for Proceedings of the Board of the Directors are being amended simultaneously. In accordance with the Company Law of the People’s Republic of China (2023 Revised), all reference to General Meeting (“股東大會”) shall be amended to General Meeting (“股東會”) in the Chinese version.

**APPENDIX VI DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE SUPERVISORY COMMITTEE**

**COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR PROCEEDINGS
OF SUPERVISORY COMMITTEE**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|---|
| <p>Article 1 These Rules of Procedure of the Supervisory Committee (the “Rules”) have been established in order to determine the meeting and decision-making procedures for the Supervisory Committee of CSSC Offshore & Marine Engineering (Group) Company Limited (中船海洋與防務裝備股份有限公司), to give full play to the supervisory role of the Supervisory Committee and to improve the corporate legal person governance structure and in accordance with laws and regulations such as the Company Law of the People’s Republic of China (the “Company Law”) and the Securities Law of the People’s Republic of China (the “Securities Law”) and the Articles of Association of CSSC Offshore & Marine Engineering (Group) Company Limited (the “Articles of Association”) and in view of the actual situations of the Company.</p> | <p>Article 1 These Rules of Procedure of the Supervisory Committee have been amended in order to determine the meeting and decision-making procedures for the Supervisory Committee of CSSC Offshore & Marine Engineering (Group) Company Limited (中船海洋與防務裝備股份有限公司), to <u>enable the Supervisors and the Supervisory Committee to fulfil their supervisory responsibilities effectively</u>, to give full play to the supervisory role of the Supervisory Committee and to improve the corporate legal person governance structure and in accordance with laws and regulations such as the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”) and the <u>Code of Corporate Governance for Listed Companies</u> and the Articles of Association of CSSC Offshore & Marine Engineering (Group) Company Limited (the “Articles of Association”) and in view of the actual situations of the Company.</p> |
| <p>Article 2 The Supervisory Committee is accountable to all shareholders and lawfully exercises the following duties and powers to safeguard the lawful interests of the Company and its shareholders in accordance with laws and regulations such as the Company Law and Securities Law and the Articles of Association:</p> <p>(1) to examine the Company’s financial affairs;</p> <p>(2) to monitor the Directors, manager and other senior management members in performing their duties to the Company and to propose <u>dismissal</u> of Directors and senior management members who violate any laws, administrative regulations, the Articles of Association or resolutions of shareholders’ general meetings;</p> | <p>Article 2 The Supervisory Committee is accountable to all shareholders and lawfully exercises the following duties and powers to safeguard the lawful interests of the Company and its shareholders, <u>employees and other stakeholders</u> in accordance with laws and regulations such as the Company Law and Securities Law and the Articles of Association:</p> <p>(1) to examine the Company’s financial affairs;</p> <p>(2) to monitor the Directors, manager and other senior management members in performing their duties to the Company and to propose <u>removal</u> of Directors and senior management members who violate any laws, administrative regulations, the Articles of Association or resolutions of shareholders’ general meetings;</p> |

**APPENDIX VI DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE SUPERVISORY COMMITTEE**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>(3) to demand rectification from a Director, manager and any other senior management members of the Company when the acts of such persons are harmful to the interests of the Company;</p> <p>(4) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings and, should any queries arise, may engage, in the name of and at reasonable expenses of the Company, certified public accountants and practicing auditors to conduct re-examination;</p> <p>(5) to propose the convening of a shareholders' extraordinary general meeting and to convene and preside over the general meeting when the Board fails to perform such duties under the Company Law;</p> <p>(6) to deal with or commence actions against Directors and senior management members on behalf of the Company;</p> <p>(7) to examine and present written examination opinion on regular reports of the Company prepared by the Board;</p> <p>(8) to put forward proposals to the shareholders' general meeting;</p> <p>(9) to conduct investigations if unusual conditions of operation of the Company arises and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations at the expense of the Company;</p> <p><u>(10) to be present at Board meetings in accordance with the Articles of Association and raise enquiries into or recommendations on the matters decided by the Board;</u></p> <p><u>(11) to submit a report on the financial position and compliance of the Company at the annual general meeting of the Company.</u></p> | <p>(3) to demand rectification from a Director, manager and any other senior management members of the Company when the acts of such persons are harmful to the interests of the Company;</p> <p>(4) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings and, should any queries arise, may engage, in the name of and at reasonable expenses of the Company, certified public accountants and practicing auditors to conduct re-examination;</p> <p>(5) to propose the convening of a shareholders' extraordinary general meeting and to convene and preside over the general meeting when the Board fails to perform such duties under the Company Law;</p> <p>(6) to deal with or commence actions against Directors and senior management members on behalf of the Company;</p> <p>(7) to examine and present written examination opinion on <u>securities offering documents prepared by the Board and regular reports of the Company prepared by the Board, upon which the Supervisors shall sign a written confirmation of opinion;</u></p> <p>(8) to put forward proposals to the shareholders' general meeting;</p> <p>(9) to conduct investigations if unusual conditions of operation of the Company arises and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations at the expense of the Company;</p> <p><u>(10) may request directors, managers and other senior management members to submit reports on the execution of duties;</u></p> <p><u>(11) other duties and powers as stipulated in the Articles of Association.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 3 The Supervisory Committee of the Company shall comprise five Supervisors, one of which shall act as the chairman of the Supervisory Committee. No subordinate body will be established under the Supervisory Committee. A secretary to the Supervisory Committee will be appointed who will be responsible for dealing with daily affairs of the Supervisory Committee.</p> <p><u>A Supervisor may act as the secretary to the Supervisory Committee.</u></p> | <p>Article 3 The Supervisory Committee of the Company shall comprise five Supervisors, one of which shall act as the chairman of the Supervisory Committee. No subordinate <u>working</u> body will be established under the Supervisory Committee. A secretary to the Supervisory Committee will be appointed who will be responsible for dealing with daily affairs of the Supervisory Committee.</p> |
| <p>Article 6 Supervisors are under legal protection to exercise their supervisory powers and no entity <u>and</u> individual shall interfere therewith.</p> | <p>Article 6 Supervisors are under legal protection to exercise their supervisory powers and no entity <u>or</u> individual shall interfere therewith.</p> |
| <p>Article 7 Meetings of the Supervisory Committee shall be in the form of regular meetings and extraordinary meetings, and the resolutions passed at regular meetings and extraordinary meetings shall have the same effect. Meetings of the Supervisory Committee may be held on-site and through video, telephone <u>and</u> voting by telecommunication.</p> <p>Regular meetings of the Board shall be held at least once every six months.</p> | <p>Article 7 Meetings of the Supervisory Committee shall be in the form of regular meetings and extraordinary meetings, and the resolutions passed at regular meetings and extraordinary meetings shall have the same effect. Meetings of the Supervisory Committee may be held on-site and through video, telephone, <u>email, written form</u> and voting by other communication means.</p> <p>Regular meetings of the Board shall be held at least once every six months.</p> |

**APPENDIX VI DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE SUPERVISORY COMMITTEE**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 8 An extraordinary meeting of the Supervisory Committee shall be convened within ten days in any of the following circumstances:</p> <p>(1) when the chairman of the Supervisory Committee considers necessary;</p> <p>(2) when one or more Supervisor so requests;</p> <p>(3) when a shareholders' general meeting or a meeting of the Board passes resolutions in violation of the provisions and requirements of laws, rules, regulations and regulatory authorities, the Articles of Association, the resolutions of shareholders' general meeting and other relevant provisions;</p> <p>(4) when lawsuits are filed by shareholders against the Company, Directors, Supervisors and senior management;</p> <p>(5) when the Company, Directors, Supervisors and senior management are punished by securities regulatory authorities or censured publicly by the Shanghai Stock Exchange;</p> <p>(6) other circumstance required by the Articles of Association.</p> | <p>Article 8 An extraordinary meeting of the Supervisory Committee shall be convened within ten days if any of the following circumstances exists:</p> <p>(1) when the chairman of the Supervisory Committee considers necessary;</p> <p>(2) when one or more Supervisor so requests;</p> <p>(3) when a shareholders' general meeting or a meeting of the Board passes resolutions in violation of the provisions and requirements of laws, rules, regulations and regulatory authorities, the Articles of Association, the resolutions of shareholders' general meeting and other relevant provisions;</p> <p>(4) when lawsuits are filed by shareholders against the Company, Directors, Supervisors and senior management;</p> <p>(5) when it is found that the Company, Directors, Supervisors and senior management are punished by securities regulatory authorities or censured publicly by the Shanghai Stock Exchange;</p> <p>(6) <u>when the misconduct of Directors and senior management may cause material damage to the Company or create a negative impact in the market;</u></p> <p>(7) <u>when required by the securities regulatory authorities to convene a meeting;</u></p> <p>(8) other circumstance required by the Articles of Association.</p> |

| <p style="text-align: center;">Number and Content of the Existing Articles</p> | <p style="text-align: center;">Number and Content of the New Articles</p> |
|---|---|
| <p>Article 10 When a Supervisor proposes to convene an extraordinary meeting, a written proposal signed by the proposing Supervisor shall be submitted through the secretary to the Supervisory Committee or directly to the chairman of the Supervisory Committee. The written proposal shall state the name of the proposing Supervisor, facts/causes, the time, venue and method for the meeting, and the contact method of the proposing Supervisor. The chairman of the Supervisory Committee or the secretary to the Supervisory Committee shall in principle issue the notice to convene an extraordinary meeting within three days upon receipt of the written proposal from the Supervisor.</p> | <p>Article 10 When a Supervisor proposes to convene an extraordinary meeting, a written proposal signed by the proposing Supervisor shall be submitted through the secretary to the Supervisory Committee or directly to the chairman of the Supervisory Committee. The written proposal shall state the name of the proposing Supervisor, <u>reasons or objective facts/causes on which the proposal is based,</u> the time <u>or duration,</u> venue and method for the meeting, <u>clear and specific proposals,</u> the contact method of the proposing Supervisor <u>and the date of the proposal.</u> The chairman of the Supervisory Committee or the secretary to the Supervisory Committee shall in principle issue the notice to convene an extraordinary meeting within three days upon receipt of the written proposal from the Supervisor.</p> |
| <p>Article 11 To hold regular meetings and extraordinary meetings of the Supervisory Committee, the secretary to the Supervisory Committee shall serve a written notice of the meeting bearing the seal of the Supervisory Committee to all Supervisors by letter, fax, email or hand ten days and <u>three</u> days respectively, before the time scheduled for the meeting. Where the circumstance is urgent and requires an extraordinary meeting of the Supervisory Committee to be held as soon as practical, the above restrictions on time and methods shall not apply and the convener may give a notice by telephone or other verbal means, but the convener shall make explanations at the meeting.</p> | <p>Article 11 To hold regular meetings and extraordinary meetings of the Supervisory Committee, the secretary to the Supervisory Committee shall serve a written notice of the meeting bearing the seal of the Supervisory Committee to all Supervisors by letter, fax, email or hand ten days and <u>five</u> days respectively, before the time scheduled for the meeting. <u>In case of non-direct service, confirmation should be made and corresponding records should be kept.</u> Where the circumstance is urgent and requires an extraordinary meeting of the Supervisory Committee to be held as soon as practical, the above restrictions on time and methods shall not apply and the convener may give a notice by telephone or other verbal means, but the convener shall make explanations at the meeting <u>and take the minutes of the meeting.</u></p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
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| <p>Article 12 A notice of the meeting of the Supervisory Committee shall at least include:</p> <ul style="list-style-type: none"> (1) the date, time and venue of the meeting; (2) the matters and materials to be considered; (3) the presider of the meeting, the proponent of the extraordinary meeting as well as the written proposals; (4) the contact person for the meeting and his/her contact method. | <p>Article 12 A notice of the meeting of the Supervisory Committee shall at least include:</p> <ul style="list-style-type: none"> (1) the date, venue and duration of the meeting; (2) the matters and materials to be considered; (3) the presider of the meeting, the proponent of the extraordinary meeting as well as the written proposals; <u>(4) the requirement that the Supervisors shall attend the meeting in person;</u> <u>(5) the date of giving the notice;</u> (6) the contact person for the meeting and his/her contact method. |
| <p>Article 14 <u>A meeting of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee.</u> If the chairman of the Supervisory Committee is unable to perform his/her duties, <u>he/she shall appoint a Supervisor to convene and preside over the meeting. If the chairman of the Supervisory Committee is unable to perform his/her duties and no such appointment is made, no less than</u> half of Supervisors may jointly elect a Supervisor to convene and preside over the meeting.</p> | <p>Article 14 <u>The chairman of the Supervisory Committee shall convene and preside over a meeting of the Supervisory Committee.</u> If the chairman of the Supervisory Committee is unable to perform his/her duties or fails to perform his/her duties, a majority of Supervisors may jointly elect a Supervisor to convene and preside over the meeting of Supervisory Committee.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 15 Supervisors shall attend meetings of the Supervisory Committee in person. If a Supervisor is unable to attend the meeting in person for any reason, he/she may by a written power of attorney appoint another Supervisor to attend the meeting on his/her behalf.</p> <p>If a Supervisor appoints another Supervisor to attend the meeting, the power of attorney shall set out the name of the proxy, the subject and scope of permit and validity of the time limit of the proxy, which shall be signed or officially sealed by the authorizing party. The Supervisor appointed to attend the meeting shall exercise the rights of Supervisor within the scope of authority conferred by the appointing Supervisor.</p> | <p>Article 15 Supervisors shall attend meetings of the Supervisory Committee in person. If a Supervisor is unable to attend the meeting in person for any reason, he/she shall review the meeting materials in advance to form a clear opinion and shall by a written power of attorney appoint another Supervisor to attend the meeting on his/her behalf.</p> <p>If a Supervisor appoints another Supervisor to attend the meeting, the power of attorney shall set out the name of the proxy, the subject and scope of permit and validity of the time limit of the proxy, which shall be signed or officially sealed by the authorizing party. The Supervisor appointed to attend the meeting shall exercise the rights of Supervisor within the scope of authority conferred by the appointing Supervisor.</p> |
| <p>Article 19 On voting at the meeting of the Supervisory Committee, each person shall have one vote. Voting shall be conducted in writing by attending supervisors, who shall vote for, against or abstain. If a Supervisor abstains from voting, he/she must state the reason, which shall be put on record.</p> <p>For on-site meetings of the Supervisory Committee, attending Supervisors may adopt resolutions by way of poll, the results of which shall be promptly announced and signed by all Supervisors.</p> <p>For meetings of the Supervisory Committee held through video, telephone or telecommunication means, Supervisors may adopt resolutions by way of poll, the results of which shall be signed by all Supervisors.</p> | <p>Article 19 On voting at the meeting of the Supervisory Committee, each person shall have one vote. Voting shall be conducted in writing by attending supervisors, who shall vote for, against or abstain. If a Supervisor abstains from voting, he/she must state the reason, which shall be put on record.</p> <p>For on-site meetings of the Supervisory Committee, attending Supervisors may adopt resolutions by way of poll, the results of which shall be promptly announced and signed by all Supervisors and the person who takes minutes.</p> <p>For meetings of the Supervisory Committee held through video, telephone, email, written form and other communication means, Supervisors may adopt resolutions by way of poll, the results of which shall be signed by all Supervisors and the person who takes minutes.</p> |

**APPENDIX VI DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE SUPERVISORY COMMITTEE**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|---|
| <p>Article 21 The minutes of meetings of the Supervisory Committee shall set out full details of the meetings, including: the number of session, time, venue and method of the meeting, circulation of notice, presider, attendance, topics, the gist of every Supervisor’s speaking and their opinions, voting method, voting results and matters required to be put on record in the opinion of attending Supervisors. The attending Supervisors and note-taker shall sign on the minutes (or summary of minutes) of the meeting. Any Supervisor who fails to sign on the minutes, summary of minutes or resolutions of the meeting shall be deemed to have failed to perform his/her duties as a Supervisor. <u>Supervisors shall be entitled to request to add explanatory notes to their speeches in the minutes.</u></p> | <p>Article 21 The minutes of meetings of the Supervisory Committee shall set out full details of the meetings, including: the number of session, <u>convening</u> time, <u>convening</u> venue and <u>convening</u> method of the meeting, circulation of notice, <u>convener</u>, presider, attendance, topics, the gist of every Supervisor’s speaking and their opinions, <u>voting intention</u>, voting method, voting results and matters required to be put on record in the opinion of attending Supervisors. The attending Supervisors and note-taker shall sign on the minutes (or summary of minutes) of the meeting. <u>Supervisors have the right to request that some sort of descriptive entry be made on the minutes of what he said at the meeting, and if he has a different opinion with the minutes of the meeting, he may state so in writing at the time of signing.</u> Any Supervisor who fails to sign on the minutes, summary of minutes or resolutions of the meeting shall be deemed to have failed to perform his/her duties as a Supervisor.</p> |

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|--|---|
| <p>Article 24 The Supervisory Committee shall establish a recording system for the implementation of the resolutions of such committee. <u>Each resolution of the Supervisory Committee shall be implemented by a designated Supervisor or under his/her supervision. The designated Supervisor shall record the process of implementation and report the final implementation results to the Supervisory Committee.</u></p> | <p>Article 24 The Supervisory Committee shall establish a recording system for the implementation of the resolutions of such committee. <u>The Supervisory Committee and its members shall urge the persons concerned to implement the resolutions of the Supervisory Committee and require the persons concerned to provide a written report on the implementation of the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall report on the implementation of the resolutions that have been formed at subsequent meetings of the Supervisory Committee.</u></p> |
| <p>Article 25 The office of the Board may arrange to announce the resolutions of the Supervisory Committee. The secretary to the Supervisory Committee shall deliver the resolutions of the Supervisory Committee to the office of the Boar on the date of conclusion of the meeting of the Supervisory Committee.</p> | <p>Article 25 The office of the Board may arrange to announce the <u>matters</u> about the resolutions of the Supervisory Committee. The secretary to the Supervisory Committee shall deliver the resolutions of the Supervisory Committee to the office of the Boar on the date of conclusion of the meeting of the Supervisory Committee.</p> |
| <p>Article 26 The notices, materials, resolutions, records and minutes of the meetings of the Supervisory Committee, as archives of the Company, shall be maintained by the Company in accordance with its archiving system for a term of 10 years.</p> | <p>Article 26 The notices, materials, resolutions, records and minutes of the meetings of the Supervisory Committee, as files of the Company, shall be maintained by the Company in accordance with its filing system <u>or the Articles of Association</u> for a term of 10 years.</p> |

**APPENDIX VI DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE SUPERVISORY COMMITTEE**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Article 30 The Rules and any <u>amendments</u> from time to time shall become <u>effective upon approval at the shareholders’ general meeting</u> and shall be interpreted by the Supervisory Committee.</p> | <p>Article 30 The Rules shall be interpreted by the Supervisory Committee. <u>The Supervisory Committee may amend the Rules and submit to the shareholders’ general meeting for approval in accordance with relevant laws and regulations, regulatory requirements and the actual situations of the Company. The Rules shall be formulated by the Supervisory Committee, approved by a resolution of the shareholders’ general meeting of the Company, and shall take effect from the date of approval by the shareholders’ general meeting. As of the date of entry into force of the Rules, the original Rules for Proceedings of the Supervisory Committee of CSSC Offshore & Marine Engineering (Group) Company Limited, which were considered and approved at the first extraordinary general meeting in 2016, shall be repealed accordingly.</u></p> |

**APPENDIX VI DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
FOR PROCEEDINGS OF THE SUPERVISORY COMMITTEE**

| Number and Content of the Existing Articles | Number and Content of the New Articles |
|---|--|
| <p>Headings of chapters and corresponding articles:</p> <p>Chapter 1 General Provisions (Article 1 to Article 6)</p> <p>Chapter 2 Types of the Supervisory Committee (Article 7 to Article 10)</p> <p>Chapter 3 Notice of Meetings of the Supervisory Committee (Article 11 to Article 12)</p> <p>Chapter 4 Convening of Meetings of the Supervisory Committee (Article 13 to Article 17)</p> <p>Chapter 5 Resolutions, Minutes and Summary of Meetings of the Supervisory Committee (Article 18 to Article 26)</p> <p>Chapter 6 Supplemental Provisions (Article 27 to Article 30)</p> | <p>Headings of chapters and corresponding articles:</p> <p>Chapter 1 General Provisions (Article 1)</p> <p>Chapter 2 Duties and Powers of the Supervisory Committee (Article 2)</p> <p>Chapter 3 Composition and Daily Duties of the Supervisory Committee (Article 3 to Article 6)</p> <p>Chapter 4 Meeting System of the Supervisory Committee (Article 7 to Article 10)</p> <p>Chapter 5 Notice of Meetings of the Supervisory Committee (Article 11 to Article 12)</p> <p>Chapter 6 Convening of Meetings of the Supervisory Committee (Article 13 to Article 17)</p> <p>Chapter 7 Consideration Procedures, Voting, Resolutions, Minutes and Summary of Meetings of the Supervisory Committee (Article 18 to Article 26)</p> <p>Chapter 8 Supplemental Provisions (Article 27 to Article 30)</p> |

In the light of the above amendments, the serial numbers of the corresponding articles of the Rules for Proceedings of the Supervisory Committee are being amended simultaneously. In accordance with the Company Law of the People’s Republic of China (2023 Revised), all reference to General Meeting (“股東大會”) shall be amended to General Meeting (“股東會”) in the Chinese version.

NOTICE OF THE ANNUAL GENERAL MEETING



NOTICE OF THE ANNUAL GENERAL MEETING OF 2023 AND CLOSURE OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the annual general meeting of 2023 (the “AGM”) of CSSC Offshore & Marine Engineering (Group) Company Limited (the “Company”) will be held at the conference room of the Company at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, The People’s Republic of China (the “PRC”) at 9:30 a.m. on Thursday, 30 May 2024, at which the following matters will be proposed for consideration:

ORDINARY RESOLUTIONS

1. To consider and approve the Report of the Board of Directors for 2023;
2. To consider and approve the Report of the Supervisory Committee for 2023;
3. To consider and approve the 2023 Annual Report (including the financial statements for 2023);
4. To consider and approve the Profit Distribution Proposal for 2023;
5. To consider and approve the Resolution on the Framework for the Guarantee Proposed to be Provided by the Subsidiaries for 2024 and its Amounts;
6. To consider and approve the Resolution on the Commencement of Foreign Exchange Derivatives Transactions in 2024;
7. To consider and approve the Resolution on the Appointment of Auditor for the Financial Statements and Internal Control for 2024 of the Company;

SPECIAL RESOLUTIONS

8. To consider and approve the Resolution on the Proposed Amendments to the Articles of Association;
9. To consider and approve the Resolution on the Proposed Amendments to the Company’s Rules for Proceedings of General Meetings of the Shareholders;
10. To consider and approve the Resolution on the Proposed Amendments to the Company’s Rules for Proceedings of the Board of the Directors; and
11. To consider and approve the Resolution on the Proposed Amendments to the Company’s Rules for Proceedings of the Supervisory Committee.

NOTICE OF THE ANNUAL GENERAL MEETING

CLOSURE OF REGISTER OF MEMBERS – ANNUAL GENERAL MEETING

In order to determine the entitlement of the shareholders of overseas listed foreign shares (“**H Shares**”) to attend the AGM, the register of members of the Company will be closed from 27 May 2024 to 30 May 2024 (both days inclusive). Holders of H Shares who have lodged the duly completed transfer documents accompanied by the relevant share certificates with the Company’s H share registrar, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong by 4:30 p.m. on 24 May 2024, the transferee but not the transferor shall be regarded as holder of the relevant H Shares and will be entitled to attend and vote at the AGM. H Shareholders whose names are recorded in the register of member of the Company on 30 May 2024 are entitled to attend the AGM.

CLOSURE OF REGISTER OF MEMBERS – PAYMENT OF FINAL DIVIDEND

In order to qualify shareholders for the proposed final dividend, the register of members of the Company will be closed from 5 June 2024 to 10 June 2024 (both days inclusive). All completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H share registrar, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong by 4:30 p.m. on 4 June 2024. Shareholders whose names appear on the register of members of the Company on 10 June 2024 are entitled to receive the final dividend in cash for the year ended 31 December 2023.

By order of the Board
CSSC Offshore & Marine Engineering (Group) Company Limited
Li Zhidong
Company Secretary

Guangzhou, 29 April 2024

As at the date of this notice, the Board of Directors of the Company comprises eleven Directors, namely executive Directors Mr. Xiang Huiming, Mr. Chen Liping and Mr. Zhang Junxiong; non-executive Directors Mr. Chen Ji, Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu; and independent non-executive Directors Mr. Lin Bin, Mr. Nie Wei, Mr. Li Zhijian and Ms. Xie Xin.

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. For details of the resolutions to be considered at the AGM and other related matters, please refer to the announcement of the Company dated 25 April 2024 published on the website of The Stock Exchange of Hong Kong Limited and the circular despatched on 29 April 2024.
2. Any shareholder who is entitled to attend and vote at the AGM has the right to appoint one or more proxies to do so on behalf of himself, and the proxy needs not be a shareholder of the Company. In order to ensure validity, completed proxy forms and other authorization documents (if any) must be delivered to the registered office of the Company not less than 24 hours before the time scheduled for the holding of the AGM (in case of holders of A shares). Holders of H shares must deliver completed proxy forms and other authorization documents (if any) to the Company's H share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy forms will not preclude the shareholders from attending and voting in person at the AGM should they so wish.
3. All resolutions at the AGM will be voted on by poll.
4. Shareholders and proxies must show their identification documents when attending the AGM.
5. The AGM will last for half a day. Shareholders and proxies attending the AGM shall be responsible for their own traveling and accommodation expenses.
6. The registered office of the Company is at the Board of Directors' Office of CSSC Offshore & Marine Engineering (Group) Company Limited at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, the PRC (post code: 510250).

Contact persons: Li Zhidong/Yu Wenbo

Telephone: (8620) 8163 6688-2962, (8620) 8163 6688-3168

Fax: (8620) 8189 6411

NOTICE OF THE H SHAREHOLDERS CLASS MEETING



NOTICE OF THE FIRST H SHAREHOLDERS CLASS MEETING OF 2024 TO BE CONVENED AND CLOSURE OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the first H shareholders class meeting of 2024 (the “**H Shareholders Class Meeting**”) of CSSC Offshore & Marine Engineering (Group) Company Limited (the “**Company**”) will be held at the conference room of the Company at 15th Floor, Marine Tower, 137 Gexin Road, Haizhu District, Guangzhou, the People’s Republic of China (the “**PRC**”) at 9:30 a.m. on Thursday, 30 May 2024 (immediately after the Annual General Meeting of 2023 and the First A Shareholders Class Meeting of 2024 to be held by the Company at the same place on the same date), at which the following matters will be proposed for consideration:

SPECIAL RESOLUTIONS

1. To consider and approve the Resolution on the Proposed Amendments to the Articles of Association; and
2. To consider and approve the Resolution on the Proposed Amendments to the Company’s Rules for Proceedings of General Meetings of the Shareholders.

In order to determine the shareholders of overseas listed foreign shares (“**H Shares**”) entitled to attend the H Shareholders Class Meeting, the register of members of the Company will be closed from 27 May 2024 to 30 May 2024 (both days inclusive). Holders of H Shares who have lodged the duly completed transfer documents accompanied by the relevant share certificates with the Company’s H share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong by 4:30 p.m. on 24 May 2024, the transferee but not the transferor shall be regarded as holder of the relevant H Shares and will be entitled to attend and vote at the H Shareholders Class Meeting. H Shareholders whose names are recorded in the register of member of the Company on 30 May 2024 are entitled to attend the H Shareholders Class Meeting.

By order of the Board
CSSC Offshore & Marine Engineering (Group) Company Limited
Li Zhidong
Company Secretary

Guangzhou, 29 April 2024

As at the date of this notice, the Board of Directors of the Company comprises eleven Directors, namely executive Directors Mr. Xiang Huiming, Mr. Chen Liping and Mr. Zhang Junxiong; non-executive Directors Mr. Chen Ji, Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu; and independent non-executive Directors Mr. Lin Bin, Mr. Nie Wei, Mr. Li Zhijian and Ms. Xie Xin.

NOTICE OF THE H SHAREHOLDERS CLASS MEETING

Notes:

1. For details of the resolutions to be considered at the H Shareholders Class Meeting and other related matters, please refer to the announcement of the Company dated 25 April 2024 published on the website of The Stock Exchange of Hong Kong Limited and the circular despatched on 29 April 2024.
2. Any shareholder who is entitled to attend and vote at the H Shareholders Class Meeting has the right to appoint one or more proxies to do so on behalf of himself, and the proxy needs not be a shareholder of the Company. In order to ensure validity, holders of H Shares must deliver completed proxy forms and other authorization documents (if any) to the Company's H share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time scheduled for the holding of the H Shareholders Class Meeting. Completion and return of the proxy form will not preclude the H shareholders from attending and voting in person at the H Shareholders Class Meeting should they so wish.
3. All resolution(s) at the H Shareholders Class Meeting will be voted on by poll.
4. H shareholders and proxies must show their identification documents when attending the H Shareholders Class Meeting.
5. In accordance with the Articles of Association of the Company, a resolution at the H Shareholders Class Meeting shall be passed by a vote of not less than two-thirds of the votes held by the H shareholders present at the H Shareholders Class Meeting.
6. The H Shareholders Class Meeting will last for half a day. The H shareholders and proxies attending the H Shareholders Class Meeting shall be responsible for their own traveling and accommodation expenses.
7. The registered office of the Company is at the Board of Directors' Office of CSSC Offshore & Marine Engineering (Group) Company Limited at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, the PRC (post code: 510250).

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