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

If you have transferred all your shares in Shenzhen HEPALINK Pharmaceutical Group Co., Ltd., you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SHENZHEN HEPALINK PHARMACEUTICAL GROUP CO., LTD. (深圳市海普瑞藥業集團股份有限公司) (A joint stock company incorporated in the People's Republic of China with limited liability) (Stock code: 9989)

PROPOSED AMENDMENTS TO THE ARTICLES AND RELATED RULES OF PROCEDURES OF THE COMPANY AND NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 3 to 6 of this circular.

Notice of the extraordinary general meeting (the "EGM") to be held at 2:00 p.m. on Wednesday, January 10, 2024 at Fuyu Hall, B1, Tower A, Coolpad Building, No. 2 Mengxi Road, North District, High-tech Industrial Park, Nanshan District, Shenzhen, the PRC, is being dispatched to the Shareholders together with this circular.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorised in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorised to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarized.

In the case of joint holders of the Shares, only the holder whose name stands first in the register of members of the Company shall alone be entitled to vote at the EGM, either in person or by proxy in respect of such Shares.

For H Share Shareholders, please return the proxy form together with any documents of authority to the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM. For information relating to attending the EGM for A Share Shareholders, please refer to the A Share announcement of the Company published on the website of the Shenzhen Stock Exchange. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

December 18, 2023

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Note: If there are any discrepancies between the Chinese version and the English version of this circular, the Chinese version shall prevail.

DEFINITIONS

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

“Articles”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Announcement”	the announcement of the Company dated December 15, 2023, in respect of the Proposed Amendments to the Articles
“A Share(s)”	domestic share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange
“A Share Shareholders”	holders of A Share(s)
“Board”	the board of Directors
“Company”	Shenzhen Hepalink Pharmaceutical Group Co., Ltd (深圳市海普瑞藥業集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose A Shares are listed on the Shenzhen Stock Exchange (stock code: 002399) and whose H Shares are listed on the main board of the Hong Kong Stock Exchange (stock code: 9989)
“Director(s)”	director(s) of the Company
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be convened and held on January 10, 2024
“Group”	the Company and its subsidiaries
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“H Share Shareholder(s)”	the holder(s) of the H Share(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

DEFINITIONS

“Notice of EGM”	the notice dated December 18, 2023 convening the EGM as set out on pages 50 to 51 of this circular
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Amendments to the Articles”	the proposed amendments to the Articles, the principal terms of which are set out under the section headed “I. PROPOSED AMENDMENTS TO THE ARTICLES” in the Letter from the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)

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LETTER FROM THE BOARD

Reference is made to the Announcement, in respect of, among other things, the Proposed Amendments to the Articles. Unless otherwise defined herein, capitalized terms used in this circular shall have the same meanings as those defined in the Announcement.

II. PROPOSED AMENDMENTS TO THE ARTICLES AND RELATED RULES OF PROCEDURES OF THE COMPANY

The Company convened the 2023 First Extraordinary General Meeting, A Shareholders' Class Meeting and H Shareholders' Class Meeting on December 15, 2023, to approve certain amendments to the Articles. As the proposed amendments to the articles was not duly passed by the H Shareholders' Class Meeting, the proposed amendments did not become effective, and the existing Articles remains valid.

The Board proposes to amend the existing Articles of Association by adopting a new set of articles of association of the Company in substitution for, and to the exclusion of, the existing Articles, in view of the below and to make some other slight amendments.

On February 14, 2023, the State Council (the “State Council”) of the PRC issued the EMp /Spa588.3615 Tm()Tj

LETTER FROM THE BOARD

The Board is of the view that the Proposed Amendments to the Articles will not compromise protection of the H Share Shareholders and will not have material impact on measures relating to shareholder protection. After the Proposed Amendments take effect, the Company will continue to comply with Appendix 3 to the Listing Rules to meet the core shareholder protection level through compliance with PRC laws in combination with its Articles and will further monitor its ongoing compliance with these rules.

Please also refer to the Rules of Procedures for the Shareholders' General Meeting; Rules of Procedures for the Board of Directors; Rules of Procedures of the Independent Directors; Rules of Procedures for External Guarantees; Rules of Procedures of the Connected Transactions; Rules of Procedures for Major Investments; Rules of Procedures of the Remuneration and Performance Appraisal System for Directors, Supervisors and Senior Management; Rules of Procedures of the Accounting Firm Selection System published on the websites of the Shenzhen Stock Exchange and the Company on November 20, 2023.

The Proposed Amendments to the Articles and proposed amendments to related Rules and Procedures shall be subject to the passing of a special resolution by the Shareholders at the EGM, and will become effective upon the approval by the Shareholders at the EGM.

III. THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

The Company will convene the EGM for the Shareholders to consider and, if thought fit, to approve above relevant resolutions. A notice of the EGM to be held at 2:00 p.m. on Wednesday, January 10, 2024 at Fuyu Hall, B1, Tower A, Coolpad Building, No. 2 Mengxi Road, North District, High-tech Industrial Park, Nanshan District, Shenzhen, the PRC, is set out on pages 50 to 51 of this circular.

A proxy form to be used at the EGM is also enclosed herein and published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). H Share Shareholders who intend to appoint a proxy to attend the EGM shall complete, sign and return the proxy form in accordance with the instructions printed thereon.

For H Share Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarized copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid.

Pursuant to the Articles, for the purpose of holding the EGM, the register of members of H Shares will be closed from Friday, January 5, 2024 to Wednesday, January 10, 2024 (both days inclusive), during this period no transfer of H Shares will be registered. H Share Shareholders whose names appear on the H Shares register of members of the Company on Wednesday, January 10, 2024 are entitled to attend and vote at the EGM. For information relating to attending the EGM for A Share Shareholders, please refer to the A Share announcement of the Company published on the website of the Shenzhen Stock Exchange.

LETTER FROM THE BOARD

In order to attend the EGM, H Share Shareholders shall lodge all transfer documents together with the relevant share certificates to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, January 4, 2024.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions proposed at the EGM will be voted by poll.

IV. RESPONSIBILITY STATEMENTS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

V. RECOMMENDATION

The Directors believe that the proposed resolutions are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of such resolutions which will be proposed at the EGM.

By order of the Board
Shenzhen Heali Pharmaceutical Group Co., Ltd.
Li Li
Chairman

**COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF
SHENZHEN HEPALINK PHARMACEUTICAL GROUP CO., LTD.**

Existing Text of the Article of Association	Proposed Amendment
Chapter 1 General Provisions	Chapter 1 General Provisions
<p>Article 1 To protect the legitimate rights and interests of the Company, its shareholders and creditors thereof, and to regulate the organization and acts of the Company, the Articles of Association is formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the "Mandatory Provisions"), the Reply on Opinions concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No. 1, hereinafter referred to as the "Zheng Jian Hai Han"), the Official Reply of the State Council on Adjusting the Provisions Governing Matters Including the Application of the Notice Period for the Convening of Shareholders' General Meetings by Companies Listed Overseas (hereinafter referred to as the "Reply on Adjusting the Notice Period"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), and other relevant provisions.</p>	<p>Article 1 To protect the legitimate rights and interests of the Company, its shareholders and creditors thereof, and to regulate the organization and acts of the Company, the Articles of Association is formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), <u>the Administrative Measures on Overseas Offering and Listing of Securities by Domestic Enterprises</u>, <u>the Guideline of Article of Association of Listed Companies</u> (hereinafter referred to as <u>the Article</u>) (hereinafter referred to as <u>the Guideline of Article</u>) the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the "Mandatory Provisions"), the Reply on Opinions concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No. 1, hereinafter referred to as the "Zheng Jian Hai Han"), the Official Reply of the State Council on Adjusting the Provisions Governing Matters Including the Application of the Notice Period for the Convening of Shareholders' General Meetings by Companies Listed Overseas (hereinafter referred to as the "Reply on Adjusting the Notice Period"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), and other relevant provisions.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 2 The Company is a joint stock company with limited liability (hereinafter referred to as the “Company”) incorporated in accordance with the Company Law, the Special Regulations and other relevant laws and administrative regulations of the PRC.</p> <p>Upon approval by the Ministry of Commerce of the People’s Republic of China in Shang Zi Pi [2007] No. 2025 Document on December 6, 2007, the Company was established by Shenzhen Hepalink Pharmaceutical Company Limited (a Sino-foreign joint venture) by promotion through change according to the law and the original investors of Shenzhen Hepalink Pharmaceutical Company Limited were the promoters of the Company; the Company was registered with Shenzhen Administration for Industry and Commerce and obtained its business license on December 27, 2007, with social credit code 91440300279544901A.</p>	<p>Article 2 The Company is a joint stock company with limited liability (hereinafter referred to as the “Company”) incorporated in accordance with the Company Law, the Special Regulations and other relevant laws and administrative regulations of the PRC.</p> <p>Upon approval by the Ministry of Commerce of the People’s Republic of China in Shang Zi Pi [2007] No. 2025 Document on December 6, 2007, the Company was established by Shenzhen Hepalink Pharmaceutical Company Limited (a Sino-foreign joint venture) by promotion through change according to the law and the original investors of Shenzhen Hepalink Pharmaceutical Company Limited were the promoters of the Company; the Company was registered with Shenzhen Administration for Industry and Commerce and obtained its business license on December 27, 2007, with social credit code 91440300279544901A.</p>
<p>Article 5 The address of the Company: No. 21 Langshan Road, Songpingshan, Nanshan District, Shenzhen; Postcode: 518057; Telephone number: +86755 2698 0200; Fax number: +86755 2698 0183.</p>	<p>Article 5 The address of the Company: No. 21 Langshan Road, Songpingshan, Nanshan District, Shenzhen; Postcode: 518057; Telephone number: +86755 2698 0200; Fax number: +86755 2698 0183. <u>(The branch office is located at No. 1 Rongqia Road, Kezhi Street, Pinghadi District, Shenzhen City, Guangdong Province)</u></p>
<p>Article 10 The Articles of Association shall take effect after consideration and approval at the Shareholders’ general meeting and as from the date on which the Company’s H shares are listed on the Hong Kong Stock Exchange. The original articles of association of the Company shall become null and void automatically on the date when the Articles of Association come into effect.</p> <p>From the date on which the Articles of Association comes into effect, the Articles of Association shall constitute a legally binding document that regulates the Company’s organization and actions, and governs the rights and obligations between the Company and each of its shareholders and of the shareholders inter se.</p>	<p>Article 10 The Articles of Association shall take effect after consideration and approval at the Shareholders’ general meeting and as from the date on which the Company’s H shares are listed on the Hong Kong Stock Exchange. The original articles of association of the Company shall become null and void automatically on the date when the Articles of Association come into effect.</p> <p>From the date on which the Articles of Association comes into effect, the Articles of Association shall constitute a legally binding document that regulates the Company’s organization and actions, and governs the rights and obligations between the Company and each of its shareholders and of the shareholders inter se.</p>

PROPOSED AMENDMENTS TO THE ARTICLES

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Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Overseas listed foreign shares issued by the Company and listed in Hong Kong are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in RMB and which are subscribed for and traded in Hong Kong dollars.</p> <p>Shareholders of domestic shares and shareholders of overseas listed foreign shares are both ordinary shareholders and shall have the same rights and bear the same obligations in any distribution in the form of dividends or other forms.</p>	
<p>Article 23 Before the issuance of the H shares, the Company had a total of 1,247,201,704 shares, which were all ordinary shares.</p> <p>Upon approval by the CSRC on April 1, 2020, the Company issued 220,094,500 H shares to the</p>	

Existing Text of the Article of Association	Proposed Amendments to the Article of Association
<p>Article 25 If the Company separately issues H shares and domestic shares within the total number specified in the plan for issuance, the said shares shall be issued respectively at one time; if it is impossible for the shares to be issued at one time for special reasons, the shares may be issued across several times upon approval by the securities regulatory authority of the State Council.</p>	<p>Deleted.</p>
<p>Section 2 Licensure, Decrease and Repurchase of Share</p>	<p>Section 2 Licensure, Decrease and Repurchase of Share</p>
<p>Article 29 The Company may repurchase its shares in the following circumstances according to laws, administrative regulations, departmental rules and the Articles of Association: (I) reduction of the Company's registered capital; (II) merging with another company holding shares in the Company; (III) use of its shares for carrying out an employee stock ownership plan or equity incentive; (IV) requests to the Company to acquire their shares by shareholders who have voted against the resolutions passed at a Shareholders' general meeting on the merger or division of the Company; (V) use of shares for conversion of convertible corporate bonds issued by a listed company; (VI) the share repurchase is necessary for a listed company to maintain its corporate value and protect its Shareholders' equity; and (VII) other circumstances permitted by laws and administrative regulations.</p> <p>Except for the circumstances set out above, the Company shall not repurchase its shares.</p>	<p>Article 25 The Company may not repurchase its shares in the following circumstances according to laws, administrative regulations, departmental rules and the Articles of Association; except in the following circumstances: (I) reduction of the Company's registered capital; (II) merging with another company holding shares in the Company; (III) use of its shares for carrying out an employee stock ownership plan or equity incentive; (IV) requests to the Company to acquire their shares by shareholders who have voted against the resolutions passed at a Shareholders' general meeting on the merger or division of the Company; (V) use of shares for conversion of convertible corporate bonds issued by a listed company; (VI) the share repurchase is necessary for a listed company to maintain its corporate value and protect its Shareholders' equity; and (VII) other circumstances permitted by laws and administrative regulations.</p> <p>Except for the circumstances set out above, the Company shall not repurchase its shares</p>

Existing Terms of the Article of Association	Proposed Amendments to the Article of Association

Existing Terms of the Article of Association	Proposed Amendments to the Article of Association
Section 3 Transfer of Share	Section 3 Transfer of Share
<p>Article 39 Shares held by promoters shall not be transferred within one year from the date of establishment of the Company. Shares issued prior to the Company's initial public offering shall not be transferable within one year after the date on which the Company's shares are listed on the stock exchange.</p> <p>The directors, supervisors and senior management of the Company shall notify the Company about their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office. Shares of the Company held by them shall not be transferred within one year after the shares of the Company are listed and within 6 months after their departure from the Company. In the period of twelve months commencing from the date on which the aforesaid six months expire, the shares disposed by them through the listing on stock exchange shall not exceed 50% of their total shareholding of the Company.</p>	<p>Article 35 Shares held by promoters shall not be transferred within one year from the date of establishment of the Company. Shares issued prior to the Company's initial public offering shall not be transferable within one year after the date on which the Company's shares are listed on the stock exchange.</p> <p>The directors, supervisors and senior management of the Company shall notify the Company about their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office. Shares of the Company held by them shall not be transferred within one year after the shares of the Company are listed and within 6 months after their departure from the Company. In the period of twelve months commencing from the date on which the aforesaid six months expire, the shares disposed by them through the listing on stock exchange shall not exceed 50% of their total shareholding of the Company.</p>
<p>Article 40 If the directors, supervisors, senior management and shareholders holding more than 5% of the shares of the Company sell shares within six months after buying the same or buy shares within six months after selling the same, the gains arising therefrom shall belong to the Company and the Board of the Company shall recover the said gains. However, if a securities firm holds more than 5% of the shares by buying the shares remaining after exclusive selling, the said 6-month limitation for selling the said shares shall not apply.</p>	<p>Article 36 If the directors, supervisors, senior management and shareholders holding more than 5% of the shares of the Company sell shares or <u>hereafter</u> equity <u>equity</u> within six months after buying the same or buy shares within six months after selling the same, the gains arising therefrom shall belong to the Company and the Board of the Company shall recover the said gains. However, if a securities firm holds more than 5% of the shares by buying the shares remaining after exclusive selling, the said 6-month limitation for selling the said shares shall not apply <u>except for the circumstances specified by the CSRC.</u></p> <p><u>The above equity holders held by Directors, supervisors, senior management and shareholders have agreed in the preceding paragraph and have equity holders held by them, parents, and children and have agreed to accept the same.</u></p>

Existing Text of the Article of Association	Proposed Amendments to the Article of Association
<p>If the Board of the Company does not observe the provision in the preceding paragraph, the shareholders have the right to require the Board to execute the provision within 30 days. If the Board fails to execute the provision within the aforesaid period, the shareholders shall have the right to directly institute legal proceedings in the people's court in their own names for the interest of the Company.</p> <p>If the Board fails to observe the provision in the first paragraph, the responsible directors shall bear joint liability according to the law.</p>	<p>If the Board of the Company does not observe the provision in the preceding first paragraph, the shareholders have the right to require the Board to execute the provision within 30 days. If the Board fails to execute the provision within the aforesaid period, the shareholders shall have the right to directly institute legal proceedings in the people's court in their own names for the interest of the Company.</p> <p>If the Board fails to observe the provision in the first paragraph, the responsible directors shall bear joint liability according to the law.</p>
Section 4 Financial Assistance for the Purchase of Shares of the Company	Deleted.
Chapter 4 Shareholders and Shareholders' General Meeting	Chapter 4 Shareholders and Shareholders' General Meeting
Section 1 Shareholders	Section 1 Shareholders
<p>Article 56 Shareholders of the Company are persons lawfully holding shares of the Company, with names (titles) recorded in the register of shareholders. The Company shall keep a register of shareholders according to the vouchers provided by the securities registration authority. Such a register bears adequate evidence of the shareholders holding shares of the Company. A shareholder shall enjoy rights and bear obligations according to the class and quantity of his/her shares. Shareholders of the same class shall enjoy the same rights and bear the same obligations.</p>	<p>Article 37 Shareholders of the Company are persons lawfully holding shares of the Company, with names (titles) recorded in the register of shareholders. The Company shall keep a register of shareholders according to the vouchers provided by the securities registration authority. Such a register bears adequate evidence of the shareholders holding shares of the Company. A shareholder shall enjoy rights and bear obligations according to the class and quantity of his/her shares. Shareholders of the same class shall enjoy the same rights and bear the same obligations.</p>
<p>Article 57 If the Company convenes a Shareholders' general meeting, distributes dividends, commences liquidation or executes any other act requiring identification of the shareholders, the convener of the Board meeting or the Shareholders' general meeting shall determine the record date, at the end of which the shareholders in the register shall be shareholders entitled to the relevant interests.</p>	<p>Article 38 If the Company convenes a Shareholders' general meeting, distributes dividends, commences liquidation or executes any other act requiring identification of the shareholders, the convener of the Board meeting or the Shareholders' general meeting shall determine the record date, at the end of which the shareholders in the register shall be shareholders entitled to the relevant interests.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
Section 2 General Provisions of Shareholders' General Meeting	Section 2 General Provisions of Shareholders' General Meeting
<p>Article 67 The Shareholders' general meeting shall be the governing organ of the Company. It may exercise the following powers in accordance with the law: (I) to decide on the business policies and investment plans of the Company; (II) to elect and replace directors, and supervisors who are not appointed as representatives of the employees and to decide on the remuneration of the relevant directors and supervisors; (III) to consider and approve reports made by the Board; (IV) to consider and approve reports made by the Supervisory Committee; (V) to consider and approve the Company's annual financial budgets and final accounts; (VI) to consider and approve the Company's profit distribution plans and loss recovery plans; (VII) to resolve on the increase or reduction of the Company's registered capital; (VIII) to resolve on the issuance of bonds of the Company; (IX) to resolve on matters such as the merger, division, dissolution, liquidation or change of form of the Company; (X) to amend the Articles of Association; (XI) to resolve on the appointment or removal of any accounting firm by the Company; (XII) to consider the proposals raised by the shareholders severally or jointly representing more than 3% of the voting shares of the Company; (XIII) to consider the guarantees stated in Article 68 of the Articles of Association; (XIV) to consider the acquisitions or disposals of any major assets by the Company of which the amount exceeds 30% of its latest audited total assets within the last year; (XV) to consider and approve any change of the use of proceeds raised; (XVI) to consider the share incentive schemes; and (XVII) to consider such other matters to be resolved at the Shareholders' general meeting as stipulated by laws, administrative regulations, departmental rules, listing rules for stock exchanges where the Company's shares are listed or the Articles of Association.</p>	<p>Article 48 The Shareholders' general meeting shall be the governing organ of the Company. It may exercise the following powers in accordance with the law: (I) to decide on the business policies and investment plans of the Company; (II) to elect and replace directors, and supervisors who are not appointed as representatives of the employees and to decide on the remuneration of the relevant directors and supervisors; (III) to consider and approve reports made by the Board; (IV) to consider and approve reports made by the Supervisory Committee; (V) to consider and approve the Company's annual financial budgets and final accounts; (VI) to consider and approve the Company's profit distribution plans and loss recovery plans; (VII) to resolve on the increase or reduction of the Company's registered capital; (VIII) to resolve on the issuance of bonds of the Company; (IX) to resolve on matters such as the merger, division, dissolution, liquidation or change of form of the Company; (X) to amend the Articles of Association; (XI) to resolve on the appointment or removal of any accounting firm by the Company; (XII) to consider the proposals raised by the shareholders severally or jointly representing more than 3% of the voting shares of the Company; (XIII) (XII) to consider the guarantees stated in Article 49 of the Articles of Association; (XIV) (XIII) to consider the acquisitions or disposals of any major assets by the Company of which the amount exceeds 30% of its latest audited total assets within the last year; (XV) (XIV) to consider and approve any change of the use of proceeds raised; (XVI) (XV) to consider the share incentive schemes and the shareholders have their plans; and (XVII) (XVI) to consider such other matters to be resolved at the Shareholders' general meeting as stipulated by laws, administrative regulations, departmental rules, listing rules for stock exchanges where the Company's shares are listed or the Articles of Association.</p>
<p>The foregoing functions and powers of the Shareholders' general meeting shall not be exercised by the Board of Directors or any other body or individual on its behalf by means of authorization.</p>	<p>The foregoing functions and powers of the Shareholders' general meeting shall not be exercised by the Board of Directors or any other body or individual on its behalf by means of authorization.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 68 The provision of any of the following guarantee for any external party by the Company shall be considered and approved by the Shareholders' general meeting: (I) any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets; (II) guarantees where the amount of guarantees provided in the preceding 12 consecutive months exceeds 30% of the Company's latest audited total assets; (III) guarantees where the amount of guarantees provided in the preceding 12 consecutive months exceeds 50% of the Company's latest audited net assets, with the absolute amount exceeding RMB50 million; (IV) any guarantee provided for any entity with an asset-liability ratio of more than 70%; (V) any single guarantee with a value of more than 10% of the latest audited net assets of the Company; (VI) guarantees provided to shareholders, de facto controller and their related parties; and (VII) other external guarantees which are subject to consideration at the Shareholders' general meeting in accordance with the laws, administrative regulations, departmental rules, regulatory documents, listing rules for stock exchanges where the Company's shares are listed.</p> <p>External guarantees to be considered at the Shareholders' general meeting shall be considered and approved by the Board before submission to the Shareholders' general meeting for consideration.</p>	<p>Article 49 The provision of any of the following guarantee for any external party by the Company shall be considered and approved by the Shareholders' general meeting: (I) any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets; (II) g uarantee provided after the total amount of external g uarantee of the Company and its controlled subsidiaries ceed 30% of the latest audited total assets; (III) g uarantee where the amount of guarantees provided in the preceding 12 consecutive months exceeds 30% of the Company's latest audited total assets; (IV) g uarantee where the amount of guarantees provided in the preceding 12 consecutive months exceeds 30% 50% of the Company's latest audited net assets, with the absolute amount exceeding RMB50 million; (V) any guarantee provided for any entity with an asset-liability ratio of more than 70%; (V) any single guarantee with a value of more than 10% of the latest audited net assets of the Company; (VI) guarantees provided to shareholders, de facto controller and their related parties; and (VII) other external guarantees which are subject to consideration at the Shareholders' general meeting in accordance with the laws, administrative regulations, departmental rules, regulatory documents, listing rules for stock exchanges where the Company's shares are listed.</p> <p>External guarantees to be considered at the Shareholders' general meeting shall be considered and approved by the Board before submission to the Shareholders' general meeting for consideration.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p data-bbox="263 314 721 378">Section 3 Convening of Shareholders' General Meeting</p> <p data-bbox="204 393 785 663">Article 76 Where the Supervisory Committee or shareholders decide to convene a Shareholders' general meeting by itself/themselves, the Board of Directors shall be notified in writing, and the meeting shall be registered with the local branch of the CSRC at the location of the Company and the stock exchange where the Company's shares are listed.</p> <p data-bbox="204 708 785 874">The shareholder(s) convening the Shareholders' general meeting shall hold no less than 10% of the shares of the Company prior to the announcement of any resolution approved at the Shareholders' general meeting.</p> <p data-bbox="204 919 785 1181">The Supervisory Committee or the convening shareholders shall, upon issuing the notice of Shareholders' general meeting and announcement of any resolution approved at such meeting, submit the relevant documentation to the CSRC office at the location of the Company and the stock exchange where the Company's shares are listed.</p>	<p data-bbox="869 314 1327 378">Section 3 Convening of Shareholders' General Meeting</p> <p data-bbox="810 393 1391 663">Article 57 Where the Supervisory Committee or shareholders decide to convene a Shareholders' general meeting by itself/themselves, the Board of Directors shall be notified in writing, and the meeting shall be registered with the local branch of the CSRC at the location of the Company and the stock exchange where the Company's shares are listed.</p> <p data-bbox="810 708 1391 874">The shareholder(s) convening the Shareholders' general meeting shall hold no less than 10% of the shares of the Company prior to the announcement of any resolution approved at the Shareholders' general meeting.</p> <p data-bbox="810 919 1391 1181">The Supervisory Committee or the convening shareholders shall, upon issuing the notice of Shareholders' general meeting and announcement of any resolution approved at such meeting, submit the relevant documentation to the CSRC office at the location of the Company and the stock exchange where the Company's shares are listed.</p>
<p data-bbox="290 1198 694 1261">Section 4 Period and Notice of Shareholders' General Meeting</p> <p data-bbox="204 1276 785 1474">Article 81 The convener shall notify shareholders of the annual general meeting by announcement 20 working days before the meeting, and shall notify shareholders of the extraordinary general meeting by announcement 15 days (and at least 10 working days) before the meeting.</p>	<p data-bbox="896 1198 1300 1261">Section 4 Period and Notice of Shareholders' General Meeting</p> <p data-bbox="810 1276 1391 1474">Article 62 The convener shall notify shareholders of the annual general meeting by announcement 20 working days before the meeting, and shall notify shareholders of the extraordinary general meeting by announcement 15 days (and at least 10 working days) before the meeting.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 83 The notice of a Shareholders' general meeting shall: (I) be issued in writing; (II) specify the time, venue, form and duration of the meeting; (III) state the matters and proposals to be considered at the meeting; (IV) provide shareholders with all such information and explanation necessary to enable Shareholders to make informed decisions on the matters to be discussed. Without limiting the generality of the foregoing, where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and the contracts, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained; (V) if any of the directors, supervisors, general manager and other senior management have material interest in the matters to be discussed, they shall disclose the nature and extent of such interest; and if the effects of the matters to be discussed have a different effect on a director, supervisor, general manager and other senior management in their capacity as shareholders from that on the shareholders of the same class, they shall explain such difference; (VI) contain the full text of any special resolution to be voted on at the meeting; (VII) contain a prominent statement stating that all shareholders are entitled to attend the meeting and appoint a proxy in writing to attend and vote on his/her behalf, and such proxy need not be a shareholder of the Company; (VIII) specify the time and venue for delivering the proxy form authorizing the proxy to vote at the relevant meeting; (IX) specify the record date for determining the shareholders who are entitled to attend the Shareholders' general meeting. The interval between the record date and the meeting date shall not be more than seven working days. The record date shall not be changed once confirmed; and (X) state the names and telephone numbers of the standing contact persons for the meeting.</p>	<p>Article 64 The notice of a Shareholders' general meeting shall: (I) be issued in writing <u>advance</u>; (II) specify the time, venue, form and duration of the meeting; (III) state the matters and proposals to be considered at the meeting; (IV) provide shareholders with all such information and explanation necessary to enable Shareholders to make informed decisions on the matters to be discussed. Without limiting the generality of the foregoing, where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and the contracts, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained; (V) if any of the directors, supervisors, general manager and other senior management have material interest in the matters to be discussed, they shall disclose the nature and extent of such interest; and if the effects of the matters to be discussed have a different effect on a director, supervisor, general manager and other senior management in their capacity as shareholders from that on the shareholders of the same class, they shall explain such difference; (VI) contain the full text of any special resolution to be voted on at the meeting; (VII) contain a prominent statement stating that all shareholders are entitled to attend the meeting and appoint a proxy in writing to attend and vote on his/her behalf, and such proxy need not be a shareholder of the Company; (VIII) specify the time and venue for delivering the proxy form authorizing the proxy to vote at the relevant meeting; (IX) specify the record date for determining the shareholders who are entitled to attend the Shareholders' general meeting. The interval between the record date and the meeting date shall not be more than seven working days. The record date shall not be changed once confirmed; (X) state the names and telephone numbers of the standing contact persons for the meeting; <u>and</u> (XI) Voting time and voting procedure shall be as follows:</p>

Existing Terms of the Article of Association	Proposed Amendments to the Article of Association
<p>Where a Shareholders' general meeting is held online or through other means, the designated time and procedure for voting online or other means shall be expressly stated in the notice of such meeting.</p> <p>Notices and supplementary notices of Shareholders' general meetings shall adequately and completely disclose the specific contents of all proposals, as well as all the information or explanations necessary for the shareholders to make a reasonable judgment in respect of the matters to be discussed. Where the opinions of an independent director are required in relation to the matters to be discussed, such opinions and reasons shall be disclosed when the notices or supplementary notices of Shareholders' general meetings are served.</p>	<p>Where a Shareholders' general meeting is held online or through other means, the designated time and procedure for voting online or other means shall be expressly stated in the notice of such meeting.</p> <p>Notices and supplementary notices of Shareholders' general meetings shall adequately and completely disclose the specific contents of all proposals, as well as all the information or explanations necessary for the shareholders to make a reasonable judgment in respect of the matters to be discussed. Where the opinions of an independent director are required in relation to the matters to be discussed, such opinions and reasons shall be disclosed when the notices or supplementary notices of Shareholders' general meetings are served.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 85 Unless otherwise stipulated by laws, administrative regulations, listing rules for stock exchanges where the Company's shares are listed or the Articles of Association, the notice of a Shareholders' general meeting shall be delivered by hand or prepaid mail to all shareholders (regardless of whether they have voting rights at the Shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For shareholders of domestic shares, the notice of a Shareholders' general meeting may be in the form of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers specified by the securities regulatory authority of the State Council 20 to 25 working days prior to the date on which the annual general meeting is to be convened, and 15 to 20 days (and not less than 10 working days) prior to the date on which the extraordinary general meeting is to be convened, and all holders of domestic shares shall be deemed to have been notified of the forthcoming Shareholders' general meeting once the announcement is published.</p> <p>Provided that such action complies with relevant laws and regulations and the listing rules for stock exchanges where the Company's shares are listed and fulfills relevant procedures, for shareholder of H shares, the Company may also send the</p>	

Existing Terms of the Article of Association	Proposed Amendments to the Article of Association
Section 5 H ¹ ding f Shareh ¹ der , General Meeting	Section 5 H ¹ ding f Shareh ¹ der , General Meeting
<p>Article 102 Minutes of a Shareholders' general meeting shall be kept by the Secretary to the Board. The meeting minutes shall specify: (I) the time, venue and agenda of the meeting, and the name of the convener; (II) the names of the chairperson, and the directors, supervisors, general manager and other senior management attending or present at the meeting; (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the percentage of these shares to the total number of shares of the Company; (IV) the consideration process, summaries of speeches and voting result for each proposal; (V) details of the inquiries or suggestions from shareholders, and the corresponding response or explanations; (VI) the name(s) of the lawyer(s), counting officer(s) and monitoring officer(s); and (VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.</p>	<p>Article 83 Minutes of a Shareholders' general meeting shall be kept by the Secretary to the Board. The meeting minutes shall specify: (I) the time, venue and agenda of the meeting, and the name of the convener; (II) the names of the chairperson, and the directors, supervisors, general manager and other senior management attending or present at the meeting; (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the percentage of these shares to the total number of shares of the Company; (IV) the consideration process, summaries of speeches and voting result for each proposal; (V) details of the inquiries or suggestions from shareholders, and the corresponding response or explanations; (VI) the name(s) of the lawyer(s), counting officer(s) and monitoring officer(s); (VII) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the percentage of these shares to the total number of shares of the Company; (VIII) When recording the meeting results, the number of shares of each shareholder shall be recorded by the shareholders and the company and the shareholders and the company shall record the meeting results; and (IX) other contents that shall be recorded in the minutes in accordance with the Articles of Association.</p>

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Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 109 Shareholders (including proxies thereof) shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote.</p> <p>When the Shareholders' general meeting considers significant matters that could affect the interests of medium and small investors, the votes by medium and small investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly and publicly in accordance with relevant laws and regulations and the listing rules for stock exchanges where the Company's shares are listed.</p> <p>The Company has no voting right for the shares it holds, and these shares shall be excluded from the total number of voting shares represented by the shareholders attending the Shareholders' general meeting.</p> <p>The Board, independent directors and shareholders who satisfy relevant requirements may solicit voting rights from shareholders. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting Shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>	<p>Article 90 Shareholders (including proxies thereof) shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote.</p> <p>When the Shareholders' general meeting considers significant matters that could affect the interests of medium and small investors, the votes by medium and small investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly and publicly in accordance with relevant laws and regulations and the listing rules for stock exchanges where the Company's shares are listed.</p> <p>If a shareholder purchases the Company's voting shares in reliance of the provisions of Paragraph 1 and 2 of Article 63 of the Securities Law, he has exceeding the prescribed proportion and exercise voting rights within 36 months after the purchase. And it is decided that the number of shares in his right be excluded from the general meeting of shareholders.</p> <p>The Company has no voting right for the shares it holds, and these shares shall be excluded from the total number of voting shares represented by the shareholders attending the Shareholders' general meeting.</p> <p>The Board, independent directors and shareholders who satisfy relevant requirements may solicit voting rights from shareholders holding more than 1% of the shares, and the proportion of solicited shares shall be established in accordance with the administrative regulations of the provisions of the China Securities Regulatory Commission and the provisions of the listed company's shareholder voting rights. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting Shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights, except for the administrative regulations.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 110 When a related party transaction is considered at a Shareholders' general meeting, the related shareholders may attend the Shareholders' general meeting and may express their views to the attending shareholders in accordance with meeting procedure, but shall not vote, and the voting shares represented by them shall not be counted in the total number of valid votes; the announcement of any resolution made at the Shareholders' general meeting shall adequately disclose information relating to voting by non-related shareholders.</p> <p>The chairperson of the meeting shall, before any proposal on related party transactions is considered at the Shareholders' general meeting, inform related shareholders that they are not entitled to vote on the proposal, and announce the number of attending shareholders and proxies other than related shareholders and the total number of their voting shares.</p> <p>The votes cast by any related shareholder on related party transactions in violation of this Article shall be invalid.</p> <p>Resolution at a Shareholders' general meeting on a related party transaction shall be passed by votes representing more than one half of the voting rights held by non-related shareholders attending the Shareholders' general meeting. However, if the related party transaction involves any of the matters specified in Article 108 of the Articles of Association, a resolution at a Shareholders' general meeting on the related party transaction shall be passed by votes representing more than two thirds of the voting rights held by non-related shareholders attending the Shareholders' general meeting.</p>	<p>Article 91 When a related party transaction is considered at a Shareholders' general meeting, the related shareholders may attend the Shareholders' general meeting and may express their views to the attending shareholders in accordance with meeting procedure, but shall not vote, and the voting shares represented by them shall not be counted in the total number of valid votes; the announcement of any resolution made at the Shareholders' general meeting shall adequately disclose information relating to voting by non-related shareholders.</p> <p>The chairperson of the meeting shall, before any proposal on related party transactions is considered at the Shareholders' general meeting, inform related shareholders that they are not entitled to vote on the proposal, and announce the number of attending shareholders and proxies other than related shareholders and the total number of their voting shares.</p> <p>The votes cast by any related shareholder on related party transactions in violation of this Article shall be invalid.</p> <p>Resolution at a Shareholders' general meeting on a related party transaction shall be passed by votes representing more than one half of the voting rights held by non-related shareholders attending the Shareholders' general meeting. However, if the related party transaction involves any of the matters specified in Article 108 89 of the Articles of Association, a resolution at a Shareholders' general meeting on the related party transaction shall be passed by votes representing more than two thirds of the voting rights held by non-related shareholders attending the Shareholders' general meeting.</p>
<p>Article 111 The Company shall provide convenience to shareholders to attend Shareholders' general meetings by whatever means including preferentially providing modern IT means such as online voting platform, provided that the Shareholders' general meetings shall be held legally and validly.</p>	<p>Deleted.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 114 A cumulative voting system shall be adopted for the election of more than one director or supervisor at the Shareholders' general meeting.</p> <p>The cumulative voting system referred to in the preceding paragraph means that each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the Shareholders' general meeting, and shareholders may consolidate their votes for one or more directors or supervisors. The Board of Directors shall provide shareholders with the brief biographies and background information of the candidates for the roles of directors or supervisors.</p>	<p>Article 94 A cumulative voting system shall be adopted for the election of director or supervisor at the Shareholders' general meeting. <u>When the number of directors to be elected is equal to or greater than 10, a cumulative voting system shall be applied.</u></p> <p>The cumulative voting system referred to in the preceding paragraph means that each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the Shareholders' general meeting, and shareholders may consolidate their votes for one or more directors or supervisors. The Board of Directors shall provide shareholders with the brief biographies and background information of the candidates for the roles of directors or supervisors.</p>

<p style="text-align: center;">E i i g T e r m f h e A r t i c l e f A c t i a i i</p>	<p style="text-align: center;">P r P e d A m e n d m e n t s h e A r t i c l e f A c t i a i i</p>
<p>The principles below shall be followed for voting at a Shareholders' general meeting under the cumulative voting system: (I) the number of candidates for the roles of directors or supervisors may be greater than that of the directors or supervisors to be elected at the Shareholders' general meeting, but the number of candidates to be voted by each shareholder shall not exceed the number of directors or supervisors to be elected at the Shareholders' general meeting, and the total number of votes allocated to the shareholders shall not exceed the number of votes held by them; otherwise, the votes shall be invalid; (II) voting for independent directors and non-independent directors shall be carried out separately. For the election of independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of independent directors to be elected, and such votes must be cast only for the candidates for the role of the Company's independent directors; for the election of non-independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of non-independent directors to be elected, and such votes must be cast only for the candidates for the role of the Company's non-independent directors; and (III) the candidates to be finally elected as directors or supervisors shall be determined according to the numbers of votes they have received, but the minimum number of votes each candidate elected has received must exceed half of the total number of shares held by shareholders (including proxies thereof) attending the Shareholders' general meeting. If the number of directors or supervisors elected falls short of the number of directors or supervisors to be elected at the Shareholders' general meeting, a new round of voting shall be carried out for the candidates for the roles of directors or supervisors not having received the required number of votes to fill the shortage. If the shortage is still not filled, a by-election shall be conducted at the next Shareholders' general meeting of the Company. If two or more candidates for the roles of directors or supervisors have the same number of votes, but not all of them can be elected according to the election quota, a separate round of voting shall be conducted for such candidates with the same number of votes.</p>	<p>The principles below shall be followed for voting at a Shareholders' general meeting under the cumulative voting system: (I) the number of candidates for the roles of directors, independent directors ^P or supervisors may be greater than that of the directors or supervisors to be elected at the Shareholders' general meeting, but the number of candidates to be voted by each shareholder shall not exceed the number of directors, independent directors ^P or supervisors to be elected at the Shareholders' general meeting, and the total number of votes allocated to the shareholders shall not exceed the number of votes held by them; otherwise, the votes shall be invalid; (II) voting for independent directors and non-independent directors shall be carried out separately. For the election of independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Article 124 An on-site Shareholders' general meeting shall not conclude earlier than that held online or by other means, and the chairperson of the meeting shall be responsible for determining whether a proposal is passed or not at the Shareholders' general meeting according to the</p>	

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
Chapter 5 Board of Directors	Chapter 5 Board of Directors
Section 2 Board of Directors	Section 2 Board of Directors
<p>Article 151 The Board shall exercise the following functions and powers: (I) to convene Shareholders' general meetings and report to the Shareholders' general meeting; (II) to implement resolutions passed at the Shareholders' general meetings; (III) to determine the Company's business plans and investment plans; (IV) to formulate the Company's annual financial budgets and final accounting plans; (V) to formulate the Company's profit distribution plans and loss recovery plans; (VI) to formulate the proposals for increase or decrease of the Company's registered capital, and proposals for the issuance of bonds or other securities and listing; (VII) to formulate plans for any substantial acquisition by the Company, repurchase of Shares or merger, division, dissolution and change in form of the Company; (VIII) to decide matters relating, but not limited to, to the Company's external investments, purchase and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions within the scope of authority granted by the Shareholders' general meeting; (IX) to decide the establishment of the Company's internal management structure; (X) to appoint or dismiss the Company's general manager and Secretary to the Board and, based on nomination by the general manager, to appoint or dismiss senior management including the deputy general manager and chief financial officer of the Company and to determine their remuneration, incentives and penalties; (XI) to formulate the basic management policies of the Company; (XII) to formulate the proposals for any amendment to the Articles of Association; (XIII) to manage matters relating to information disclosure of the Company; (XIV) to propose to the Shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of the Company; (XV) to consider and review the working report and the work of the general manager of the Company; and (XVI) to perform other functions and powers specified by the laws, administrative regulations, departmental rules, listing rules for stock exchanges where the Company's shares are listed or the Articles of Association.</p>	<p>Article 123 The Board shall exercise the following functions and powers: (I) to convene Shareholders' general meetings and report to the Shareholders' general meeting; (II) to implement resolutions passed at the Shareholders' general meetings; (III) to determine the Company's business plans and investment plans; (IV) to formulate the Company's annual financial budgets and final accounting plans; (V) to formulate the Company's profit distribution plans and loss recovery plans; (VI) to formulate the proposals for increase or decrease of the Company's registered capital, and proposals for the issuance of bonds or other securities and listing; (VII) to formulate plans for any substantial acquisition by the Company, repurchase of Shares or merger, division, dissolution and change in form of the Company; (VIII) to decide matters relating, but not limited to, to the Company's external investments, purchase and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, and connected transactions <u>and d.a.i</u> within the scope of authority granted by the Shareholders' general meeting; (IX) to decide the establishment of the Company's internal management structure; (X) <u>to decide</u> to appoint or dismiss the Company's general manager and Secretary to the Board and <u>their entrusted management, and decide their remuneration, incentives, and to appoint and dismiss senior management</u>, based on nomination by the general manager, <u>decide</u> to appoint or dismiss senior management including the deputy general manager and chief financial officer of the Company and to determine their remuneration, incentives and penalties; (XI) to formulate the basic management policies of the Company; (XII) to formulate the proposals for any amendment to the Articles of Association; (XIII) to manage matters relating to information disclosure of the Company; (XIV) to propose to the Shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of the Company; (XV) to consider and review the working report and the work of the general manager of the Company; and (XVI) to perform other functions and powers specified by the laws, administrative regulations, departmental rules, listing rules for stock exchanges where the Company's shares are listed or the Articles of Association.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than one half of the directors save for the issues specified in (VI), (VII) and (XII) and other issues specified by the laws, administrative regulations, departmental rules, listing rules for stock exchanges where the Company's shares are listed or the Articles of Association, for which approval of two thirds of the directors is required.</p> <p>The Board of the Company may have an Audit Committee and other special committees on strategy, nomination, remuneration and evaluation as needed. The special committees shall be accountable to the Board and fulfill duties as specified in the Articles of Association and as authorized by the Board, and proposals of the committees shall be submitted to the Board for examination and decision. The special committees shall all consist of directors. In the Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee, independent directors shall be the majority and shall act as conveners, and the convener of the Audit Committee shall be an accountant. The Board shall be responsible for formulating the procedures governing the work of the special committees and regulate their operations.</p>	<p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than one half of the directors save for the issues specified in (VI), (VII) and (XII) and other issues specified by the laws, administrative regulations, departmental rules, listing rules for stock exchanges where the Company's shares are listed or the Articles of Association, for which approval of two thirds of the directors is required.</p> <p>The Board of the Company may have an Audit Committee and other special committees on strategy, nomination, remuneration and evaluation as needed. The special committees shall be accountable to the Board and fulfill duties as specified in the Articles of Association and as authorized by the Board, and proposals of the committees shall be submitted to the Board for examination and decision. The special committees shall all consist of directors. In the Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee, independent directors shall be the majority and shall act as conveners, and the convener of the Audit Committee shall be an accountant. The Board shall be responsible for formulating the procedures governing the work of the special committees and regulate their operations.</p>
<p>Article 152 The Board shall not dispose of or agree to dispose of any fixed assets without the approval of the Shareholders' general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months prior to such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest balance sheet considered and approved by the Shareholders' general meeting.</p> <p>Disposal of fixed assets referred to in this Article include the transfer of some asset interests, but do not include guarantees provided by the pledge of fixed assets.</p> <p>The effectiveness of the Company's transaction of disposing fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 1 of this Article.</p>	<p>Deleted.</p>

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Existing Terms of the Article of Association	Proposed Amendments to the Article of Association
<p>Article 160 Interim Board meetings may be convened upon proposal by the shareholders representing at least one-tenth of the total voting rights, by at least one-third of the directors, by at least one-half of the independent directors, by the Supervisory Committee, or by the general manager. The chairman shall convene and chair a Board meeting within 10 days after receipt of the proposal.</p>	<p>Article 131 Interim Board meetings may be convened upon proposal by the shareholders representing at least one-tenth of the total voting rights, chairman, by at least one-third of the directors, by at least one-half of the independent directors, by the Supervisory Committee or by the general manager. The chairman shall convene and chair a Board meeting within 10 days after receipt of the proposal.</p>
Chapter 6 General Manager and Other Senior Management	Chapter 6 General Manager and Other Senior Management
<p>Article 172 Staff of the controlling shareholders of the Company who serve administrative positions other than as director or supervisor shall not serve as senior management of the Company.</p>	<p>Article 143 Staff of the controlling shareholders of the Company who serve administrative positions other than as director or supervisor shall not serve as senior management of the Company.or shall</p>

Existing Terms of the Article of Association	Proposed Amendments to the Article of Association
<p>(VII) to determine the appointment or dismissal of responsible management except for those who should be appointed or dismissed by the Board;</p> <p>(VIII) to formulate the plans for the salary, benefits, rewards and punishments of the Company's employees, and to determine the employment and dismissal of the Company's employees; and</p> <p>(IX) to exercise other powers conferred by the Articles of Association or the Board.</p>	<p>(VII) to determine the appointment or dismissal of responsible management except for those who should be appointed or dismissed by the Board;</p> <p>(VIII) to formulate the plans for the salary, benefits, rewards and punishments of the Company's employees, and to determine the employment and dismissal of the Company's employees;</p>
	<p>(IX) to decide the hiring, promotion and dismissal of directors and executives, and to decide, promote and dismiss the company's employees;</p>
	<p>(X) to appoint and fire the executive director and manage the company;</p>
	<p>(XI) to decide the disposal of company property and the purchase of fixed assets, the issuance of shares and the board of directors;</p>
	<p>(XII) to appoint and fire the company's financial director, the chief financial officer and the board of directors. According to the decision of the board of directors, a joint investigation committee is established in the financial director of the company to investigate the company's financial situation;</p>
	<p>(XIII) to sign contracts and agreements on behalf of the company and the board of directors;</p>
	<p>(XIV) to issue administrative orders and decisions;</p>
	<p>(XV) to exercise other powers conferred by the Articles of Association or the Board.</p>
<p>The general manager may be present at a Board meeting. The general manager has no voting rights at the Board meetings unless he/she is also a director.</p>	<p>The general manager may be present at a Board meeting. The general manager has no voting rights at the Board meetings unless he/she is also a director.</p>

Existing Terms of the Article of Association	Proposed Amendments to the Article of Association
<p>Article 176 The working rules of the general manager shall specify: (I) the conditions, procedures and attendees for convening general manager's meetings; (II) the respective duties and division of responsibilities among the general manager and other senior management; (III) use of funds and assets of the Company, limits of his/her authority to enter into important contracts, and the system to report to the Board and the Supervisory Committee; and (IV) other matters deemed necessary by the Board.</p>	<p>Article 147 The working rules of the general manager shall specify: (I) the conditions, procedures and attendees for convening general manager's meetings; (II) the respective duties and division of responsibilities among the general manager and other senior management; (III) use of funds and assets of the Company, limits of his/her authority to enter into important contracts, and the system to report to the Board and the Supervisory Committee; and (IV) other matters deemed necessary by the Board.</p>
<p>Article 181 If any member of senior management violates the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties to the Company, thereby causing the Company to incur any loss, the said member shall be liable for compensation.</p> <p>If a member of senior management provides guarantee for others with the property of the Company without the approval of the Board or the Shareholders' general meeting, the Company shall dismiss the said member from all his/her posts in the Company; and if the Company has suffered any loss arising therefrom, the said member shall be liable for compensation.</p>	<p>Article 152 If any member of senior management violates the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties to the Company, thereby causing the Company to incur any loss, the said member shall be liable for compensation.</p> <p>If a member of senior management provides guarantee for others with the property of the Company without the approval of the Board or the Shareholders' general meeting, the Company shall dismiss the said member from all his/her posts in the Company; and if the Company has suffered any loss arising therefrom, the said member shall be liable for compensation.</p> <p>The Company's senior management shall be faithful to perform their duties and safeguard the interests of the Company and all shareholders. If the senior management of the Company fails to faithfully perform their duties and cause their fiduciary liability, hereby causing damage to the interests of the</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
	convene and chair Shareholders' general meeting when the Board fails to perform the duty of convening and chairing Shareholders' general meetings under the Company Law ; (VI) to examine the financial information such as the financial reports, operating reports and profit distribution plans to be submitted by the Board to the Shareholders' general meetings and, should any irregularities be found, to engage, in the name of the Company, certified public accountants or certified auditors for a re-examination of the aforesaid information at the cost of the Company; (VIII) to make proposals to the Shareholders' general meeting; (IX) to bring actions against the directors and senior management according to Article 152 of the Company Law; and (X) to exercise other powers stipulated by the Articles of Association. to investigate the Company should any abnormal operation situation arise; to engage accounting firms, law firms and other professional institutions to assist in the investigation if necessary, and the fees shall be borne by the Company.
Chapter 8 Qualification and Obligations of Directors, Supervisors, General Manager and Other Senior Management	Deleted.
Chapter 9 Financial and Accounting System, Profit Distribution and Audit	Chapter 8 Financial and Accounting System, Profit Distribution and Audit
Section 1 Financial and Accounting System Article 214 The Company shall submit an annual financial report to the CSRC and the stock exchange within four months from the end of each financial year, submit an interim financial report to the CSRC offices and the stock exchange within two months from the end of the first six months of each financial year, and submit a quarterly financial report to the CSRC offices and the stock exchange within one month from the end of the first three months and nine months respectively of each financial year. The aforesaid financial reports shall be prepared in accordance with relevant laws, administrative regulations and departmental rules.	Section 1 Financial and Accounting System Article 167 The Company shall submit and publish an annual financial report to the CSRC and the stock exchange within four months from the end of each financial year, submit and publish an interim financial report to the CSRC offices and the stock exchange within two months from the end of the first half of each financial year and submit a quarterly financial report to the CSRC offices and the stock exchange within one month from the end of the first three months and nine months respectively of each financial year. The aforesaid financial annual and interim reports shall be prepared in accordance with relevant laws, administrative regulations, <u>CSRC</u> and <u>the stock exchange</u> departmental rules.

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>The Company shall prepare its financial statements in accordance with the PRC accounting standards and regulations, as well as in accordance with international accounting standards or the accounting standards of the overseas locality where the Company's shares are listed. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. When distributing the after-tax profits of the relevant financial year, the Company shall take as final the smaller amount of after-tax profits out of the aforesaid two kinds of financial statements.</p> <p>The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the (or)17.7 sta434t</p>	<p>standards regulations, accordance the the inte3.2 When4 Once wit</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>The after-tax profits remaining after makeup of losses and withdrawal of reserves funds shall be distributed by the Company to the shareholders in proportion to their shareholding.</p> <p>If the Shareholders' general meeting, in violation of the provision in the preceding paragraph, distributes profits to shareholders before recovering losses and withdrawing the statutory reserve fund, the profits thus distributed shall be returned to the Company.</p> <p>The Company shall not be entitled to any distribution of profits in respect of shares held by it.</p>	<p>The after-tax profits remaining after makeup of losses and withdrawal of reserves funds shall be distributed by the Company to the shareholders in proportion to their shareholding. <u>However, this Article of Association shall prevail here if be distributed according to the shareholding.</u></p> <p>If the Shareholders' general meeting, in violation of the provision in the preceding paragraph, distributes profits to shareholders before recovering losses and withdrawing the statutory reserve fund, the profits thus distributed shall be returned to the Company.</p> <p>The Company shall not be entitled to any distribution of profits in respect of shares held by it.</p>
<p>Article 220 The Company's profit distribution policy:</p> <p>(I) The Company's profit distribution policy</p> <p>The Company adopts a consistent and stable profit distribution policy, which shall emphasize reasonable investment returns to investors, take into account the Company's sustainable development and adhere to the following principles:</p> <ol style="list-style-type: none"> 1. Profits must be distributed in the statutory order; 2. No profits shall be distributed if there is any unrecovered loss; 3. The Company shall not be entitled to any distribution of profits in respect of shares held by it. <p>(II) Form of profit distribution</p> <p>The Company may distribute profits in the form of cash, shares, a combination of cash and shares and other forms as permitted by laws and regulations. If the conditions for distribution of cash dividends are met, the Company shall first distribute profits in cash dividends.</p>	<p>Article 173 The Company's profit distribution policy:</p> <p>(I) The Company's profit distribution policy</p> <p>The Company adopts a consistent and stable profit distribution policy, which shall emphasize reasonable investment returns to investors, take into account the Company's sustainable development and adhere to the following principles:</p> <ol style="list-style-type: none"> 1. Profits must be distributed in the statutory order; 2. No profits shall be distributed if there is any unrecovered loss; 3. The Company shall not be entitled to any distribution of profits in respect of shares held by it. <p>(II) Form of profit distribution</p> <p>The Company may distribute profits in the form of cash, shares, a combination of cash and shares and other forms as permitted by laws and regulations. If the conditions for distribution of cash dividends are met, the Company shall first distribute profits in cash dividends.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>Cash dividends distributed by the Company shall be stated and announced in RMB. Cash dividends distributed by the Company to holders of domestic shares shall be paid in RMB; cash dividends distributed by the Company to holders of foreign shares shall be paid in foreign currencies.</p> <p>The sums in foreign currencies which the Company needs to pay to holders of foreign shares shall be obtained pursuant to relevant state regulations on foreign exchange. The exchange rate between a foreign currency and RMB shall be the official price of the said currency announced by the PBOC on the date of payment of the dividends.</p> <p>(III) Conditions for distribution in cash</p> <ol style="list-style-type: none"> 1. The Company's earnings per share of the current year is not less than RMB0.1; 2. The audit institution produces a standard unqualified audit report on the Company's financial reports of the current year; and 3. The Company does not have any material investment plans or major cash expenditures (excluding fundraising projects). <p>Material investment plans or major cash expenditures refer to circumstances under which the Company's accumulated expenditure for intended external investment, asset acquisition or equipment procurement in the following 12 months reaches or exceeds 30% of the latest audited net assets of the Company.</p>	<p>Cash dividends distributed by the Company shall be stated and announced in RMB. Cash dividends distributed by the Company to holders of domestic shares shall be paid in RMB; cash dividends distributed by the Company to holders of foreign shares shall be paid in foreign currencies.</p> <p>The sums in foreign currencies which the Company needs to pay to holders of foreign shares shall be obtained pursuant to relevant state regulations on foreign exchange. The exchange rate between a foreign currency and RMB shall be the official price of the said currency announced by the PBOC on the date of payment of the dividends.</p> <p>(III) Conditions for distribution in cash</p> <ol style="list-style-type: none"> 1. The Company's earnings per share of the current year is not less than RMB0.1; 2. The audit institution produces a standard unqualified audit report on the Company's financial reports of the current year; and 3. The Company does not have any material investment plans or major cash expenditures (excluding fundraising projects). <p>Material investment plans or major cash expenditures refer to circumstances under which the Company's accumulated expenditure for intended external investment, asset acquisition or equipment procurement in the following 12 months reaches or exceeds 30% of the latest audited net assets of the Company.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>(IV) Proportion of distribution in cash</p> <ol style="list-style-type: none"> 1. The profits distributed in cash by the Company every year shall not be less than 10% of the distributable profits in the current year, and the profits cumulatively distributed in cash by the Company in any three consecutive years shall not be less than 30% of the annual average distributable profits realized in these three years; 2. The Company's profit distribution shall neither exceed the range of the accumulated distributable profits nor harm the Company's ability to operate sustainably; and 3. The Board shall formulate differentiated cash dividend policies in different development stages taking into account the Company's industrial characteristics, development stages, business model, profitability, whether there are major capital expenditure arrangements and other factors: <ol style="list-style-type: none"> (1) If the Company is fully developed and has no major capital expenditure arrangements, cash dividends shall take up a minimum of 80% in the profit distribution; (2) If the Company is fully developed and has major capital expenditure arrangements, cash dividends shall take up a minimum of 40% in the profit distribution; (3) If the Company is in a growth stage and has major capital expenditure arrangements, cash dividends shall take up a minimum of 20% in the profit distribution; <p>If it is difficult to define the development stage of the Company, but the Company has major capital expenditure arrangements, the preceding provisions may still be followed.</p>	<p>(IV) Proportion of distribution in cash</p> <ol style="list-style-type: none"> 1. The profits distributed in cash by the Company every year shall not be less than 10% of the distributable profits in the current year, and the profits cumulatively distributed in cash by the Company in any three consecutive years shall not be less than 30% of the annual average distributable profits realized in these three years; 2. The Company's profit distribution shall neither exceed the range of the accumulated distributable profits nor harm the Company's ability to operate sustainably; and 3. The Board shall formulate differentiated cash dividend policies in different development stages taking into account the Company's industrial characteristics, development stages, business model, profitability, whether there are major capital expenditure arrangements and other factors: <ol style="list-style-type: none"> (1) If the Company is fully developed and has no major capital expenditure arrangements, cash dividends shall take up a minimum of 80% in the profit distribution; (2) If the Company is fully developed and has major capital expenditure arrangements, cash dividends shall take up a minimum of 40% in the profit distribution; (3) If the Company is in a growth stage and has major capital expenditure arrangements, cash dividends shall take up a minimum of 20% in the profit distribution; <p>If it is difficult to define the development stage of the Company, but the Company has major capital expenditure arrangements, the preceding provisions may still be followed.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>(V) Period of profit distribution</p> <p>The Company distributes profits once every year in principle in compliance with the profit distribution policy to ensure the Company's normal operation and long-term development; the Board of the Company may propose and implement (upon consideration and approval by the Shareholders' general meeting) an interim profit distribution plan according to the Company's profitability and capital demand.</p> <p>(VI) Conditions for share dividend distribution</p> <p>The Company may propose and implement a share dividend distribution plan while proposing the cash dividend distribution plan when it meets the conditions for cash dividend distribution and the Board believes that the Company has a reasonable share capital size and shareholding structure.</p> <p>(VII) Decision-making procedure and mechanism of profit distribution</p> <p>1. The Company's profit distribution plan shall be proposed and formulated by the Company's management and the Board based on the Company's profitability, capital demand and Shareholders' returns plan and considered at a Shareholders' general meeting after consideration and approval by the Board. Independent directors shall provide, announce and disclose their independent opinions in this regard. The cash dividend distribution plan shall be passed by votes representing more than one half of the voting rights represented by the shareholders or their proxies attending the Shareholders' general meeting; the share dividend distribution plan and the plan for distribution by integrating cash and shares shall be passed by votes representing more than two thirds of the voting rights represented by the shareholders or their proxies attending the Shareholders' general meeting;</p>	<p>(V) Period of profit distribution</p> <p>The Company distributes profits once every year in principle in compliance with the profit distribution policy to ensure the Company's normal operation and long-term development; the Board of the Company may propose and implement (upon consideration and approval by the Shareholders' general meeting) an interim profit distribution plan according to the Company's profitability and capital demand.</p> <p>(VI) Conditions for share dividend distribution</p> <p>The Company may propose and implement a share dividend distribution plan while proposing the cash dividend distribution plan when it meets the conditions for cash dividend distribution and the Board believes that the Company has a reasonable share capital size and shareholding structure.</p> <p>(VII) Decision-making procedure and mechanism of profit distribution</p> <p>1. The Company's profit distribution plan shall be proposed and formulated by the Company's management and the Board based on the Company's profitability, capital demand and Shareholders' returns plan and considered at a Shareholders' general meeting after consideration and approval by the Board. Independent directors shall provide, announce and disclose their independent opinions in this regard. The cash dividend distribution plan shall be passed by votes representing more than one half of the voting rights represented by the shareholders or their proxies attending the Shareholders' general meeting; the share dividend distribution plan and the plan for distribution by integrating cash and shares shall be passed by votes representing more than two thirds of the voting rights represented by the shareholders or their proxies attending the Shareholders' general meeting;</p>

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Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>4. Where an audit institution includes explanatory statements, expresses qualified opinion, refuses to give an opinion, or gives an adverse opinion on the financial reports of the Company in its audit report, the Board of the Company shall explain at the Shareholders' general meeting the relevant issues which led the audit institution to express the aforesaid comments and the effect on such on the financial and operating conditions of the Company. Where such issues have direct impact on the profit for the current period, the Board of the Company shall determine the profit distribution plan on the basis that whichever is lower is preferred;</p> <p>5. When the detailed cash dividend plan is considered by the Shareholders' general meeting, the Company shall actively communicate and exchange ideas with the shareholders, especially minority shareholders, by various means (including but not limited to providing online voting means and inviting minority shareholders to attend the meeting), take into full account the opinions and requests of minority shareholders and address their concerns in time.</p>	<p>4. Where an audit institution includes explanatory statements, expresses qualified opinion, refuses to give an opinion, or gives an adverse opinion on the financial reports of the Company in its audit report, the Board of the Company shall explain at the Shareholders' general meeting the relevant issues which led the audit institution to express the aforesaid comments and the effect on such on the financial and operating conditions of the Company. Where such issues have direct impact on the profit for the current period, the Board of the Company shall determine the profit distribution plan on the basis that whichever is lower is preferred;</p> <p>5. When the detailed cash dividend plan is considered by the Shareholders' general meeting, the Company shall actively communicate and exchange ideas with the shareholders, especially minority shareholders, by various means (including but not limited to providing online voting means and inviting minority shareholders to attend the meeting), take into full account the opinions and requests of minority shareholders and address their concerns in time.</p>
<p>(VIII) Disclosure of information on profit distribution</p> <p>1. The Company shall disclose the contents and implementation of its profit distribution plan and plan for conversion of capital reserve fund into share capital, and independent directors shall provide their independent opinions on the contents of the said plans;</p>	<p>(VIII) Disclosure of information on profit distribution</p> <p>1. The Company shall disclose the contents and implementation of its profit distribution plan and plan for conversion of capital reserve fund into share capital, and independent directors shall provide their independent opinions on the contents of the said plans;</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
<p>2. Where the management and the Board do not propose or formulate any cash dividend distribution plan for the Company's profits of the current year, the Company shall disclose, in its summaries of regular reports, relevant reasons, including reasons for not distributing dividends, the use and plan of use of the funds not included in the dividend distribution and retained by the Company. Independent directors shall provide and disclose their independent opinions in this respect.</p> <p>(IX) Principle of adjustment in profit distribution policies</p> <p>Where a Company needs to adjust its profit distribution policies according to the production and operation conditions, investment planning, long-term development, or due to the substantial changes in the external operating environment and its own operating conditions, the adjusted profit distribution policies shall not contravene the relevant laws and regulations, regulatory documents and the provisions of the Articles of Association. Proposals on adjustment to the profit distribution policies, in relation to which independent directors and the Supervisory Committee shall provide written opinions. Such opinions shall be submitted to the Shareholders' general meeting for deliberation after deliberation by the Board of the Company, and shall be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.</p> <p>(X) The Supervisory Committee shall supervise the implementation and decision-making procedures of the Company's profit distribution policies and Shareholders' return plans by the Board and the management of the Company, and shall issue special explanations and opinions on the implementation of the relevant policies and plans if any profits are made in a year but no profit distribution plan is proposed.</p>	<p>2. Where the management and the Board do not propose or formulate any cash dividend distribution plan for the Company's profits of the current year, the Company shall disclose, in its summaries of regular reports, relevant reasons, including reasons for not distributing dividends, the use and plan of use of the funds not included in the dividend distribution and retained by the Company. Independent directors shall provide and disclose their independent opinions in this respect.</p> <p>(IX) Principle of adjustment in profit distribution policies</p> <p>Where a Company needs to adjust its profit distribution policies according to the production and operation conditions, investment planning, long-term development, or due to the substantial changes in the external operating environment and its own operating conditions, the adjusted profit distribution policies shall not contravene the relevant laws and regulations, regulatory documents and the provisions of the Articles of Association. Proposals on adjustment to the profit distribution policies, in relation to which independent directors and the Supervisory Committee shall provide written opinions. Such opinions shall be submitted to the Shareholders' general meeting for deliberation after deliberation by the Board of the Company, and shall be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.</p> <p>(X) The Supervisory Committee shall supervise the implementation and decision-making procedures of the Company's profit distribution policies and Shareholders' return plans by the Board and the management of the Company, and shall issue special explanations and opinions on the implementation of the relevant policies and plans if any profits are made in a year but no profit distribution plan is proposed.</p>

Existing Text of the Article of Association	Proposed Amendment to the Article of Association
(XI) After the profit distribution plan is adopted at the Shareholders' general meeting, the Board shall complete the distribution of dividends (or shares) within 2 months after conclusion of the Shareholders' general meeting.	(XI) After the profit distribution plan is adopted at the Shareholders' general meeting, the Board shall complete the distribution of dividends (or shares) within 2 months after conclusion of the Shareholders' general meeting.
Section 3 Appointment of Accounting Firm	Section 3 Appointment of Accounting Firm
Article 226 The Company shall engage accounting firms "qualified for securities business" to audit its accounting statements, verify its net assets, and provide other relevant consulting services. The term of appointment shall be one year which commences on the date of conclusion of the current Shareholders' general meeting and ends on the date of conclusion of the subsequent Shareholders' general meeting. The term of office may be renewed.	Article 179 The Company shall engage accounting firms " qualified for securities business " <u>under the Securities Law</u> to audit its accounting statements, verify its net assets, and provide other relevant consulting services. The term of appointment shall be one year which commences on the date of conclusion of the current Shareholders' general meeting and ends on the date of conclusion of the subsequent Shareholders' general meeting. The term of office may be renewed.
Article 232 The remuneration of the accounting firm or the manner in which the firm is to be remunerated shall be determined by the Shareholders' general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.	Article 185 The remuneration of the accounting firm or the manner in which the firm is to be remunerated shall be determined by the Shareholders' general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.
Chapter 10 Notice and Announcement	Chapter 9 Notice and Announcement
Section 2 Announcement	Section 2 Announcement
<p>Article 243 The Company shall designate at least one newspaper and one website to issue the Company's announcement and other information to the holders of domestic shares within the media designated by the laws, regulations and the securities regulatory authority of the State Council. If the announcement shall be made to holders of H shares in accordance with the Articles of Association, the relevant announcement shall also be published in accordance with the methods prescribed in the Hong Kong Listing Rules.</p> <p>The information disclosed by the Company in other public media shall not precede the disclosure in the designated newspapers and websites, and the announcement of the Company shall not be replaced by press release or press conference, or other forms.</p>	<p>Article 196 The Company shall designate at least one newspaper and one website to issue the Company's announcement and other information to the holders of domestic shares within the media designated by the laws, regulations and the securities regulatory authority of the State Council <u>Council</u>. If the announcement shall be made to holders of H shares in accordance with the Articles of Association, the relevant announcement shall also be published in accordance with the methods prescribed in the Hong Kong Listing Rules.</p> <p>The information disclosed by the Company in other public media shall not precede the disclosure in the designated newspapers and websites, and the announcement of the Company shall not be replaced by press release or press conference, or other forms.</p>

Existing Terms of the Article of Association	Proposed Amendments to the Article of Association
The Board shall have the right to decide to adjust the designated media for information disclosure of the Company, but should ensure that the designated media for information disclosure meets the qualifications and conditions stipulated by the relevant laws and regulations in the PRC and in Hong Kong, as well as the securities regulatory authority of the State Council, the overseas regulatory authority and the stock exchanges where the Company's shares are listed.	The Board shall have the right to decide to adjust the designated media for information disclosure of the Company, but should ensure that the designated media for information disclosure meets the qualifications and conditions stipulated by the relevant laws and regulations in the PRC and in Hong Kong, as well as the securities regulatory authority of the State Council <u>CSRC</u> , the overseas regulatory authority and the stock exchanges where the Company's shares are listed.
Chapter 12 Amendments to the Article of Association	Chapter 11 Amendments to the Article of Association
Article 262 The Company shall not make any amendment to the provisions of paragraph 2 of Article 35 of the Articles of Association.	Deleted.
Article 267 Amendments of the Articles of Association which involve the contents of the Mandatory Provisions shall become effective upon receipt of approvals from the company approval authority authorized by the State Council and the securities regulatory authority of the State Council (if applicable); if the amendments involve registered particulars of the Company, registration of the change shall be carried out in accordance with the law.	Deleted.
Chapter 13 Sequence of Discipline	Deleted.

<p>Existing Terms of the Articles of Association</p>	<p>Proposed Amendments to the Articles of Association</p>
<p>Chapter 14 Supplementary Provisions</p>	<p>Chapter 12 Supplementary Provisions</p>
<p>Article 269 Definitions</p> <p>(I) Controlling shareholder: when acting alone or jointly with other parties, such a person can elect more than half of the Company's directors; when acting alone or jointly with other parties, such a person holds more than 30% (inclusive) of the outstanding shares of the Company; when acting alone or jointly with other parties, such a person can exercise more than 30% (inclusive) of the voting rights of the Company, or control the exercise of more than 30% (inclusive) of the voting rights of the Company; when acting alone or jointly with other parties, such a person has de facto control of the Company. (II) De facto controller refers to a person who is not a shareholder of the Company but can effectively control the Company through investment, agreement or other arrangements. (III) Connected relations refer to the relations between a controlling shareholder, de facto controller, director, supervisor or senior management of the Company and the enterprises directly or indirectly controlled by the same, and such other relationships which may give rise to a transfer of interests of the Company, provided however that there should be no connected relations between</p>	

Existing Text of the Article of Association	Proposed Amended the Article of Association
<p>Article 273 The Articles of Association shall be subject to the interpretation of the Board of the Company and shall take effect after adoption at the Shareholders' general meeting and shall be effective from the date on which the overseas listed foreign shares (H shares) issued by the Company are listed on the Hong Kong Stock Exchange. The original articles of association shall become null and void on the date the Articles of Association enters into effect.</p>	<p>Article 223 The Articles of Association shall be subject to the interpretation of the Board of the Company and shall take effect after adoption at the Shareholders' general meeting and shall be effective from the date on which the overseas listed foreign shares (H shares) issued by the Company are listed on the Hong Kong Stock Exchange. The original articles of association shall become null and void on the date the Articles of Association enters into effect.</p>

Note: As a result of the foregoing amendments, the numbering of each clause of the amended Articles of Association will be rearranged and the numbering of other clauses in the document referred to in the clauses will be amended accordingly.

The Articles of Association are prepared in Chinese. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING



Hankook

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

4. In order to be valid, the proxy form must be deposited, for H Share Shareholders, to the H Share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarized copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.
5. Shareholders shall produce their identification documents and supporting documents in respect of the Shares held when attending the EGM. If corporate Shareholders appoint authorised representative to attend the EGM, the authorized representative shall produce his/her identification documents and a notarized copy of the relevant authorization instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarized documents allowed by the Company. Proxies shall produce their identification documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
6. The EGM is expected to take for less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.
7. All voting at the EGM will be conducted by poll.