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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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

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

(Stock Code: 00719)

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

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

A notice convening the EGM to be held at the conference room of the Company at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC on 25 October 2024, Friday at 2:00 p.m. is set out in pages 113 to 116 of this circular.

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

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

3 October 2024

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## DEFINITIONS

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

“A Share(s)”	A Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Shenzhen Stock Exchange
“Board”	the board of Directors
“Company”	山東新華製藥股份有限公司(Shandong Xinhua Pharmaceutical Company Limited), a joint stock limited company incorporated in the PRC
“Director(s)”	director(s) of the Company
“EGM”	the first extraordinary general meeting for the year of 2024 of the Company to be held at 2:00 pm on 25 October 2024 at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC
“H Share(s)”	H Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of the H Shares
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for and only for the purpose of this circular only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Share(s)

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

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LETTER FROM THE BOARD

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

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

(Stock Code: 00719)

*Executive Directors:*

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

*Non-executive Directors:*

Mr. Xu Lie  
Mr. Zhang Chengyong

*Independent Non-executive Directors:*

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

*Registered Address:*

Chemical Industry Area of Zibo Hi-tech  
Industry Development Zone,  
Zibo City,  
Shandong Province,  
PRC

*Principal Place of Office*

No. 1 Lutai Ave.,  
Hi-tech Industry Development Zone, Zibo City,  
Shandong Province,  
the PRC

3 October 2024

*To Shareholders*

Dear Sir or Madam,

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

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

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

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

Reference is made to the Company's announcement dated 30 September 2024.

Based on the "Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises", which came into effect on 31 March 2023, the "Essential Provisions of Articles of Association for Overseas Listed Companies" was abolished simultaneously. According to the current effective "Company Law of the People's Republic of China", "Guidelines for Articles of Association of Listed Companies", "Measures for the Administration of Independent Directors", certain recent amendments to the Listing Rules and other relevant laws and regulations, the Board, after due consideration and having regard to the actual circumstances of the Company, has proposed certain amendments to the following:

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

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

The Board convened a meeting of the Board on 30 September 2024, and considered and approved, among others, the resolutions in relation to the Proposed Amendments.

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## LETTER FROM THE BOARD

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

The full text of the Proposed Amendments to the Articles of Association, the Proposed Amendments to the Rules and Procedures for General Meetings, the Proposed Amendments to the Rules and Procedures for Board Meetings and the Proposed Amendments to the Rules and Procedures for Supervisors Meetings, which were prepared in the Chinese language, are set out in Appendix I, Appendix II, Appendix III and Appendix IV to this circular, respectively. The English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the Proposed Amendments, the Chinese version shall prevail.

### 3. EGM

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

A notice convening the EGM to be held at the conference room of the Company at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC on Friday, 25 October 2024, Monday at 2:00 p.m. is set out in pages 113 to 116 of this circular. The proxy form and reply slip in relation to the EGM are enclosed and also published and available for downloading on the websites of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and of the Company at <http://www.xhzy.com>.

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

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

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## LETTER FROM THE BOARD

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### 4. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of H Shareholders to attend and vote at the EGM, the register of members of the Company for H Shares will be closed from Tuesday, 22 October 2024 to Friday, 25 October 2024, both days inclusive. In order to qualify for attending and voting at the EGM, unregistered H Shareholders should ensure that all transfer documents for H Shares together with the relevant share certificates should be lodged for registration with the Company's Hong Kong share registrar for H Shares, Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 21 October 2024.

### 5. VOTING BY POLL

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

### 6. RECOMMENDATIONS

The Board considers that the special resolution in relation to the Proposed Amendments proposed at the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed special resolution at the EGM.

### 7. RESPONSIBILITY STATEMENT

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

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

3 October 2024, Zibo, the People's Republic of China

## Particulars of the Proposed Amendments to the Articles of Association

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 1</b></p> <p>The Company is a joint stock limited company established in accordance with the “Company Law of the People’s Republic of China” (“<b>Company Law</b>”) and the “<del>Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies</del>” (Special Regulations”) and other relevant laws and administrative regulations of the People’s Republic of China (“<b>PRC</b>”).</p> <p>.....</p>	<p><b>Article 1</b></p> <p>The Company is a joint stock limited company established in accordance with the “Company Law of the People’s Republic of China” (“<b>Company Law</b>”) and other relevant laws and administrative regulations.</p> <p>.....</p>
<p><b>Article 4</b></p> <p>The legal address of the Company: Chemical Industry Area of Zibo Hi-tech Industry Development Zone, Zibo City, Shandong Province, PRC</p> <p>Post Code: 255005</p> <p>Telephone Number: (0533) 218 4223</p> <p>Facsimile Number: (0533) 228 7508</p>	<p><b>Article 4</b></p> <p>The legal address of the Company: Chemical Industry Area of Zibo Hi-tech Industry Development Zone, Zibo City, Shandong Province, PRC</p> <p>Post Code: 255005</p>
<p><b>Article 5</b></p> <p>The legal representative of the Company is the chairman of the Company.</p>	<p><b>Article 5</b></p> <p>The legal representative of the Company is the chairman of the Company.</p> <p><b><u>If the chairman resigns, he is deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of the legal representative’s resignation.</u></b></p>



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 7</b></p> <p>These Articles of Association (“<b>Articles</b>”) shall become effective upon its adoption by the shareholders’ general meeting by way of a special resolution.</p> <p>From the effective date of these Articles they shall constitute a legally binding document governing the constitution and activities of the Company, the rights and obligations between the Company and its shareholders and the shareholders inter se.</p>	<p><b>Article 7</b></p> <p>These Articles of Association (“<b>Articles</b>”) shall become effective upon its adoption by the shareholders’ general meeting by way of a special resolution.</p> <p>From the effective date of these Articles they shall constitute a legally binding document governing the constitution and activities of the Company, the rights and obligations <b>relationship</b> between the Company and its shareholders and the shareholders inter se.</p>
<p><b>Article 8</b></p> <p>These Articles are binding upon the Company, its shareholders, directors, supervisors, managers and other senior officers. The aforementioned persons may bring claims on matters relating to affairs of the Company in accordance with these Articles.</p> <p>Shareholders may bring actions against the Company in accordance with these Articles; the Company may bring actions against shareholders in accordance with these Articles; shareholders may bring actions against other shareholders in accordance with these Articles, and shareholders may bring actions against the directors, supervisors, managers and other senior officers of the Company in accordance with these Articles.</p> <p>For the purpose of this Article, “action” includes <del>proceedings commenced in court and arbitration proceeding commenced in arbitration tribunals.</del></p>	<p><b>Article 8</b></p> <p>These Articles are binding upon the Company, its shareholders, directors, supervisors, <b>general</b> managers and other senior officers. The aforementioned persons may bring claims on matters relating to affairs of the Company in accordance with these Articles.</p> <p>Shareholders may bring actions against the Company in accordance with these Articles; the Company may bring actions against shareholders in accordance with these Articles; shareholders may bring actions against other shareholders in accordance with these Articles, and shareholders may bring actions against the directors, supervisors, <b>general</b> managers and other senior officers of the Company in accordance with these Articles.</p> <p><b><u>Persons with other administrative positions at units of the dominant shareholders of the Company other than directors and supervisors shall not act as a member of senior management of the Company.</u></b></p> <p><b><u>The senior management officers shall be only entitled to salaries paid by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small><i>Note 1</i></small>	<b>Amended Articles</b> <small><i>Note 2</i></small>
<p><b>Article 9</b></p> <p>The Company may invest in other <del>limited liability companies and joint stock limited companies</del>; and accept liability in respect of such companies up to the amount of its investment in such companies. Upon the approval of the company supervisory authorities authorized by the State Council, the Company may, in accordance with its operation and management needs, operate pursuant to the Company Law.</p>	<p><b>Article 9</b></p> <p>The Company may invest in other <u>enterprises</u>; and accept liability in respect of such companies up to the amount of its investment in such companies. <u>If the law stipulates that a company shall not become a joint and several liability investor for the debts of the invested enterprise, its provisions shall apply.</u> Upon the approval of the company supervisory authorities authorized by the State Council, the Company may, in accordance with its operation and management needs, operate pursuant to the Company Law.</p>
<p><b>Article 10</b></p> <p>The entire capital of the Company shall be divided into shares of equal par value, and the liability of a shareholder to the Company is limited by the shares held by him. The Company shall be liable for its debts up to the extent of all its assets.</p> <p>Subject to compliance with the relevant laws and regulations, the Company is entitled to raise capital and borrow money, including without limitation, the issue of debt securities and the provision of guarantees to any third party, <del>provided that the exercise of such powers shall not prejudice or abrogate the rights of any class of shareholders.</del></p>	<p><b>Article 10</b></p> <p>The entire capital of the Company shall be divided into shares of equal par value, and the liability of a shareholder to the Company is limited by the shares held by him. The Company shall be liable for its debts up to the extent of all its assets.</p> <p>Subject to compliance with the relevant laws and regulations, the Company is entitled to raise capital and borrow money, including without limitation, the issue of debt securities and the provision of guarantees to any third party.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 14</b></p> <p>The scope of operations of the Company shall be that approved by the companies registration authorities of the State Council. The scope of the Company's businesses covers production of medicine, chemical raw materials, food additives, healthcare food, solid beverages, veterinary products, fish oil, pharmaceutical equipment, medicine inspection instruments and apparatus; technology transfer, service, consultancy and training for projects independently developed by the Company; wholesale and retail of the enterprise's own products; wholesale and retail of traditional Chinese medicine, traditional Chinese medicine decoction pieces, medical devices (Class I, Class II and Class III), contact lens and solutions, test strips (testing reagent), healthcare food, maternity and childcare products, dairy products (including infant milk formula), cosmetics, cleansing products, pre-packaged food, bulk food, general merchandise, elementary agricultural products, seafood, sexual health and family planning products; import and export business; chemical active pharmaceutical ingredients, chemical products, chemical reagents, pharmaceutical intermediates (the above three categories exclude hazardous and precursor chemicals); warehousing services (excluding hazardous goods) and Internet information consultancy and services; and e-commerce entrusted operation.</p>	<p><b>Article 14</b></p> <p><u>Registered in accordance with the law</u>, the scope of the Company's businesses covers production, <b>wholesale and retail</b> of medicine, chemical raw materials, food additives, healthcare food, solid beverages, veterinary products, fish oil, pharmaceutical equipment, medicine inspection instruments and apparatus; technology transfer, service, consultancy and training for projects independently developed by the Company; wholesale and retail of traditional Chinese medicine, traditional Chinese medicine decoction pieces, medical devices (Class I, Class II and Class III), contact lens and solutions, test strips (testing reagent), healthcare food, maternity and childcare products, dairy products (including infant milk formula), cosmetics, cleansing products, pre-packaged food, bulk food, general merchandise, elementary agricultural products, seafood, sexual health and family planning products; import and export business; <b>sales of</b> chemical active pharmaceutical ingredients, chemical products, chemical reagents, pharmaceutical intermediates (the above three categories exclude hazardous and precursor chemicals); warehousing services (excluding hazardous goods) and Internet information consultancy and services; and e-commerce entrusted operation <b>(Projects that require approval according to law can only be operated after being approved by relevant departments)</b>.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 18</b></p> <p>The Company may issue shares to either or both domestic investors and foreign investors upon obtaining approval from the securities regulatory authorities of the State Council.</p> <p><del>For the purpose of the preceding paragraph, “foreign investors” means investors from outside the PRC and the territories of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; “domestic investors” means investors who subscribe for shares issued by the Company from within the PRC other than from the aforesaid territories.</del></p>	<p><b>Article 18</b></p> <p>The Company may issue shares to either or both domestic investors and foreign investors <b><u>in accordance with the law</u></b> upon obtaining approval <b><u>or filing</u></b> from the securities regulatory authorities of the State Council.</p>
<p><b>Article 19</b></p> <p>The shares issued by the Company to domestic investors which are subscribed for in Renminbi are called “domestic shares”. The shares issued by the Company to foreign investors which are subscribed for in foreign currencies are called “foreign shares”. Domestic shares which are listed within the PRC are called “domestic listed shares”. Foreign shares which are listed outside the PRC are called “overseas listed foreign shares”.</p>	<p><b>Article 19</b></p> <p>The shares issued by the Company to investors which are subscribed for in Renminbi are called “domestic shares” <b><u>(A shares)</u></b>. The shares issued by the Company to investors which are subscribed for in foreign currencies are called “foreign shares”. Domestic shares which are listed within the PRC are called “domestic listed shares”. Foreign shares which are listed outside the PRC are called “overseas listed foreign shares” <b><u>(H shares)</u></b>.</p>
<p><b>Article 21</b></p> <p><del>The board of directors may make separate arrangements to implement the Company’s plan to issue overseas listed foreign shares and domestic shares, subject to the prior approval of such plan by the securities regulatory authorities of the State Council.</del></p> <p><del>The Company’s plan for separate issues of overseas listed foreign shares and domestic shares referred to in this Article may be implemented separately within 15 months of the date of approval by the Securities Commission of the State Council.</del></p>	<p>Delete</p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 22</b></p> <p><del>The overseas listed foreign shares and domestic shares, referred to in the Company's aforementioned share issue plan, shall be fully subscribed in one payment. Where there are special circumstances which render it impossible for such shares to be fully subscribed in one payment, separate issues of the shares may be made subject to the approval of the Securities Commission of the State Council.</del></p> <p><del>Domestic shares issued by the company are centrally stored at China Securities Depository and Clearing Company Limited while the Company's foreign capital shares listed abroad shall be stored as specified in Article 40 hereunder.</del></p>	<p><b>Article 21</b></p> <p><u>A shares</u> issued by the company are centrally stored at China Securities Depository and Clearing Company Limited. H shares issued by the company <b>can be primarily held by a trustee company under the Hong Kong Securities Depository and Clearing Corporation Limited in accordance with the laws of the listing country and the practice of securities registration and custody, or held by shareholders in their personal names.</b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 24</b></p> <p>The Company may in accordance <del>with the provisions of these Articles</del> increase its capital according to its business and development requirements. The following methods may be used for increasing the capital of the Company: –</p> <p>(1) by <del>offering</del> new shares to general <del>investors</del>;</p> <p>(2) by <del>placing</del> new shares <del>with existing shareholders</del>;</p> <p>(3) by a bonus issue of shares to existing shareholders; or</p> <p>(4) by any other methods permitted under PRC laws and administrative regulations and approved by China Securities Regulatory Commission.</p> <p>The issuance of new shares to increase the capital by the Company shall be subject to approval as specified in the Articles of Association and follow the procedures specified by the relevant laws and administrative regulations of the PRC.</p>	<p><b>Article 23</b></p> <p>The Company may in accordance <b><u>with laws and regulations,</u></b> increase its capital according to its business and development requirements, <b><u>as decided by the shareholders' meeting.</u></b> The following methods may be used for increasing the capital of the Company: –</p> <p>(1) by <b><u>issuing</u></b> new shares to general <b><u>targets</u></b>;</p> <p>(2) by <b><u>issuing</u></b> new shares <b><u>to specific targets</u></b>;</p> <p>(3) by a bonus issue of shares to existing shareholders;</p> <p><b><u>(4) conversion of housing provident fund into share capital;</u></b> or</p> <p><b><u>(5)</u></b> by any other methods permitted under PRC laws and administrative regulations and approved by China Securities Regulatory Commission.</p> <p>The issuance of new shares to increase the capital by the Company shall be subject to approval as specified in the Articles of Association and follow the procedures specified by the relevant laws and administrative regulations of the PRC.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 25</b></p> <p><del>Unless otherwise prescribed by law and/or administrative regulations, the shares of the Company shall be freely transferable without any liens.</del></p> <p>.....</p>	<p><b>Article 24</b></p> <p>The shares of the Company shall be transferable <u>with law.</u></p> <p>.....</p>
<p><b>Article 26</b></p> <p>.....</p> <p>If a company director, supervisor, senior management personnel, or shareholder holding 5% or more of shares in the Company, sells shares in the Company within six months of buying those shares, or buying those shares within six months of selling, all the resulting profits should belong to the Company. Those profits shall be collected by the Board of Directors. But if a securities company undertakes unsold shares, thereby holding more than 5% of the shares, <del>the sale of these shares shall not be subject to the said 6 month restriction.</del></p> <p>.....</p>	<p><b>Article 25</b></p> <p>.....</p> <p>If a company director, supervisor, senior management personnel, or shareholder holding 5% or more of shares in the Company, sells shares in the Company within six months of buying those shares, or buying those shares within six months of selling, all the resulting profits should belong to the Company. Those profits shall be collected by the Board of Directors. But if a securities company undertakes unsold shares, thereby holding more than 5% of the shares, <b><u>as well as other circumstances stipulated by the China Securities Regulatory Commission, are excluded.</u></b></p> <p><b><u>The stocks or other securities with equity nature held by directors, supervisors, senior officers, and natural person shareholders referred to in the preceding paragraph include stocks or other securities with equity nature held by their spouses, parents, children, or using other people’s accounts.</u></b></p> <p>.....</p>
<p><b>Article 27</b></p> <p>The Company may reduce its registered capital in accordance with the provisions of Articles.</p>	<p><b>Article 26</b></p> <p>The Company may reduce its registered capital in accordance with <b><u>laws and regulations and</u></b> the provisions of Articles.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small><i>Note 1</i></small>	<b>Amended Articles</b> <small><i>Note 2</i></small>
<p><b>Article 28</b></p> <p>.....</p> <p>The Company shall notify its creditors of its decision within 10 days from the date of the resolution to reduce its registered capital, and shall make <del>at least 3</del> public announcements in newspapers within the 30 days following the date of the said resolution. All creditors shall have the right, within 30 days of receiving the said notice, or, if such notice was not received, within <del>90</del> days of the date of <del>the first</del> public announcement, to require the Company to repay its debts or to provide security of equivalent value for the repayment of such debts.</p> <p>.....</p>	<p><b>Article 27</b></p> <p>.....</p> <p>The Company shall notify its creditors of its decision within 10 days from the date of the resolution to reduce its registered capital, and shall make public announcements in newspapers <b><u>or National Enterprise Credit Information Publicity System</u></b> within the 30 days following the date of the said resolution. All creditors shall have the right, within 30 days of receiving the said notice, or, if such notice was not received, within <b>45</b> days of the date of public announcement, to require the Company to repay its debts or to provide security of equivalent value for the repayment of such debts.</p> <p>.....</p>



Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 33</b></p> <p><del>Unless the Company is in liquidation, the Company shall repurchase its issued shares in accordance with the following provisions: =</del></p> <p><del>(1) where the Company repurchases its shares at par value, payment shall be made out of the available balance of its distributable profits and/or out of the proceeds from any issue of new shares made for the purpose of repurchasing those existing shares;</del></p> <p><del>(2) where the Company repurchases its shares at a value in excess of the par value of those shares, partial payment of the consideration for those shares up to their par value may be made out of the available balance of the distributable profits of the Company and/or the proceeds from any issue of new shares made for the purpose of repurchasing those shares. Payment of the part of the consideration which is in excess of the par value of those shares shall be made as follows: =</del></p> <p><del>(i) if the shares being repurchased were issued at their par value, payment shall be made out of the available balance of the distributable profits of the Company;</del></p> <p><del>(ii) if the shares being repurchased were issued at a premium, payment shall be made out of the available balance of the distributable profits of the Company and/or the proceeds from any issue of new shares made for the purpose of repurchasing those shares, provided that the amount paid out of such proceeds neither exceed the aggregate amount of the premiums received by the Company on the issue of the shares being repurchased nor the amount of the capital reserve fund account of the Company (including the aggregate of premiums received from the new shares issued at the time of the repurchase)</del></p>	<p>Delete</p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p>(3) any sum paid by the Company for the following purposes should be paid out of the Company's distributable profits:</p> <ul style="list-style-type: none"><li>(i) to acquire the right to repurchase its own shares;</li><li>(ii) to vary a contract to repurchase its own shares; or</li><li>(iii) to secure the release of any of its own obligations under a contract to repurchase its own shares;</li></ul>	
<p>(4) following the deduction of the aggregate par value of cancelled shares from the registered capital of the Company in accordance with the relevant regulations, the amount of distributable profits used for payment of the par value of such shares shall be charged to the capital reserve fund account of the Company.</p>	

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 34</b></p> <p>The Company and its subsidiaries shall not at any time and in any manner provide any form of financial assistance to a person purchasing or who intends to purchase the shares of the Company. For the purpose of this Article, a purchaser of the Company’s shares includes a person who directly or indirectly undertakes any form of obligations as a result of a purchase of the Company’s shares.</p> <p>The Company and its subsidiaries shall not at any time and in any manner provide any form of financial assistance for the purpose of reducing or discharging the obligations of a purchaser of the Company’s shares as described in the foregoing paragraph.</p> <p>This provision shall not apply to the circumstances described in Article 36 of this Chapter.</p>	<p><b>Article 32</b></p> <p>The Company and its subsidiaries shall not at any time and in any manner provide any form of financial assistance to a person purchasing or who intends to purchase the shares of the Company, <b><u>excluding companies implementing employee stock ownership plans</u></b>. For the purpose of this Article, a purchaser of the Company’s shares includes a person who directly or indirectly undertakes any form of obligations as a result of a purchase of the Company’s shares.</p> <p>The Company and its subsidiaries shall not at any time and in any manner provide any form of financial assistance for the purpose of reducing or discharging the obligations of a purchaser of the Company’s shares as described in the foregoing paragraph.</p> <p><b><u>For the benefit of the Company, with the resolution of the shareholders’ meeting or the authorization of the board of directors in accordance with the Company’s articles of association or the shareholders’ meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued shares. The resolution made by the board of directors shall be passed by more than two-thirds of all directors.</u></b></p> <p><b><u>If the aforementioned regulations are violated and cause losses to the Company, the responsible directors, supervisors, and senior management personnel shall bear the liability for compensation.</u></b></p> <p>This provision shall not apply to the circumstances described in Article <b>34</b> of this Chapter.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 38</b></p> <p>Share certificates shall be signed by the chairman. If a stock exchange on which the Company’s shares are listed requires the share certificates to be signed by other senior officers of the Company, the share certificates shall also be signed by such senior officers. The share certificates shall become valid after they are affixed with the Company’s seal or a machine-imprinted seal of the Company. The seal of the Company shall not be affixed to any share certificates without the prior authorization of the board of directors. The signatures of the chairman and/or other senior officers of the Company on the share certificates may take the form of machine-imprinted signatures.</p>	<p><b>Article 36</b></p> <p>Share certificates shall be signed by the chairman. If a stock exchange on which the Company’s shares are listed requires the share certificates to be signed by other senior officers of the Company, the share certificates shall also be signed by such senior officers. The share certificates shall become valid after they are affixed with the Company’s seal or a machine-imprinted seal of the Company. The seal of the Company shall not be affixed to any share certificates without the prior authorization of the board of directors. The signatures of the chairman and/or other senior officers of the Company on the share certificates may take the form of machine-imprinted signatures. <b><u>Under the conditions of paperless issuance and trading of company stocks, the securities regulatory rules of the place where the company is listed shall apply separately.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 39</b></p> <p>The Company shall maintain a register of shareholders as a record of the following matters: –</p> <p>(1) the name (title), <del>address (resident) and occupation/ nature of occupation of each shareholders;</del></p> <p>(2) the <del>class(es) and number of shares of each class</del> held by each shareholder;</p> <p>(3) the amount(s) paid up or payable on the shares held by each shareholder;</p> <p>(4) the serial numbers of the shares held by each shareholder;</p> <p>(5) the date on which each <del>person registers to become a shareholder;</del></p> <p>(6) <del>The date on which a person ceases to be a shareholder.</del></p> <p>The register of shareholders is a sufficient evidence of the shareholders holding shares in the company, except contrary evidence.</p>	<p><b>Article 37</b></p> <p>The Company shall maintain a register of shareholders <b><u>based on the certificates provided by the securities registration authority</u></b> as a record of the following matters: –</p> <p>(1) the name <b><u>or</u></b> title <b><u>and</u></b> resident;</p> <p>(2) the number of shares held by each shareholder;</p> <p>(3) the amount(s) paid up or payable on the shares held by each shareholder;</p> <p>(4) the serial numbers of the shares held by each shareholder;</p> <p>(5) the date on which each shareholder <b><u>acquired the shares;</u></b></p> <p>The register of shareholders is a sufficient evidence of the shareholders holding shares in the company, except contrary evidence.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 40</b></p> <p>The Company may, in accordance with any understanding or agreement reached between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, keep the register of holders of overseas listed foreign shares outside the PRC, and appoint (an) overseas agent(s) to oversee the maintenance of that register. The original of the register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.</p> <p><del>Duplicates of the register(s) of holders of overseas listed foreign shares shall be kept at the Company's legal address. The overseas agent(s) appointed to oversee the maintenance of the register of holders of overseas listed foreign shares shall ensure that such duplicate register(s) is consistent with the original register(s) at all times.</del></p> <p><del>Where there are inconsistencies between the original register(s) and duplicate register(s), the original register(s) shall prevail.</del></p>	<p><b>Article 38</b></p> <p>The Company may, in accordance with any understanding or agreement reached between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, keep the register of holders of overseas listed foreign shares outside the PRC, and appoint (an) overseas agent(s) to oversee the maintenance of that register. The original of the register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.</p>
<p><b>Article 42</b></p> <p>Different parts of the register of shareholders shall not overlap. No transfer of shares registered in one part of the register of shareholders shall, for the period during which those shares remain registered, be registered in any other part of the register of shareholders.</p> <p>.....</p>	<p><b>Article 40</b></p> <p><u><b>For shareholders of foreign shares listed overseas,</b></u> different parts of the register of shareholders shall not overlap. No transfer of shares registered in one part of the register of shareholders shall, for the period during which those shares remain registered, be registered in any other part of the register of shareholders.</p> <p>.....</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 44</b></p> <p>When the Company convenes a shareholders’ general meeting, distributes dividends, goes into liquidation or carries out other activities which require the identification of its shareholders for the time being, the Board of Directors or the convener of the general meeting of shareholders shall fix a day to be the record date for the purpose of determining the shareholders for the time being, and a shareholder whose name appears in the register of shareholders as at the close of business on the record date shall be a shareholder of the Company.</p>	<p><b>Article 42</b></p> <p>When the Company convenes a shareholders’ general meeting, distributes dividends, goes into liquidation or carries out other activities which require the identification of its shareholders for the time being, the Board of Directors or the convener of the general meeting of shareholders shall fix a day to be the <b><u>registration</u></b> date for the purpose of determining the shareholders for the time being. <b><u>The shareholders registered after the closing of the equity registration date are the shareholders who enjoy the relevant rights and interests.</u></b></p>
<p><b>Article 45</b></p> <p><del>Any person who has any objection to the register of shareholders, and seeks to enter his name on the register of shareholders or to delete his name from the register of shareholders may in each case apply to a court of competent jurisdiction to register of shareholders.</del></p>	<p>Delete</p>
<p>Newly added</p>	<p><b>Article 43</b></p> <p><b><u>If a registered stock is stolen, lost or destroyed, the shareholder may request the people’s court to declare the stock invalid in accordance with the public notice procedure stipulated in the Civil Procedure Law of the People’s Republic of China. After the people’s court declares the stock invalid, shareholders can apply to the company for a reissue of the stock.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 46</b></p> <p>Any shareholder who is registered on the register of shareholders or any person who requests for his name to be entered in the register of shareholders may, if he has lost his share certificate(s) (“<b>original certificate</b>”), apply to the Company for the issue of replacement certificate(s) in respect of those shares (“<b>relevant shares</b>”).</p> <p><del>A holder of domestic shares who has lost his share certificate(s) and applies for replacement certificate(s) to be issued, shall comply with the provisions of the Company Law.</del></p> <p>.....</p>	<p><b>Article 44</b></p> <p>Any shareholder who is registered on the register of shareholders or any person who requests for his name to be entered in the register of shareholders may, if he has lost his share certificate(s) (“<b>original certificate</b>”), apply to the Company for the issue of replacement certificate(s) in respect of those shares (“<b>relevant shares</b>”).</p> <p>.....</p>
<p><b>Article 47</b></p> <p><del>Once (a) replacement share certificate(s) is/are issued in accordance with these Articles, the name of a bona fide purchaser who acquires the replacement share certificate(s) or a person (if a bona fide purchaser) whose name is subsequently entered in the register of shareholders in respect of the shares in question shall not be removed from the register of shareholders.</del></p>	<p>Delete</p>
<p><b>Article 48</b></p> <p><del>The Company shall not be liable for any loss or damage suffered by any person as a result of the cancellation of an original certificate or the issue of a replacement shares certificate, unless the claimant proves that the Company has acted fraudulently.</del></p>	<p>Delete</p>



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 51</b></p> <p>Ordinary shareholders of the Company shall enjoy the following rights: –</p> <p>(1) to receive dividends and other distributions in proportion to the proportion of shares held by him;</p> <p>(2) to attend and vote or appoint proxies to attend and vote on his behalf at shareholders’ general meetings;</p> <p>(3) to supervise the <del>business</del> operations the Company, to make suggestions or to raise queries;</p> <p>(4) to transfer <del>his</del> shares in accordance with the applicable laws, administrative regulations and these Articles;</p> <p>(5) <del>to receive relevant information in accordance with these Articles including:-</del></p> <p style="padding-left: 20px;">(a) <del>to obtain a copy of these Articles upon payment of the costs thereof;</del></p> <p style="padding-left: 20px;">(b) <del>to inspect and obtain a copy of, upon the payment of a reasonable fee:-</del></p>	<p><b>Article 47</b></p> <p>Shareholders of the Company shall enjoy the following rights: –</p> <p>(1) to receive dividends and other distributions in proportion to the proportion of shares held by him;</p> <p>(2) to <b><u>request, convene, preside over,</u></b> attend and vote or appoint proxies to attend and vote on his behalf at shareholders’ general meetings <b><u>in accordance with the law;</u></b></p> <p>(3) to supervise the operations <b><u>of</u></b> the Company, to make suggestions or to raise queries;</p> <p>(4) to transfer <b><u>gift or pledge</u></b> shares <b><u>held by them</u></b> in accordance with the applicable laws, administrative regulations and these Articles;</p> <p>(5) <b><u>to refer to and copy these articles of association, shareholder register, minutes of shareholder meetings, resolutions of board meetings, resolutions of supervisory board meetings, and financial accounting reports;</u></b></p> <p>(6) In the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the proportion of shares held by the Company;</p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p>(i) all parts of the register of shareholders;</p> <p>(ii) the personal particulars of each of the directors, supervisors, managers and other senior officers, including:-</p> <p style="margin-left: 20px;">(a) names and aliases of current and previous;</p> <p style="margin-left: 20px;">(b) main address (residence);</p> <p style="margin-left: 20px;">(c) nationality;</p> <p style="margin-left: 20px;">(d) Full-time and part-time occupations or positions;</p> <p style="margin-left: 20px;">(e) identity document and its number;</p> <p>(iii) the status of the Company’s share capital;</p> <p>(iv) a report showing the aggregate par value, the number, and the maximum and minimum prices paid by the Company in respect of each class of the shares repurchased by the Company since the previous financial year, and all expenses paid by the Company for this purpose;</p> <p>(v) minutes of shareholders’ meetings.</p>	<p>(7) <b><u>Shareholders who object to the merger or division resolution made by the shareholders’ meeting request the company to acquire their shares;</u></b></p> <p>(8) Other rights conferred by relevant laws, administrative regulations, <b><u>and departmental regulations</u></b> and these Articles.</p> <p>Shareholders who wish to inquire about the information of the abovementioned items <b><u>or request any information,</u></b> should tender documentary evidence showing the category and the number of shares he is holding, the Company will provide the relevant information after confirming the shareholder status. <b><u>Shareholders shall bear the costs associated with inquiring about the information or data referred to in paragraph (5) above.</u></b></p> <p><b><u>Shareholders individually or collectively holding more than 3% of the Company’s shares for more than 180 consecutive days may request to inspect the account books and accounting documents of the Company. In such case, such request shall be made to the Company in writing and state its purposes. If the Company, on reasonable grounds, considers that the shareholders are inspecting the account books and accounting documents for improper purposes and may result in damage to the Company’s legitimate interests, the Company may refuse the inspection and make written response to the shareholders stating its reasons within 15 days upon delivery of the written request by the shareholders. If the Company refuses the inspection, the shareholders may initiate proceedings in the People’s Court.</u></b></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p>(6) In the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the proportion of shares held by the Company.</p> <p>(7) other rights conferred by relevant laws and administrative regulations, and these Articles.</p> <p>Shareholders who wishes to inquire about the information of the abovementioned items, should tender documentary evidence showing the category and the number of shares he is holding, the Company will provide the relevant information after confirming the shareholder status.</p>	<p><b><u>Shareholders may appoint an intermediary agency, such as an accounting firm or a law firm, to inspect the materials provided for in the preceding paragraph. Shareholders shall bear the relevant expenses incurred from reviewing the materials specified in the preceding paragraph, including the fees for appointing intermediary agencies. Shareholders and the accounting firms, law firms and other intermediary agencies they appointed shall comply with the requirements of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy and personal information when inspecting and making copies of relevant information.</u></b></p> <p><b><u>If a shareholder requests for a review or reproduction of the relevant materials of the Company's wholly-owned subsidiaries, the provisions of this article shall apply.</u></b></p> <p><b><u>If a shareholder of the Company requests for a review or reproduction of the relevant materials, the shareholder shall comply with the Securities Law of the People's Republic of China and other laws and administrative regulations.</u></b></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 52</b></p> <p>.....</p> <p>Shareholders described in the <del>first</del> paragraph of this Article may also initiate proceedings in accordance with the preceding two paragraphs in the event that the Company incurs losses as a result of the lawful interests of the Company being infringed upon by any third parties.</p> <p>.....</p>	<p><b>Article 48</b></p> <p>.....</p> <p>Shareholders described in the <b>third</b> paragraph of this Article may also initiate proceedings in accordance with the preceding two paragraphs in the event that the Company incurs losses as a result of the lawful interests of the Company being infringed upon by any third parties.</p> <p><b><u>If the directors, supervisors or senior management of the wholly-owned subsidiaries of the Company violate laws, administrative regulations, or the Company’s articles of association while performing their duties, causing losses to the Company, or a third party infringes upon the lawful rights and interests of the wholly-owned subsidiaries of the Company and causes losses to the wholly-owned subsidiaries of the Company, shareholders who hold 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall have the right to request the supervisory committee or the board of directors of the wholly-owned subsidiaries of the Company in writing to institute proceedings in the People’s Court or institute proceedings directly in the People’s Court in their own names pursuant to the preceding three paragraphs of this Article.</u></b></p> <p>.....</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 53</b></p> <p>A holder of ordinary shares in the Company shall have the following obligations:-</p> <p>(1) to abide by these Articles;</p> <p>(2) to pay subscription monies in accordance with the shares subscribed to by him and the manner of subscription;</p> <p>(3) other obligations imposed by relevant laws, administrative regulations and these Articles.</p> <p><del>Save in respect of terms agreed by the subscriber at the time of subscription of the shares, a shareholder shall not be liable to subscribe for any further share capital.</del></p> <p>Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares.</p>	<p><b>Article 49</b></p> <p>A holder of ordinary shares in the Company shall have the following obligations:-</p> <p>(1) to abide by <b><u>laws, administrative regulations, and</u></b> these Articles;</p> <p>(2) to pay subscription monies in accordance with the shares subscribed to by him and the manner of subscription;</p> <p>(3) other obligations imposed by relevant laws, administrative regulations and these Articles.</p> <p>Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares. <b><u>H shares pledge must be handled in accordance with the securities regulatory rules of the company's overseas listing location.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 55</b></p> <p>A controlling shareholder referred to in the preceding Article means a person who satisfies any one of the following conditions: =</p> <p>(1) he, when acting alone for or together with others, has the power to elect more than half of the directors;</p> <p>(2) he, when acting alone for or together with others, has the power to exercise 30 per cent. or more of the voting rights in the Company or to control the exercise of 30 per cent. or more of the voting rights in the Company;</p> <p>(3) he, alone or together with others, holds 30 per cent. or more of the issued shares of the Company; or</p> <p>(4) he, when acting alone for or together with others, has de facto control of the Company, whether directly or indirectly.</p>	<p>Delete</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 57</b></p> <p>The shareholders' general meeting shall have the following functions and powers:</p> <p>(1) <del>to determine the operational policies and investment plans of the Company;</del></p> <p>(2) to appoint and replace directors and to decide matters concerning directors' remuneration;</p> <p>(3) to appoint and replace a shareholders' representative(s) <del>to sit on the supervisory committee</del> and to decide matters concerning supervisors' remuneration;</p> <p>(4) to consider and approve reports of the board of directors;</p> <p>(5) to consider and approve reports of the supervisory committee;</p> <p>(6) <del>to consider and approve the annual financial budgets and final accounts of the Company;</del></p> <p>(7) to consider and approve proposals for the distribution of the Company's profits and plans for making up any losses of the Company;</p> <p>(8) to consider and decide on proposals to increase or reduce the registered capital of the Company;</p> <p>(9) to consider and decide matters concerning the merger, demerger, dissolution and liquidation or alteration of corporate form of the Company;</p> <p>(10) to consider and decide on the issue of debt securities by the Company;</p>	<p><b>Article 53</b></p> <p>The shareholders' general meeting shall have the following functions and powers:</p> <p>(1) to appoint and replace directors and to decide matters concerning directors' remuneration;</p> <p><u>(2)</u> to appoint and replace supervisors and to decide matters concerning supervisors' remuneration;</p> <p><u>(3)</u> to consider and approve reports of the board of directors;</p> <p><u>(4)</u> to consider and approve reports of the supervisory committee;</p> <p><u>(5)</u> to consider and approve proposals for the distribution of the Company's profits and plans for making up any losses of the Company;</p> <p><u>(6)</u> to consider and decide on proposals to increase or reduce the registered capital of the Company;</p> <p><u>(7)</u> to consider and decide matters concerning the merger, demerger, dissolution and liquidation or alteration of corporate form of the Company;</p> <p><u>(8)</u> to consider and decide on the issue of debt securities by the Company;</p> <p><u>(9)</u> to consider and decide the appointment, dismissal or renewal of appointment of a firm of accountants <b><u>and its salary</u></b>;</p> <p><u>(10)</u> to examine and approve the provision of guarantees under Article <b><u>51</u></b>;</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p>(11) to consider and decide the appointment, dismissal or renewal of appointment of a firm of accountants;</p> <p>(12) to examine and approve the provision of guarantees under Article <del>58</del>;</p> <p>(13) to examine matters relating to the purchases and disposals of the Company’s material assets within one year, which exceed 30% of the Company’s latest audited total assets;</p> <p>(14) to make amendments to these Articles;</p> <p>(15) to consider any resolution(s) proposed by shareholders representing <del>3%</del> or more of the shares carrying voting rights, and to decide such proposals;</p> <p>(16) with the authorization of the annual general meeting of the Company, the Board of Directors may decide to issue shares with a total financing amount not exceeding RMB300 million and not exceeding 20% of the net assets at the end of the latest year to specific parties, and the authorization shall expire on the date of the next annual general meeting;</p> <p>(17) to consider and decide any other matters required by law, administrative regulations or these Articles to be dealt with in a shareholders’ general meeting.</p>	<p><b>(11)</b> to examine matters relating to the purchases and disposals of the Company’s material assets within one year, which exceed 30% of the Company’s latest audited total assets;</p> <p><b>(12)</b> to make amendments to these Articles;</p> <p><b>(13)</b> to consider any resolution(s) proposed by shareholders representing <u>1%</u> or more of the shares carrying voting rights, and to decide such proposals;</p> <p><b>(14)</b> with the authorization of the annual general meeting of the Company, the Board of Directors may decide to issue shares with a total financing amount not exceeding RMB300 million and not exceeding 20% of the net assets at the end of the latest year to specific parties, and the authorization shall expire on the date of the next annual general meeting;</p> <p><b>(15)</b> to consider and decide any other matters required by law, administrative regulations, <b><u>departmental regulations</u></b> or these Articles to be dealt with in a shareholders’ general meeting.</p> <p><b><u>The shareholders’ meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.</u></b></p>



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 58</b></p> <p>Any guarantees of the Company shall be subject to approval by the general meeting of shareholders: –</p> <p>(I) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company’s latest audited total assets;</p> <p>(II) resolution for a single external guarantee of which the amount exceeds 10% of the Company’s combined net assets of last year audited as per Chinese accounting standards;</p> <p>(III) guarantee provided for shareholders, de facto controllers and their related parties.</p>	<p><b>Article 54</b></p> <p>Any guarantees of the Company shall be subject to approval by the general meeting of shareholders: –</p> <p><b>(I) <u>the total amount of external guarantees provided by the company and its holding subsidiaries exceeds 50% of the latest audited net assets;</u></b></p> <p><b>(II)</b> any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company’s latest audited total assets;</p> <p><b>(III) <u>guarantee amount provided by the company within one year exceeds 30% of the company’s latest audited total assets;</u></b></p> <p><b>(IV) <u>guarantee provided for guarantee objects with asset liability ratio exceeding 70%;</u></b></p> <p><b>(V)</b> resolution for a single external guarantee of which the amount exceeds 10% of the Company’s combined net assets of last year audited as per Chinese accounting standards;</p> <p><b>(VI)</b> guarantee provided for shareholders, de facto controllers and their related parties.</p>
<p><b>Article 60</b></p> <p>Shareholders’ general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders’ general meetings shall be convened by the board of directors. Annual general meetings shall be held once every year within six months after the end of each financial year.</p> <p>.....</p>	<p><b>Article 56</b></p> <p>Shareholders’ general meetings are divided into annual general meetings and extraordinary general meetings <b><u>of Shareholders</u></b>. Shareholders’ general meetings shall be convened by the board of directors. Annual general meetings shall be held once every year within six months after the end of each financial year.</p> <p>.....</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 61</b></p> <p>When the Company convenes an annual shareholders’ general meeting, it shall at least 20 working days prior to the date of the meeting, notify all shareholders by public announcement; when the Company convenes an extraordinary general meeting, it shall, at least 10 working days or 15 working days (whichever is longer) prior to the date of the meeting, notify all shareholders by public announcement.</p> <p>.....</p>	<p><b>Article 57</b></p> <p>When the Company convenes an annual shareholders’ general meeting, it shall at least 20 working days prior to the date of the meeting, notify all shareholders by public announcement; when the Company convenes an extraordinary general meeting, it shall, at least 10 working days or 15 working days (whichever is longer) prior to the date of the meeting, notify all shareholders by public announcement.</p> <p>.....</p>
<p><b>Article 62</b></p> <p>When the Company convenes shareholders’ general meeting, the Board of Directors, the Supervisory Committee and shareholder(s), severally or jointly, holding 3-percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Article 121(a) of Chapter 10) to be considered at the meeting.</p> <p>Shareholders, severally or jointly, holding 3 percent or more of the shares of the Company carrying voting rights may put forward a temporary proposal and submit it to the board of directors in writing 10 days prior to the date of shareholders’ meeting; and the board of directors shall, within 2 days after receipt of the proposal, notify other shareholders and present the temporary proposal to shareholders’ general meeting for deliberation. The content of the temporary proposal should be within the scope of functions and powers of the shareholder’s general meeting and there shall be clear and definite topics and specific matters to resolve.</p> <p>.....</p>	<p><b>Article 58</b></p> <p>When the Company convenes shareholders’ general meeting, the Board of Directors, the Supervisory Committee and shareholder(s), severally or jointly, holding 1 percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Article 110(a)) to be considered at the meeting.</p> <p>Shareholders, severally or jointly, holding 1 percent or more of the shares of the Company carrying voting rights may put forward a temporary proposal and submit it to the board of directors in writing 10 days prior to the date of shareholders’ meeting; and the board of directors shall, within 2 days after receipt of the proposal, notify other shareholders and present the temporary proposal to shareholders’ general meeting for deliberation. The content of the temporary proposal should be within the scope of functions and powers of the shareholder’s general meeting and there shall be clear and definite topics and specific matters to resolve.</p> <p>.....</p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 64</b></p> <p>Notice of a shareholders’ general meeting shall: –</p> <p>(1) <del>be given in writing;</del></p> <p>(2) specify the place, the date and the time of the meeting;</p> <p>(3) state the matters to be considered at the meeting;</p> <p>(4) <del>provide the shareholders such information and explanation as necessary for the shareholders to make an informed decision on the matters proposed to be considered. Without limiting the generality of the foregoing principle, such information and explanation shall include, in the case of a proposal for the Company to merge with another, repurchase shares, reorganise its share capital, or restructure in any other way, the details of the agreed terms of, and the contract (if any) for, the proposed transaction, and the reason for and the effect of such proposal must be properly explained;</del></p> <p>(5) if any director, supervisor, manager or other senior management officer has a material interest in a matter to be considered at the general meeting, he shall disclose the nature and extent of such interest; if the matter to be considered affects a director, supervisor, manager or other senior management officer in his capacity as a shareholder in a manner different from the manner in which the other shareholders of the same class are affected, then such differences should be declared;</p>	<p><b>Article 60</b></p> <p>Notice of a shareholders’ general meeting shall: –</p> <p>(1) specify the place, the date and the time of the meeting;</p> <p><u>(2)</u> state the matters to be considered at the meeting;</p> <p><u>(3)</u> if any director, supervisor, <b>general</b> manager or other senior management officer has a material interest in a matter to be considered at the general meeting, he shall disclose the nature and extent of such interest; if the matter to be considered affects a director, supervisor, <b>general</b> manager or other senior management officer in his capacity as a shareholder in a manner different from the manner in which the other shareholders of the same class are affected, then such differences should be declared;</p> <p><u>(4)</u> contain the text of any special resolution proposed to be passed at the general meeting;</p> <p><u>(5)</u> contain, in conspicuous wording, <b><u>all shareholders have the right to attend the shareholders’ meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a shareholder of the company;</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p>(6) contain the text of any special resolution proposed to be passed at the general meeting;</p> <p>(7) contain, in conspicuous wording, <del>a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote at the meeting instead of him and that a proxy so appointed need not be a shareholder;</del> and</p> <p>(8) <del>specify the time and place for lodging the proxy form(s) for the general meeting;</del></p> <p>(9) the date of registration of equity entitlements for shareholders having the right to attend the general meeting;</p> <p>(10) the names and contact telephone numbers of the regular contact persons in connection with the meeting.</p>	<p><b>(6)</b> the date of registration of equity entitlements for shareholders having the right to attend the general meeting;</p> <p><b>(7)</b> the names and contact telephone numbers of the regular contact persons in connection with the meeting; and</p> <p><b>(8)</b> <u><b>voting time and voting procedures through online or other means.</b></u></p>
<p><b>Article 65</b></p> <p>Notices of shareholders’ general meetings shall be served on all shareholders (whether or not they are entitled to vote thereat) by <del>personal delivery or prepaid post at their addresses registered in the register of shareholders. In respect of holders of domestic shares, notices of shareholders’ general meetings may also be given by way of a public announcement.</del></p> <p><del>The aforesaid public announcement shall be published, within the time limit specified in Article 61 of these Articles, on the website of the stock exchange and on the media in compliance with requirements set by the securities regulatory authorities of the State Council. Once the public announcement is made, all holders of domestic shares shall be deemed to have received notice of the relevant shareholders’ general meeting.</del></p>	<p><b>Article 61</b></p> <p>Notices of shareholders’ general meetings shall be served on all shareholders (whether or not they are entitled to vote thereat) by <u><b>announcement or other means as stipulated in Article 213 of these Articles.</b></u> Once the public announcement is made, all holders of domestic shares shall be deemed to have received notice of the relevant shareholders’ general meeting.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 73</b></p> <p>.....</p> <p>(2) If the shareholder, being the holder of overseas listed foreign shares in the Company, is a recognized clearing house defined in the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong), it may authorize any appropriate person(s) as it thinks fit to act as its representative(s) at any shareholders’ general meetings <del>or any class shareholders’ meetings</del>. If more than one person is so authorized, the instrument of authorization must clearly state the class(es) and number of shares in respect of which each such person is so authorized. The aforementioned authorized person is entitled to exercise rights on behalf of the recognized clearing house (or its proxy(ies), as if such person is an individual shareholder of the Company.</p>	<p><b>Article 69</b></p> <p>.....</p> <p>(2) If the shareholder, being the holder of overseas listed foreign shares in the Company, is a recognized clearing house defined in the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong), it may authorize any appropriate person(s) as it thinks fit to act as its representative(s) at any shareholders’ general meetings <b>and creditors’ meeting</b>. If more than one person is so authorized, the instrument of authorization must clearly state the class(es) and number of shares in respect of which each such person is so authorized. The aforementioned authorized person is entitled to exercise rights on behalf of the recognized clearing house (or its proxy(ies), as if such person is an individual shareholder of the Company.</p>
<p><b>Article 78</b></p> <p>All Directors, Supervisors and the secretary to the Board of the Company shall be present at the general meeting, and the manager and other members of the senior management shall be in attendance at the meeting.</p>	<p><b>Article 74</b></p> <p>All Directors, Supervisors and the secretary to the Board of the Company shall be present at the general meeting, and the <b>general</b> manager and other members of the senior management shall be in attendance at the meeting.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 79</b></p> <p>Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution shall be passed by <del>more than one-half</del> of the votes represented by the shareholders (including proxies), having the right to vote and present at the shareholders' general meeting, being exercised in favour of the resolution.</p> <p>A special resolution shall be passed by more than two-thirds of the votes represented by the shareholders (including proxies), having the right to vote and present at the shareholders' general meeting, being exercised in favour of the resolution.</p>	<p><b>Article 75</b></p> <p>Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution shall be passed by <b><u>a majority of</u></b> the votes represented by the shareholders (including proxies), having the right to vote and present at the shareholders' general meeting, being exercised in favour of the resolution.</p> <p>A special resolution shall be passed by more than two-thirds of the votes represented by the shareholders (including proxies), having the right to vote and present at the shareholders' general meeting, being exercised in favour of the resolution.</p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 81</b></p> <p>At any shareholders’ meeting, voting shall be by a show of hands <del>unless a poll (before or after any vote by a show of hands) is demanded by the following persons:—</del></p> <p>(1) <del>the chairman of the meeting; or</del></p> <p>(2) <del>at least two shareholders, represent in person or by proxy, who have the right to vote at that meeting;</del></p> <p>(3) <del>One or more shareholders or their proxies who, alone or together, represent 10 per cent. or more of the shareholding represented at the meeting which carry the right to vote at that meeting;</del></p> <p>Unless a poll is demanded, a declaration by the chairman based on the results of a show of hands as to whether a resolution has been passed and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the result of that vote, it shall not be necessary to produce evidence of the number of the votes recorded, nor the percentage of votes, in favour of and against such resolution at the meeting.</p> <p>The demand for a poll may be withdrawn by the person or persons who demanded it.</p>	<p><b>Article 77</b></p> <p><u>Subject to compliance with the laws and regulations of the place where the company’s stock is listed, at any shareholders’ meeting, voting shall be by a show of hands <b>related to procedures or administrative matters. Except for the aforementioned circumstances, the shareholders’ meeting must adopt a registered voting method.</b></u></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 83</b></p> <p>On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p>Where any shareholder under any rules of a stock exchange on which the Company’s shares are listed is required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by on or behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p> <p>.....</p>	<p><b>Article 79</b></p> <p><u>Subject to compliance with the laws and regulations of the place where the company’s stock is listed,</u> on a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p>Where any shareholder under any rules of a stock exchange <b>and the provisions of the company’s articles of association</b> on which the Company’s shares are listed is required to abstain from voting on any particular resolution <b>and on any specific resolution</b> or restricted to voting only for or only against any particular resolution, any votes cast by on or behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p> <p>.....</p>
<p><b>Article 84</b></p> <p><del>Where there is an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional vote.</del></p>	<p>Delete</p>



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 85</b></p> <p>The following matters may be approved by an ordinary resolution of a shareholders' general meeting: –</p> <p>(1) work reports made by the board of directors and the supervisory committee;</p> <p>(2) proposals formulated by the board of directors for distribution of profits and for making up losses;</p> <p>(3) appointment and removal of the members of the board of directors and the supervisory committee, their remuneration and the method of payment in respect of such remuneration;</p> <p>(4) <del>the annual budget and accountants' report, balance sheet, profit and loss account and other financial reports of the Company;</del></p> <p>(5) annual report of the Company;</p> <p>(6) all matters required to be approved by a shareholders' general meeting other than those required by PRC laws, administrative regulations or these Articles to be approved by way of special resolution.</p>	<p><b>Article 80</b></p> <p>The following matters may be approved by an ordinary resolution of a shareholders' general meeting: –</p> <p>(1) work reports made by the board of directors and the supervisory committee;</p> <p>(2) proposals formulated by the board of directors for distribution of profits and for making up losses;</p> <p>(3) appointment and removal of the members of the board of directors and the supervisory committee, their remuneration and the method of payment in respect of such remuneration;</p> <p><u>(4)</u> annual report of the Company;</p> <p><u>(5)</u> all matters required to be approved by a shareholders' general meeting other than those required by PRC laws, administrative regulations or these Articles to be approved by way of special resolution.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 86</b></p> <p>The following matters may be approved by a special resolution of a shareholders’ general meeting: –</p> <p>(1) an increase or reduction of the Company’s capital <del>and the issue of any class of shares, warrants and other similar securities;</del></p> <p>(2) an issue of debt securities of the Company;</p> <p>(3) the division, merger, dissolution, <del>and</del> liquidation of the company;</p> <p>.....</p>	<p><b>Article 81</b></p> <p>The following matters may be approved by a special resolution of a shareholders’ general meeting: –</p> <p>(1) an increase or reduction of the Company’s <b><u>registered</u></b> capital</p> <p>(2) an issue of debt securities of the Company;</p> <p>(3) the division, merger, dissolution, liquidation <b><u>or change of corporate form</u></b> of the company;</p> <p>.....</p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 93</b></p> <p>Shareholders may convene an extraordinary general meeting <del>or a class meeting</del> in accordance with the following procedures:-</p> <p>(1) <del>two or more</del> shareholders, who together hold 10 per cent. or more of the shares carrying voting rights at the proposed meeting, may sign one or several written requisition(s) of the same form and contents, requiring the board of directors to convene an extraordinary general meeting <del>or a class shareholders' meeting</del> as requested. The percentage represented by the shareholdings of the requisitioning shareholders shall be calculated as at the date of the deposit of the requisition.</p> <p>(2) <del>If the board of directors fails to give a notice convening a meeting within 30 days of receiving the aforesaid written requisition, the requisitioning shareholders may themselves convene a meeting within 4 months of the receipt of such requisition by the board of directors. In so convening a meeting, the requisitioning shareholders should adopt a procedure as similar to that of a shareholders' should adopt a procedure as similar to that of a shareholders' general meeting convened by the board of directors as possible.</del></p> <p>(3) All reasonable expenses incurred in connection with a meeting convened by any shareholders themselves by reason of the failure of the board of directors to convene a meeting pursuant to a requisition shall be borne by the Company and shall be deducted from any sums due from the Company to those directors in default.</p>	<p><b>Article 88</b></p> <p>Shareholders may convene an extraordinary general meeting in accordance with the following procedures:-</p> <p>(1) shareholders, who <u>individually or</u> together hold 10 percent. or more of the <b>Company's</b> shares carrying voting rights at the proposed meeting, may sign one or several written requisition(s) of the same form and contents, requiring the board of directors to convene an extraordinary general meeting as requested <b><u>and clarify the agenda of the meeting. The board of directors shall make a decision on whether to convene an extraordinary general meeting of shareholders within ten days after receiving the aforementioned written request and provide a written response to the shareholders.</u></b> The percentage represented by the shareholdings of the requisitioning shareholders shall be calculated as at the date of the deposit of the requisition.</p> <p><b><u>If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. The notice should include resolutions submitted by relevant shareholders for review. Any alteration to the original resolution within the notice shall be subject to the agreement of the relevant shareholders. If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the request, the shareholders individually or collectively holding more than ten percent of the Company's shares shall be entitled to propose an extraordinary general meeting to be convened to the supervisory committee, and the proposal shall be made to the supervisory committee in writing.</u></b></p>

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

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 94</b></p> <p>Independent directors have the right to propose an extraordinary general meeting to be convened to the board of directors. The board of directors shall in accordance with the laws, administrative regulations and the Articles within 10 days of the receipt of the proposal by independent directors for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting. If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting; if the board of directors does not agree to do so, it shall explain and make relevant announcement.</p> <p>.....</p>	<p><b>Article 89</b></p> <p><b><u>Approved by a special meeting of independent directors,</u></b> independent directors have the right to propose an extraordinary general meeting to be convened to the board of directors. The board of directors shall in accordance with the laws, administrative regulations and the Articles within 10 days of the receipt of the proposal by independent directors for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting. If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting; if the board of directors does not agree to do so, it shall explain and make relevant announcement.</p> <p>.....</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 95</b></p> <p>Shareholders’ general meetings shall be <del>convened and</del> chaired by the chairman. If the chairman is unable to attend the meeting for any reason, the board of directors may upon agreement by <del>more than half</del> of the directors designate a director to act as the chairman of the meeting. If no chairman of the meeting was so designated, the shareholders present at the meeting may elect a person to act as chairman of the meeting, and if for any reason, the shareholders are unable to appoint a chairman of the meeting, the shareholder (or his proxy) present at the meeting holding the greatest number of shares carrying the right to vote shall be the chairman of the meeting.</p> <p>Shareholders’ general meetings solely convened by the supervisory committee shall be chaired by a supervisor recommended and elected by <del>more than half</del> of the supervisors.</p> <p>.....</p>	<p><b>Article 92</b></p> <p>Shareholders’ general meetings shall be chaired by the chairman. If the chairman is unable to attend the meeting for any reason, the board of directors may upon agreement by <u>a majority</u> of the directors designate a director to <u>convene the meeting and</u> act as the chairman of the meeting. If no chairman of the meeting was so designated, the shareholders present at the meeting may elect a person to act as chairman of the meeting, and if for any reason, the shareholders are unable to appoint a chairman of the meeting, the shareholder (or his proxy) present at the meeting holding the greatest number of shares carrying the right to vote shall be the chairman of the meeting.</p> <p>Shareholders’ general meetings solely convened by the supervisory committee shall be chaired by <u>the chairman of the supervisory committee. If the chairman of the supervisory committee is not able or not to discharge its duty, a supervisor recommended and elected by a majority of the supervisors would chair the meeting.</u></p> <p>.....</p>
<p><b>Article 112</b></p> <p><del> Holders of different classes of shares are class shareholders:</del></p> <p><del> Class shareholders shall enjoy rights and undertake obligations in accordance with the law, administrative regulations and these Articles:</del></p>	<p>Delete</p>
<p><b>Article 113</b></p> <p><del> If the Company proposes to vary or abrogate the rights of any class of shareholders, the variation or abrogation must be approved by a special resolution of the shareholders’ general meeting and by the affected class of shareholders at a separate meeting convened and conducted in accordance with Article 115 to 119 before it may proceed:</del></p>	<p>Delete</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 114</b></p> <p>The following events shall be deemed to be a variation or abrogation of the rights of shareholders:-</p> <p>(1) an increase or decrease in the number of shares in that class, or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other rights which are equal or superior to the shares of that class;</p> <p>(2) an exchange of all or part of the shares of that class for the shares of different class or the exchange of all or part of the shares of a different class for the shares of that class or a grant of a right or rights to such conversion;</p> <p>(3) a cancellation or reduction of the rights to accrued dividends or the rights to cumulative dividends attached to that class of shares;</p> <p>(4) a reduction or cancellation of the preferential rights of that class of shares to dividends or a distribution of surplus assets in the event of the winding-up or liquidation of the Company;</p> <p>(5) an increase, cancellation or reduction of any conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to that class of shares;</p> <p>(6) a cancellation or reduction of any rights attached to that class of shares to receive payments from the Company in specified currencies;</p>	<p>Delete</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
(7) a creation of a new class of shares having voting rights, distribution rights or other rights equal to superior to that class of shares;	
(8) a creation or increase of restrictions on the rights of transfer or ownership attached to that class of shares;	
(9) an issue of rights to subscribe for, or convert into, shares of that class or other class(es);	
(10) an increase in the rights or privileges of another class or other classes of shares;	
(11) a restructuring of the Company which will result in (a) class(es) of shareholders bearing (a) disproportionate amount(s) of obligations to other class(es) in the course of such restructuring; and	
(12) a variation or abrogation of the provisions contained in this Chapter.	



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 115</b></p> <p><del>Shareholders of the affected class, whether or not entitled to vote at shareholders’ general meetings, shall nevertheless be entitled to vote at class shareholders’ meetings in respect of matters involving the provisions of paragraphs (2) to (8), (11) and (12) of Article 114, but interested shareholders) shall have no voting rights at such meetings.</del></p> <p><del>An “interested shareholder” means the following person(s):-</del></p> <p><del>(1) in the case of a repurchase of shares by the Company in accordance with Article 30 of these Articles by way of a general offer to shareholders in proportion to their respective shareholdings or by way of open trading on a stock exchange, an “interested shareholder” means a controlling shareholder as defined in Article 55;</del></p> <p><del>(2) in the case of a repurchase of shares by the Company in accordance with Article 30 of these Articles by way of a separate contract outside a stock exchange, an “interested shareholder” means a shareholder who is connected with the proposed contract; and</del></p> <p><del>(3) in the case of a proposal to restructure of the Company, an “interested shareholder” refers to a shareholder who bears less than a proportionate amount of obligations when compared to other shareholders of the same class or a shareholder who has an interest different from the interests of the other shareholders of the same class.</del></p>	<p>Delete</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup><i>Note 1</i></sup>	<b>Amended Articles</b> <sup><i>Note 2</i></sup>
<p><b>Article 116</b></p> <p><del>Resolutions of a class shareholders' meeting shall in accordance with Article 115 be passed by two thirds of the votes represented by the shareholders of that class who are entitled to vote and who are present at the class meeting.</del></p>	Delete
<p><b>Article 117</b></p> <p><del>When the Company convenes a class shareholders' meeting, the time limit for giving notice shall comply with provisions in Article 61 in these Articles.</del></p>	Delete
<p><b>Article 118</b></p> <p><del>Notice of class shareholders' meeting need only be served on shareholders who are entitled to vote at those meetings. Class shareholders' meeting shall be conducted in a manner as similar as possible to a shareholders' general meeting. The provisions of these Articles relating to the proceedings of shareholders' general meeting shall apply to class shareholders' meetings.</del></p>	Delete

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 119</b></p> <p><del>In addition to being holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders:-</del></p> <p><del>The special procedure for voting by class shareholders does not apply in the following situations:</del></p> <p><del>(1) where, the approval by way of a special resolution of the shareholders' general meeting having been obtained, the Company issues domestic shares or overseas listed foreign shares separately or concurrently in any 12-months period whereby the number of domestic shares and/or overseas listed foreign shares to be issued do not exceed 20 per cent. of the respective numbers of such shares already in issue;</del></p> <p><del>(2) where the Company's plans (made at the time of its establishment) to issue domestic shares and overseas listed foreign shares is completed within 15 months from the date on which approval is given by the Securities Commission of the State Council.</del></p>	<p>Delete</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small><i>Note 1</i></small>	<b>Amended Articles</b> <small><i>Note 2</i></small>
<p><b>Article 121</b></p> <p>.....</p> <p>Subject to compliance with the relevant laws and administrative regulations, a shareholders’ general meeting may by way of an ordinary resolution remove any director before the expiry of his term of office (but without prejudice to any claim for compensation pursuant to any contract).</p> <p>A director may concurrently hold the position of manager or other management positions (except the position of a supervisor), provided that the directors holding position of manager or other management positions and directors acted by representatives of employees shall not amount to over 1/2 of the total directors of the Company.</p> <p>A director is not required to hold shares in the Company.</p>	<p><b>Article 110</b></p> <p>.....</p> <p>Subject to compliance with the relevant laws and administrative regulations, a shareholders’ general meeting may by way of an ordinary resolution remove any director before the expiry of his term of office (but without prejudice to any claim for compensation pursuant to any contract).</p> <p>A director may concurrently hold the position of <b><u>general</u></b> manager or other management positions (except the position of a supervisor), provided that the directors holding position of <b><u>general</u></b> manager or other management positions and directors acted by representatives of employees shall not amount to over 1/2 of the total directors of the Company.</p> <p>A director is not required to hold shares in the Company.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 121(b)</b></p> <p>Independent directors shall be elected in the following manner:-</p> <p>.....</p> <p>(4) If the shareholders who individually or jointly hold 1% or more of the Company’s voting shares or the supervisory committee puts forward a provisional motion in an <del>EGM</del> of the Company for election of independent directors, a written notice stating their intention to nominate a candidate for directors and the nominee’s consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraphs (1) and (2) above shall be delivered to the Company not less than seven (7) days before the general meeting, and the period granted by the Company for lodging the above notice and documents by the relevant nominator (such period shall commence from the date after the issue of the notice of the general meeting) shall not be less than seven (7) days.</p> <p>.....</p>	<p><b>Article 110(b)</b></p> <p>Independent directors shall be elected in the following manner:-</p> <p>.....</p> <p>(4) If the shareholders who individually or jointly hold 1% or more of the Company’s voting shares or the supervisory committee puts forward a provisional motion in a <b>general meeting</b> of the Company for election of independent directors, a written notice stating their intention to nominate a candidate for <b>independent</b> directors and the nominee’s consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraphs (1) and (2) above shall be delivered to the Company not less than seven (7) days before the general meeting, and the period granted by the Company for lodging the above notice and documents by the relevant nominator (such period shall commence from the date after the issue of the notice of the general meeting) shall not be less than seven (7) days.</p> <p>.....</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 121(c)</b></p> <p>Non-independent directors shall be elected in the following manner:-</p> <p>.....</p> <p>(3) If the shareholders who individually or jointly hold 3% or more of the Company’s voting shares or the supervisory committee puts forward a provisional motion at <del>an EGM</del> of the Company for election of non-independent directors, a written notice stating their intention to nominate a candidate for directors and the nominee’s consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraph (1) above shall be delivered to the Company not less than seven (7) days before the general meeting, and the period granted by the Company for lodging the above notice and documents by the relevant nominator (such period shall commence from the date after the issue of the notice of the general meeting) shall not be less than seven (7) days.</p>	<p><b>Article 110(c)</b></p> <p>Non-independent directors shall be elected in the following manner:-</p> <p>.....</p> <p>(3) If the shareholders who individually or jointly hold 3% or more of the Company’s voting shares or the supervisory committee puts forward a provisional motion at <b>a general meeting</b> of the Company for election of non-independent directors, a written notice stating their intention to nominate a candidate for directors and the nominee’s consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraph (1) above shall be delivered to the Company not less than seven (7) days before the general meeting, and the period granted by the Company for lodging the above notice and documents by the relevant nominator (such period shall commence from the date after the issue of the notice of the general meeting) shall not be less than seven (7) days.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 121(d)</b></p> <p>The following basic requirements are applicable in order to be an independent director:-</p> <p>(1) qualified to be a director of a listed company under the <del>domestic and overseas</del> laws, administrative regulations and other relevant provisions;</p> <p>(2) have the independence required by these Articles of Association;</p> <p>(3) have basic knowledge of the operation of a listed company, familiar with the relevant laws, administrative rules, regulations and rules;</p> <p>(4) have 5 years or more of legal or financial experience or other experience in performing the duties of an independent director:-</p>	<p><b>Article 110(d)</b></p> <p>The following basic requirements are applicable in order to be an independent director:-</p> <p>(1) qualified to be a director of a listed company under the <u>PRC and Hong Kong</u> laws, regulations and other relevant provisions;</p> <p>(2) have the independence required by these Articles of Association;</p> <p>(3) have basic knowledge of the operation of a listed company, familiar with the relevant laws, administrative rules, regulations and rules;</p> <p>(4) have 5 years or more of legal or financial experience or other experience in performing the duties of an independent director;</p> <p><b>(5) <u>having good personal ethics and no major dishonesty or other negative records;</u></b></p> <p><b>(6) <u>other conditions stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission, business rules of securities exchanges, and this Articles of Association.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 126</b></p> <p>The board of directors <del>is accountable to the shareholders' general meeting</del> shall have the following functions and powers:-</p> <p>(1) to convene shareholders' general meetings and to report on its work at such meeting;</p> <p>(2) to implement resolutions passed at shareholders' general meetings;</p> <p>(3) to decide the Company's operational plans and investment proposals;</p> <p>(4) <del>to determine the Company's annual financial budgets and final accounts;</del></p> <p>(5) to formulate proposals for distributing the profits of the Company and proposals to make up any losses of the Company;</p> <p>(6) to formulate proposals for an increase or reduction of the Company's registered capital and the issue of debt securities;</p> <p>(7) to prepare plans for the demerger, merger <del>or</del> dissolution of the Company;</p> <p>(8) to decide matters concerning the internal management structure of the Company;</p>	<p><b>Article 115</b></p> <p>The board of directors shall have the following functions and powers:-</p> <p>(1) to convene shareholders' general meetings and to report on its work at such meeting;</p> <p>(2) to implement resolutions passed at shareholders' general meetings;</p> <p>(3) to decide the Company's operational plans and investment proposals;</p> <p>(4) to formulate proposals for distributing the profits of the Company and proposals to make up any losses of the Company;</p> <p><b>(5)</b> to formulate proposals for an increase or reduction of the Company's registered capital and the issue of debt securities;</p> <p><b>(6)</b> to prepare plans for the demerger, merger or dissolution <b><u>or change of corporate form</u></b> of the Company;</p> <p><b>(7)</b> to decide matters concerning the internal management structure of the Company;</p> <p><b>(8)</b> to appoint or dismiss the <b><u>general</u></b> manager(s) of the Company and, upon the nomination of the <b><u>general</u></b> manager, to appoint and dismiss deputy <b><u>general</u></b> manager(s) and financial controller(s) of the Company, and to decide matters concerning the remuneration of such officers;</p>



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p>(9) to appoint or dismiss the manager(s) of the Company and, upon the nomination of the manager, to appoint and dismiss deputy manager(s) and financial controller(s) of the Company, and to decide matters concerning the remuneration of such officers;</p> <p>(10) to determine the basic management system;</p> <p>(11) to formulate proposals for amendments to these Articles;</p> <p>(12) subject to compliance with the requirements of the relevant laws, regulations, these Articles and any relevant rules, to exercise the Company's powers to raise capital and to borrow, and to make decisions regarding the mortgaging, letting, subcontracting or transfer of the Company's major assets, and to delegate the aforementioned powers to the manager for his exercise within certain limits;</p> <p>(13) To determine one single external guarantee at the amount of 10% or less than 10% of the latest audited consolidated net assets of the Company prepared in accordance with PRC accounting standards.</p>	<p><b>(9)</b> to determine the basic management system;</p> <p><b>(10)</b> to formulate proposals for amendments to these Articles;</p> <p><b>(11)</b> subject to compliance with the requirements of the relevant laws, regulations, these Articles and any relevant rules, to exercise the Company's powers to raise capital and to borrow, and to make decisions regarding the mortgaging, letting, subcontracting or transfer of the Company's major assets, and to delegate the aforementioned powers to the <b>general</b> manager for his exercise within certain limits;</p> <p><b>(12)</b> To determine one single external guarantee at the amount of 10% or less than 10% of the latest audited consolidated net assets of the Company prepared in accordance with PRC accounting standards;</p> <p><b>(13)</b> to establish special committees of directors and to appoint and remove the relevant persons responsible;</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p>(14) to establish special committees of directors and to appoint and remove the relevant persons responsible; and</p> <p>(15) any other functions and powers conferred by shareholders’ general meetings and these Articles.</p> <p>Other than the board of directors’ resolutions in respect of the matters specified in sub-paragraph (6), <del>(7)</del>, <del>(11)</del> and <del>(13)</del> of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors’ resolution in respect of all other matters may be passed by the affirmative vote of a <del>simple</del> majority of the directors.</p>	<p><b><u>(14) to issue new shares according to the authorization decision of the shareholders’ meeting or these articles of association;</u></b> and</p> <p>(15) any other functions and powers conferred by shareholders’ general meetings and these Articles.</p> <p>Other than the board of directors’ resolutions in respect of the matters specified in sub-paragraph <b><u>(5), (6), (10), (12) and (14)</u></b> of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors’ resolution in respect of all other matters may be passed by the affirmative vote of a majority of the directors.</p>
<p>Newly added</p>	<p><b>Article 116</b></p> <p><b><u>The board of directors of the Company shall establish strategic development committee, audit committee, remuneration and assessment committee and nomination committee. The abovementioned special committees under the board of directors shall be accountable to the board of directors and perform the duties as granted by these Articles and authorisation from the board of directors, and their proposals shall be submitted to the board of directors for consideration and approval. All members of the special committees under the board of directors shall be directors, of which independent directors shall be the majority in audit committee, nomination committee and remuneration and assessment committee and shall act as their conveners. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.</u></b></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
Newly added	<p><b>Article 117</b></p> <p><b><u>The Strategic Development Committee is responsible for the following:</u></b></p> <ol style="list-style-type: none"> <li><b><u>(1) organizing and carrying out research on the Company’s major strategic issues, and providing advice for the board of directors in terms of strategies regarding investment, development as well as marketing and other issues;</u></b></li> <li><b><u>(2) organizing and coordinating the preparation of the Company’s medium- and long-term development master plan and submitting it to the board of directors for study and decision;</u></b></li> <li><b><u>(3) researching and demonstrating the annual investment plans drawn up by the Company’s business divisions before they are scrutinized by the board of directors, so as to provide reference opinions for the board of directors’ formal consideration;</u></b></li> <li><b><u>(4) making researches and recommendations on major capital operations, asset management projects and investment and financing cases which shall be subject to the Articles of Association to be approved by the board of directors;</u></b></li> <li><b><u>(5) conducting researches and making recommendations on other material issues affecting the development of the Company;</u></b></li> <li><b><u>(6) investigating and analyzing the implementation of significant strategic issues and make recommendations to the board of directors for improvements and adjustments;</u></b></li> <li><b><u>(7) any other matters authorized by the board of directors.</u></b></li> </ol>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
Newly added	<p><b>Article 118</b></p> <p><b><u>The Audit Committee is responsible for the following:</u></b></p> <p>(1) <b><u>monitoring the integrity, accuracy and transparency of the Company’s financial statements and annual reports and accounts and half-year report, reviewing significant financial reporting judgments contained in them, and reviewing whether the representations made in the directors’ report are appropriate;</u></b></p> <p>(2) <b><u>oversight of the Company’s financial reporting system, risk management and internal control systems;</u></b></p> <p>(3) <b><u>overseeing the issuer’s relations with the external auditors;and</u></b></p> <p>(4) <b><u>making recommendations for the appointment and dismissal of the chief financial officer of the Company.</u></b></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
Newly added	<p><b>Article 119</b></p> <p><b><u>The Nomination Committee is responsible for the following:</u></b></p> <p>(1) <b><u>formulating the policy for the nomination of Directors or Senior Officers and the standard for selection of such individuals;</u></b></p> <p>(2) <b><u>preliminarily selecting Directors and Senior Officers and submitting the nomination proposals to the Board;</u></b></p> <p>(3) <b><u>reviewing the structure, size and composition (including the skills, knowledge and experience) of members of the Board on a regular basis and making recommendations to the Board regarding any proposed changes;</u></b></p> <p>(4) <b><u>assessing the independence of independent non-executive directors; and</u></b></p> <p>(5) <b><u>making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors or Senior Officers.</u></b></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
Newly added	<p><b>Article 120</b></p> <p><b><u>The Remuneration and Appraisal Committee is responsible for the following:</u></b></p> <p>(1) <b><u>formulating the remuneration policy of Directors and Senior Officers of the Company;</u></b></p> <p>(2) <b><u>determining the standard of appraisal of Directors and Senior Officers, assessing the performance of Directors and Senior Officers during the year; and</u></b></p> <p>(3) <b><u>approving the terms of their service contracts and remuneration packages and submitting the same to the Board for approval.</u></b></p>
Newly added	<p><b>Article 121</b></p> <p><b><u>The following matters shall be passed by more than half of the members of the audit committee before being resolved by the board of directors:</u></b></p> <p>(1) <b><u>employment and dismissal of the accounting firm(s) for auditing of the Company;</u></b></p> <p>(2) <b><u>employment and dismissal of financial controller(s);</u></b></p> <p>(3) <b><u>disclosure of financial accounting reports;</u></b></p> <p>(4) <b><u>other matters as stipulated by the securities regulatory authorities of the State Council.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 131</b></p> <p>Board meetings shall be held at least <del>twice</del> every year and shall be convened by the chairman. <del>In the event of an emergency,</del> an extraordinary board meeting may be convened upon a request by one-third or more of the directors <del>or the manager of the Company.</del></p>	<p><b>Article 126</b></p> <p>Board meetings shall be held at least <b><u>four times</u></b> every year and shall be convened by the chairman. An extraordinary board meeting may be convened upon a request by <b><u>Shareholders representing more than one tenth of the voting rights,</u></b> one-third or more of the directors or <b><u>supervisory board.</u></b></p>
<p><b>Article 132</b></p> <p>(1) Meetings of the board directors shall be held at least four times each year on a regular basis and shall be convened by the chairman who shall require the board secretary to notify all directors at least 14 days in advance before the meeting, and to notify all directors and supervisors of the time and place of the proposed board meeting by phone, <del>telegram, facsimile, express delivery, registered mail</del> or by hand.</p> <p>(2) In the event of an emergency which requires an extraordinary board meeting to be convened, the chairman shall require the Company secretary to notify all directors and supervisors of the time, place and method of the proposed extraordinary board meeting by <del>telex, telegram,</del> or by hand not less than 2 days and not more than 10 days before the meeting.</p> <p>.....</p>	<p><b>Article 127</b></p> <p>(1) Meetings of the board directors shall be held at least four times each year on a regular basis and shall be convened by the chairman who shall require the board secretary to notify all directors <b><u>and supervisors</u></b> at least 14 days in advance before the meeting, and to notify all directors and supervisors of the time and place of the proposed board meeting by phone, <b><u>email</u></b> or by hand.</p> <p>(2) In the event of an emergency which requires an extraordinary board meeting to be convened, the chairman shall require the Company secretary to notify all directors and supervisors of the time, place and method of the proposed extraordinary board meeting by <b><u>phone, email,</u></b> or by hand not less than 2 days and not more than 10 days before the meeting.</p> <p>.....</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small><i>Note 1</i></small>	<b>Amended Articles</b> <small><i>Note 2</i></small>
<p><b>Article 133</b></p> <p>A meeting of the board of directors shall only be held if <del>more than half</del> of the directors are present.</p> <p>.....</p> <p>Each director shall have one vote. Resolutions of the board of directors are required to be passed by a majority of the directors.</p> <p><del>In the case of an equality of approval votes and objection votes, the chairman shall have the rights to cast an additional vote.</del></p>	<p><b>Article 128</b></p> <p>A meeting of the board of directors shall only be held if <b><u>a majority</u></b> of the directors are present.</p> <p>.....</p> <p>Each director shall have one vote. Resolutions of the board of directors are required to be passed by a majority of the directors.</p>
<p><b>Article 134</b></p> <p>If a director is association relationship with the enterprises involved in a resolution to be made at a board meeting, <del>he</del> shall not vote on the aforesaid resolution, or vote on behalf of other directors. The aforesaid board meeting may be held with the attendance of over half of the directors without association relationship. Resolutions made by the board meeting shall be adopted by over half of the directors without association relationship. If the number of the directors without association relationship attending the board meeting is below 3, the matter shall be submitted to the shareholders’ general meeting for deliberation.</p>	<p><b>Article 129</b></p> <p>If a director is association relationship with the enterprises <b><u>or individuals</u></b> involved in a resolution to be made at a board meeting, <b><u>the director shall promptly report in writing to the board of directors.</u></b> <b><u>Directors with related relationships</u></b> shall not vote on the aforesaid resolution, or vote on behalf of other directors. The aforesaid board meeting may be held with the attendance of over half of the directors without association relationship. Resolutions made by the board meeting shall be adopted by over half of the directors without association relationship. If the number of the directors without association relationship attending the board meeting is below <b><u>three</u></b>, the matter shall be submitted to the shareholders’ general meeting for deliberation.</p>



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 155</b></p> <p>The supervisory committee shall meet at least twice a year, the meeting shall be convened by the chairman of the supervisory committee.</p> <p>The Chairman of the supervisory committee shall convene and chair the meeting, where the Chairman of the supervisory committee is not able or not to discharge its duty, the supervisory committee general meeting may upon approval of <del>over half</del> of the supervisory with the right to vote present at the meetings, recommend and elect another person to take the chair and resume the meeting.</p>	<p><b>Article 150</b></p> <p>The supervisory committee shall meet at least twice a year, the meeting shall be convened by the chairman of the supervisory committee.</p> <p>The Chairman of the supervisory committee shall convene and chair the meeting, where the Chairman of the supervisory committee is not able or not to discharge its duty, the supervisory committee general meeting may upon approval of <b>a majority</b> of the supervisory with the right to vote present at the meetings, recommend and elect another person to take the chair and resume the meeting.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 156</b></p> <p>The supervisory committee <del>shall be accountable to the shareholders’ general meeting and</del> shall exercise the following functions and powers <del>in accordance with law:-</del></p> <ol style="list-style-type: none"> <li>(1) to review the regular corporate reports prepared by the board of directors and present the review suggestions in writing;</li> <li>(2) examine the Company’s financial affairs;</li> <li>(3) to carry out supervision to ensure that the directors, managers and other senior officers do not act in contravention of any laws, administrative regulations and/or these Articles in the performance of their duties;</li> <li>(4) if the conduct of a director, manager of other senior officer is detrimental to the interests of the Company, to require that person to rectify such conduct;</li> <li>(5) review the Company’s financial reports, business reports and profit distribution plans which the board of directors proposes to be submitted to the shareholders’ general meeting, and in appropriate cases, to appoint on behalf of the Company registered accountants or practising auditors to assist <del>in</del> such review;</li> </ol>	<p><b>Article 151</b></p> <p>The supervisory committee shall exercise the following functions and powers:-</p> <ol style="list-style-type: none"> <li>(1) to review the regular corporate reports prepared by the board of directors and present the review suggestions in writing;</li> <li>(2) examine the Company’s financial affairs;</li> <li>(3) to carry out supervision to ensure that the directors, <b>general</b> managers and other senior officers do not act in contravention of any laws, administrative regulations and/or these Articles in the performance of their duties <b><u>or propose to dismiss directors, general managers, and other senior management personnel who have passed resolutions at the shareholders’ meeting;</u></b></li> <li>(4) if the conduct of a director, <b>general</b> manager of other senior officer is detrimental to the interests of the Company, to require that person to rectify such conduct;</li> <li>(5) review the Company’s financial reports, business reports and profit distribution plans which the board of directors proposes to be submitted to the shareholders’ general meeting, and in appropriate cases, to appoint on behalf of the Company registered accountants or practising auditors to assist such review;</li> </ol>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p>(6) to propose the convening of extraordinary general meetings of shareholders; convene and host the general meetings of shareholders in the event that the board of directors does not fulfill its duty to convene and host the general meetings of shareholders as stipulated by the Company Law;</p> <p>(7) to present proposals to the general meetings of shareholders;</p> <p>(8) to represent the Company in negotiations with directors or to institute proceedings against directors;</p> <p>(9) to launch an investigation in the event of the discovery of abnormal corporate operation; to employ such professional institutes as the accounting firms and the law firms to assist in its work if necessary with all the expenses to be borne by the Company;</p> <p>(10) other functions and powers provided for in these Articles.</p> <p>Supervisors attend the meetings of board of directors and inquire about or propose suggestions for the resolutions of the board of directors.</p>	<p>(6) to propose the convening of extraordinary general meetings of shareholders; convene and host the general meetings of shareholders in the event that the board of directors does not fulfill its duty to convene and host the general meetings of shareholders as stipulated by the Company Law;</p> <p>(7) to present proposals to the general meetings of shareholders;</p> <p>(8) to represent the Company in negotiations with directors, <b><u>general managers and other senior officers</u></b> or to institute proceedings against directors, <b><u>general managers and other senior officers</u></b>;</p> <p>(9) to launch an investigation in the event of the discovery of abnormal corporate operation; to employ such professional institutes as the accounting firms and the law firms to assist in its work if necessary with all the expenses to be borne by the Company;</p> <p>(10) other functions and powers provided for in <b><u>law, administrative regulations and</u></b> these Articles.</p> <p>Supervisors attend the meetings of board of directors and inquire about or propose suggestions for the resolutions of the board of directors.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 163</b></p> <p>A person shall be disqualified from being a director, supervisor, manager or other senior officer of the Company if he fails within any one of the following categories:-</p> <p>(1) a person with no civil capacity or with restricted civil capacity;</p> <p>(2) a person who committed and was sentenced for the offences of corruption, bribery, infringement of property, misappropriation of assets or disrupting social and economic order, <del>and a period of 5 years has not lapsed since the date of completion of the term of his sentence</del> or a person who deprived of his political rights for having committed an offence, and a period of 5 years has not lapsed since the date of completion of the term of his sentence;</p> <p>(3) a person who was a director or factory controller or manager of a company or enterprise which became insolvent or was liquidated <del>due to poor management</del>, and who was found personally liable for the insolvency of that company or enterprise, and a period of 3 years has not yet lapsed since the date of completion of the insolvency and liquidation of that company or enterprise;</p>	<p><b>Article 158</b></p> <p>A person shall be disqualified from being a director, supervisor, <b>general</b> manager or other senior officer of the Company if he fails within any one of the following categories:-</p> <p>(1) a person with no civil capacity or with restricted civil capacity;</p> <p>(2) a person who committed and was sentenced for the offences of corruption, bribery, infringement of property, misappropriation of assets or disrupting social and economic order, or a person who deprived of his political rights for having committed an offence, and a period of 5 years has not lapsed since the date of completion of the term of his sentence; <b><u>Those who have been granted probation have not exceeded two years from the date of expiration of the probation period;</u></b></p> <p>(3) a person who was a director or factory controller or manager of a company or enterprise which became insolvent or was liquidated, and who was found personally liable for the insolvency of that company or enterprise, and a period of 3 years has not yet lapsed since the date of completion of the insolvency and liquidation of that company or enterprise;</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
(4) a person who was a legal representative of a company or enterprise, which had its business license revoked due to a contravention of the law, and who was found personally liable, and a period of 3 years has not yet lapsed since the date of revocation of the business license of that company or enterprise;	(4) a person who was a legal representative of a company or enterprise, which had its business license revoked <b><u>or ordered to close</u></b> due to a contravention of the law, and who was found personally liable, and a period of 3 years has not yet lapsed since <b><u>the company or enterprise was revoked of its business license and ordered to close</u></b> ;
(5) <del>a person who failed to repay relatively large personal debts when they became due;</del>	(5) <b><u>individuals are listed as dishonest persons subject to enforcement by the people’s court due to their large amount of debt that has not been repaid upon maturity</u></b> ;
(6) a person who, is under investigation by judicial/legal authorities contravention of criminal law and the case has not yet been resolved;	(6) a person who, is under investigation by judicial/legal authorities <b><u>due to</u></b> contravention of criminal law and the case has not yet been resolved;
(7) a person who is not eligible to act as a leader of an enterprise according to the PRC law and administrative regulations;	(7) a person who is not eligible to act as a leader of an enterprise according to the PRC law and administrative regulations;
(8) a person who is not a natural person;	(8) a person who is not a natural person;
(9) a person who has been convicted by the relevant supervisory authorities for having contravened the provisions of the relevant securities laws and regulations, or offences involving fraud or acts of bad faith and a period of 5 years form the date of his conviction has not lapsed.	(9) a person who has been convicted by the relevant supervisory authorities for having contravened the provisions of the relevant securities laws and regulations, or offences involving fraud or acts of bad faith and a period of 5 years form the date of his conviction has not lapsed.

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small><i>Note 1</i></small>	<b>Amended Articles</b> <small><i>Note 2</i></small>
	<p><b><u>If the provisions of the preceding paragraph are violated when electing and hiring directors and supervisors or appointing senior management officers, such election, appointment or hiring shall be void and ineffective.</u></b></p> <p><b><u>Where a circumstance prescribed in this Articles occurs during the term of office of directors, supervisors and senior management officers, the Company shall dismiss him.</u></b></p>
<p><b>Article 180</b></p> <p>.....</p> <p>(ii) an offer made by any person, with a view to the offer or becoming the controlling shareholder <del>within the meaning set out in Article 54.</del></p> <p>.....</p>	<p><b>Article 175</b></p> <p>.....</p> <p>(ii) an offer made by any person, with a view to the offer or becoming the controlling shareholder.</p> <p>.....</p>
<p><b>Article 183</b></p> <p>The board of directors shall place before the shareholders at every <del>annual meeting of shareholders</del> such financial reports as required by the relevant laws, administrative regulations or prescribed documents required by regional governments and supervisory authorities to be prepared by the Company.</p>	<p><b>Article 178</b></p> <p>The board of directors shall place before the shareholders at every <b>annual general meeting</b> such financial reports as required by the relevant laws, administrative regulations or prescribed documents required by regional governments and supervisory authorities to be prepared by the Company.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <sup>Note 1</sup>	<b>Amended Articles</b> <sup>Note 2</sup>
<p><b>Article 184</b></p> <p>The Company shall submit the annual financial statements to China Securities Regulatory Commission and the stock exchange within four (4) months commencing from the date of the end of every financial year, submit the semi-annual financial statements to the dispatched offices of CSRC and the stock exchange within two (2) months commencing from the date of the end of the first six (6) months of every financial year, <del>and submit the quarterly financial statements to the dispatched offices of CSRC and the stock exchange within one (1) month commencing from the date of the end of the first three (3) months and the first nine (9) months of every financial year.</del></p> <p>The aforesaid financial statements shall be prepared as stipulated by relevant laws, administrative regulations and departmental rules.</p>	<p><b>Article 179</b></p> <p>The Company shall submit the annual financial statements to China Securities Regulatory Commission and the stock exchange within four (4) months commencing from the date of the end of every financial year, submit the semi-annual financial statements to the dispatched offices of CSRC and the stock exchange within two (2) months commencing from the date of the end of the first six (6) months of every financial year.</p> <p>The aforesaid financial statements shall be prepared as stipulated by relevant laws, administrative regulations and departmental rules.</p>
<p><b>Article 185</b></p> <p>The financial reports of the Company shall be made available at the Company 20 days prior to the annual general meeting of the Company for inspection by shareholders. Every shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.</p> <p><del>A copy of the aforesaid financial reports shall, at least 21 days before the date of the annual general meeting, be sent by prepaid post by the Company to every holder of overseas listed foreign shares at his/her address as entered in the register of members.</del></p>	<p><b>Article 180</b></p> <p>The financial reports of the Company shall be made available at the Company 20 days prior to the <b><u>annual general meeting</u></b> of the Company for inspection by shareholders. Every shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.</p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 186</b></p> <p><del>The financial statements of the Company shall be complying with PRC accounting standards, rules and regulations.</del></p>	Delete
<p><b>Article 187</b></p> <p><del>Any interim results of financial information announced or disclosed by the Company shall be prepared in accordance with PRC accounting standards, rules and regulations.</del></p>	Delete
<p><b>Article 188</b></p> <p><del>The Company shall announce its financial reports twice in each financial year. The interim report shall be announced within 60 days after the end of the first six months of a financial year. The annual report shall be announced within 120 days after the end of a financial year.</del></p>	Delete
<p><b>Article 191</b></p> <p>The corporate reserve fund shall be used to make up for the corporate losses, expand the corporate production and operation or increase the corporate capital. Nevertheless, the capital reserve fund shall not be used to make up for corporate losses.</p> <p>As the legal reserve fund is converted as corporate capital, the remaining of such reserve fund shall not be less than the 25% of the corporate registered capital prior to conversion.</p>	<p><b>Article 183</b></p> <p>The corporate reserve fund shall be used to make up for the corporate losses, expand the corporate production and operation or increase the corporate capital.</p> <p><b><u>To make up for the Company's losses with the provident fund, the discretionary provident fund and statutory provident fund should be used first; If it cannot be compensated, the capital reserve fund can be used according to regulations.</u></b></p> <p>As the legal reserve fund is converted as corporate capital, the remaining of such reserve fund shall not be less than the 25% of the corporate registered capital prior to conversion.</p>



Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p><b>Article 193</b></p> <p>.....</p> <p>(3) Cash dividends and other distributions of the domestic shares shall be paid in RMB. <del>Cash dividends and other distributions of overseas listed foreign shares listed in Hong Kong shall be declared in RMB and paid in Hong Kong dollars in accordance with PRC rules and regulations governing the control of foreign exchanges.</del></p>	<p><b>Article 185</b></p> <p>.....</p> <p>(3) Cash dividends and other distributions of the domestic shares shall be paid in RMB. <b><u>The company may pay dividends to overseas listed foreign shareholders in foreign currency or RMB in accordance with foreign exchange management, cross-border RMB management regulations, and securities regulatory rules of the Company's overseas listing location.</u></b></p>

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

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p>.....</p> <p>(10) After the general meeting passes the resolution regarding the profit distribution policy, <del>the Company board of directors should</del> within 2 months <del>complete</del> the distribution task of stock dividend (or shares).</p>	<p>.....</p> <p>(10) After the general meeting passes the resolution regarding the profit distribution policy, <b><u>or the board of directors of the Company formulates a specific plan based on the next year’s mid-term dividend conditions and upper limit approved by the annual shareholders’ meeting,</u></b> the distribution task of stock dividend (or shares) <b><u>must be completed</u></b> within 2 months.</p>
<p><b>Article 196</b></p> <p>The Company shall appoint <del>one or more independent firms of accountants which satisfy the relevant PRC requirements to carry out an audit of the annual accounts of the Company and other financial reports of the Company.</del></p> <p>A firm of accountants may be appointed at the inaugural meeting prior to the first annual general meeting of the Company and the firm of accountants so appointed shall remain the accountants of the Company until the conclusion of the first annual general meeting.</p> <p>If, at the inaugural meeting, the Company fails to exercise its powers as stipulated in this Article, those powers shall be exercised by the board of directors.</p>	<p><b>Article 188</b></p> <p>The Company shall appoint one <b><u>accounting firm that complies with the provisions of the Securities Law of the People’s Republic of China to conduct accounting statement audits, net asset verification, and other related consulting services. The employment period is one year and can be renewed.</u></b></p>
<p><b>Article 197</b></p> <p>The term of appointment <del>of a firm of accountants appointed by the Company</del> shall commence from the conclusion of the annual general meeting at which the appointment took place and shall terminate upon the conclusion of the next annual general meeting.</p>	<p><b>Article 189</b></p> <p><b><u>The accounting firm hired by the company must be approved by the shareholders through an ordinary resolution at the annual general meeting.</u></b> The term of appointment shall commence from the conclusion of the annual general meeting at which the appointment took place and shall terminate upon the conclusion of the next annual general meeting.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 206</b></p> <p>The Company may merge either by acquisition or by the establishment <del>or</del> a new venture.</p> <p>When the Company merges, all parties to the merger shall sign a merger agreement, and a balance sheet and an inventory of the Company’s assets shall be prepared. The Company shall notify its creditors within 10 days commencing from the date of the resolution which approved the merger and shall make <del>at least 3</del> newspaper announcements of the merger within 30 days.</p> <p>After the merger of the Company, the rights and liabilities of the Company and any other parties to the merger shall be assumed by the surviving company or the new venture established as a result of the merger.</p>	<p><b>Article 198</b></p> <p>The Company may merge either by acquisition or by the establishment <u>of</u> a new venture.</p> <p><b><u>When the Company merges with another company in which it holds more than ninety percent of that company’s shares, approval from the shareholders’ general meetings is not required from the merged company, but it should notify other shareholders, who have the right to require the Company to purchase their equity or shares at a reasonable price.</u></b></p> <p><b><u>If the payment made by the Company for a merger does not exceed ten percent of its net assets, it may not require approval from the shareholders’ meeting.</u></b></p> <p><b><u>If the Company merges in accordance with the provisions of the preceding two paragraphs without the approval of the shareholders’ meeting, it should be approved by the board of directors.</u></b></p> <p>When the Company merges, all parties to the merger shall sign a merger agreement, and a balance sheet and an inventory of the Company’s assets shall be prepared. The Company shall notify its creditors within 10 days commencing from the date of the resolution which approved the merger and shall make announcements of the merger <u>in newspapers or the National Enterprise Credit Information Publicity System</u> within 30 days.</p> <p>After the merger of the Company, the rights and liabilities of the Company and any other parties to the merger shall be assumed by the surviving company or the new venture established as a result of the merger.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 207</b></p> <p>When the Company demergers, its property shall be distributed accordingly.</p> <p>When the Company demergers, all parties to the demerger shall sign a demerger agreement, and a balance sheet and an inventory of the Company’s assets shall be prepared. The Company shall notify its creditors within 10 days commencing from the date of the resolution which approved the demerger and shall make <del>at least 3</del> newspaper announcements of the demerger within 30 days thereof.</p> <p>The liabilities of the Company prior to the demerger shall be assumed by the companies in existence after the demerger in accordance with the agreement reached, unless otherwise stated in any written agreement concerning debt liquidation reached with the creditor(s) prior to the demerger.</p>	<p><b>Article 199</b></p> <p>When the Company demergers, its property shall be distributed accordingly.</p> <p>When the Company demergers, all parties to the demerger shall sign a demerger agreement, and a balance sheet and an inventory of the Company’s assets shall be prepared. The Company shall notify its creditors within 10 days commencing from the date of the resolution which approved the demerger and shall make announcements of the demerger <b><u>in newspapers or the National Enterprise Credit Information Publicity System</u></b> within 30 days thereof.</p> <p>The liabilities of the Company prior to the demerger shall be assumed by the companies in existence after the demerger in accordance with the agreement reached, unless otherwise stated in any written agreement concerning debt liquidation reached with the creditor(s) prior to the demerger.</p>
<p><b>Article 209</b></p> <p>If any one of the following circumstances, the Company shall be dissolved and liquidated in accordance with law:-</p> <p>.....</p>	<p><b>Article 201</b></p> <p>If any one of the following circumstances <b><u>arises</u></b>, the Company shall be dissolved and liquidated in accordance with law:-</p> <p>.....</p> <p><b><u>If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 210</b></p> <p>If the Company is dissolved and liquidated pursuant to either of the events set out in paragraph (1) and (2) of the preceding Article, it shall establish a liquidation committee within 15 days commencing from the date of that event. <del>The membership of the liquidation committee shall be determined by an ordinary resolution of the shareholders’ general meeting.</del></p> <p>If the Company is dissolved and liquidated pursuant to the event set out in paragraph (4) of the preceding Article, a liquidation committee comprising or representatives of the shareholders, the relevant government departments and professionals shall be established by the People’s Court in accordance with the applicable law for the purpose of carrying out the liquidation.</p> <p>If the Company is liquidated and liquidated pursuant to the event set out in paragraph (5) of the preceding Article, <del>a liquidation committee comprising of representatives of the shareholders, the relevant government departments and professionals shall be established by the responsible supervisory authorities for the purpose of carrying out the liquidation.</del></p>	<p><b>Article 202</b></p> <p>If the Company is dissolved and liquidated pursuant to either of the events set out in paragraph (1), (2), <b><u>(5) and (6)</u></b> of the preceding Article, it shall establish a liquidation committee within 15 days commencing from the date of that event. The liquidation committee <b><u>is composed of personnel</u></b> determined by <b><u>the directors or</u></b> shareholders’ general meeting.</p> <p><b><u>The Company shall be liquidated in accordance with the provisions of the preceding paragraph. If it fails to establish a liquidation group for liquidation within the prescribed time or fails to liquidate after the establishment of a liquidation group, interested parties may apply to the people’s court to designate relevant personnel to form a liquidation group for liquidation. The people’s court shall accept the application and promptly organize a liquidation team to carry out liquidation.</u></b></p> <p>If the Company is dissolved and liquidated pursuant to the event set out in paragraph (4) of the preceding Article, a liquidation committee comprising or representatives of the shareholders, the relevant government departments and professionals shall be established by the People’s Court in accordance with the applicable law for the purpose of carrying out the liquidation.</p> <p>If the Company is liquidated and liquidated pursuant to the event set out in paragraph (5) of the preceding Article, <b><u>The department or company registration authority that makes the decision to revoke the business license, order closure or revocation may apply to the people’s court to designate relevant personnel to form a liquidation team for liquidation.</u></b></p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 212</b></p> <p>The liquidation committee shall notify creditors of the Company within 10 days of its establishment, and shall make <del>at least 3</del> newspaper announcements within <del>60</del> days of its establishment. The creditors shall report the creditor’s rights to the liquidation committee within thirty (30) days upon receiving the letter of notice or within forty-five (45) days commencing from the date of announcement in case of receiving no such letter. The creditors shall make explanation about the creditor’s rights and provide documents as proof when reporting the creditor’s rights. The liquidation committee shall carry out registration of all creditors’ rights. During the period of reporting the creditor’s rights, the liquidation committee shall not make liquidation for the creditors.</p>	<p><b>Article 204</b></p> <p>The liquidation committee shall notify creditors of the Company within 10 days of its establishment, and shall make announcements <u>in</u> newspapers <u>or the National Enterprise Credit Information Publicity System</u> within <u>sixty (60)</u> days of its establishment. The creditors shall report the creditor’s rights to the liquidation committee within thirty (30) days upon receiving the letter of notice or within forty-five (45) days commencing from the date of announcement in case of receiving no such letter. The creditors shall make explanation about the creditor’s rights and provide documents as proof when reporting the creditor’s rights. The liquidation committee shall carry out registration of all creditors’ rights. During the period of reporting the creditor’s rights, the liquidation committee shall not make liquidation for the creditors.</p>
<p><b>Article 213</b></p> <p>The liquidation committee shall have the following functions and powers during the liquidation of the Company:-</p> <p>.....</p> <p>(6) to <del>administer and</del> distribute any surplus assets remaining after Company’s debts have been paid in full;</p> <p>.....</p>	<p><b>Article 205</b></p> <p>The liquidation committee shall have the following functions and powers during the liquidation of the Company:-</p> <p>.....</p> <p>(6) to distribute any surplus assets remaining after Company’s debts have been paid in full;</p> <p>.....</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
<p><b>Article 215</b></p> <p>If the Company is being liquidated as a result of its dissolution and, subsequent to its evaluation of the Company’s assets and preparation of the balance sheet and inventory of assets, the liquidation committee discovers that the Company’s assets are insufficient to repay its debts in full, it shall immediately apply to the People’s Court for a <del>declaration of insolvency</del>.</p> <p>Once the People’s Court has <del>declared</del> the Company to be insolvent, the liquidation committee shall hand all matters relating to the liquidation over to the People’s Court.</p>	<p><b>Article 207</b></p> <p>If the Company is being liquidated as a result of its dissolution and, subsequent to its evaluation of the Company’s assets and preparation of the balance sheet and inventory of assets, the liquidation committee discovers that the Company’s assets are insufficient to repay its debts in full, it shall immediately apply to the People’s Court for <b><u>bankruptcy liquidation</u></b>.</p> <p>Once the People’s Court has <b><u>accepted</u></b> the Company <b><u>application</u></b> to be insolvent, the liquidation committee shall hand all matters relating to the liquidation over to <b><u>the bankruptcy administrator designated by</u></b> the People’s Court.</p>
<p><b>Article 217</b></p> <p>The members of the liquidation committee shall be devoted to their duties and fulfill the liquidation tasks. The members of the liquidation committee shall not <del>take</del> bribes or <del>get</del> other illegal earnings <del>with their</del> or seize the corporate properties illegally. <del>The</del> members of the liquidation committee shall be liable for compensation in the event that they cause any loss to <del>the Company</del> or creditors due to intentional or serious faults.</p>	<p><b>Article 209</b></p> <p>The members of the liquidation committee shall be devoted to their duties and fulfill the liquidation tasks. The members of the liquidation committee shall not <b><u>take advantage of their position to accept</u></b> bribes or other illegal earnings or seize the corporate properties illegally. <b><u>If the members of the liquidation committee fails to perform their liquidation duties promptly and causes losses to the company, they shall be liable for compensation; the</u></b> members of the liquidation committee shall be liable for compensation in the event that they cause any loss to creditors due to intentional or serious faults.</p>



<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <small>Note 1</small>	<b>Amended Articles</b> <small>Note 2</small>
<p><b>Article 219</b></p> <p>The board of directors shall revise these Articles according to the resolution of the general meeting of shareholders to revise these Articles as well as the review suggestions given by the relevant supervising authorities.</p> <p>In the event that any item in these Articles to be revised involves information which shall be disclosed as required by laws and regulations, proper announcement shall be made accordingly.</p>	<p><b>Article 211</b></p> <p>The board of directors shall revise these Articles according to the resolution of the general meeting of shareholders to revise these Articles as well as the review suggestions given by the relevant supervising authorities. <b><u>If the amendment to the articles of association passed by the shareholders’ meeting requires approval from the competent authority, it must be submitted to the competent authority for approval.</u></b></p> <p>In the event that any item in these Articles to be revised involves information which shall be disclosed as required by laws and regulations, proper announcement shall be made accordingly.</p>
<p><b>Article 220</b></p> <p>Any amendments to these Articles <del>which involves the “Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas” (“Mandatory Provisions”)</del> shall become effective <del>only after the approval of the companies supervisory authorities of the State Council and the approval of the Securities Commission of the State Council are obtained;</del> any amendment involving a change in the particulars of the Company as they appear on the register of the companies registration authorities, shall be registered with the said authorities, in accordance with the law, to record the said changes.</p>	<p><b>Article 212</b></p> <p>Any amendments to these Articles involving a change in the particulars of the Company as they appear on the register of the companies registration authorities, shall be registered with the said authorities, in accordance with the law, to record the said changes.</p>

<b>Articles of Association of the Company</b>	
<b>Existing Articles</b> <i>Note 1</i>	<b>Amended Articles</b> <i>Note 2</i>
Newly added	<p><b>Article 213</b></p> <p><b><u>Notices of the Company shall be served by the following methods:</u></b></p> <p><b>(1) <u>by hand;</u></b></p> <p><b>(2) <u>by mail;</u></b></p> <p><b>(3) <u>by way of announcement;</u></b></p> <p><b>(4) <u>by other means approved by the securities supervisory and regulatory authorities and stock exchanges where the shares of the Company are listed or specified in these Articles.</u></b></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
Newly added	<p><b>Article 214</b></p> <p><u>The Company is required to issue announcements or notices on material matters in accordance with the provisions of the Company Law, the Articles of Association or other laws and administrative regulations. Where this is done by way of an announcement, the Company designates the media that meets the conditions set out by the CSRC and the website of the stock exchange for the publication of the Company's announcements and other information required to be disclosed, and once an announcement has been made, all relevant persons shall be deemed to have received the notice.</u></p> <p><u>In respect of the manner in which the Company provides and/or distributes corporate communication to the overseas listed foreign shareholders in accordance with the requirements of the Hong Kong Listing Rules, subject to the compliance with the relevant provisions of the laws, regulations, regulatory documents and the rules of securities regulation of the place of the Company's listing, the Company shall (1) send or otherwise make available relevant corporate communications to relevant holders of its securities through electronic means and/or (2) post relevant corporate communications through the Company's website and the website of the Hong Kong Stock Exchange. In the event that an actionable corporate communication cannot be sent to a security holder due to the absence of valid electronic contact information of the security holder, a printed copy of the communication shall be sent to the security holder free of charge with a request for valid electronic contact information in order to comply with the above requirements.</u></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
	<p><u>The corporate communication referred to in the preceding paragraph means any document issued or to be issued by the Company for the information or action of the holders of any securities of the Company, including but not limited to: (1) the report of the board of directors, the Company’s annual accounts together with the accountant’s report; (2) the interim report; (3) the notice of meeting; (4) the listing document; (5) the circular; and (6) the proxy form.</u></p> <p><u>Overseas listed foreign shareholders of the Company may also elect in writing to receive a printed copy of the aforesaid corporate communication by post to the address of the shareholder registered in the register of shareholders. The Company shall send, mail, distribute, issue, publish or otherwise make available a printed copy of a corporate communication free of charge to overseas listed foreign shareholders upon request and disclose on its website the procedures for overseas listed foreign shareholders to request a printed copy of the corporate communication.</u></p> <p><u>When providing company communications to shareholders of foreign shares listed overseas, relevant arrangements should be made to ensure that shareholders can choose which language version of the company communications to receive, including only receiving the English version, only receiving the Chinese version, or receiving both Chinese and English versions. Shareholders have the right to notify the company in writing to change the language version of the company communications they intend to receive, provided that the company is given reasonable time. The company shall specify in each company communication that shareholders have the right to change the language version of the company communication they intend to receive at any time, as well as the procedures for shareholders to make such changes.</u></p>

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
Newly added	<p><b>Article 215</b></p> <p><u>For any notice delivered by hand, the addressee shall sign or seal with chop on the receipt slip and the date of delivery shall be the date of the confirmation of receipt by such addressee. For any notice delivered by mail, the date of delivery shall be the third business day after the delivery to the post office. For any notice delivered by announcement, the date of delivery shall be the first day on which such announcement is published.</u></p>
<p><b>Article 221</b></p> <p>The Company shall comply with the following rules in respect of the resolution of any dispute:-</p> <p>(1) <del>In the event of a dispute or claim between a holder of overseas listed foreign shares and the Company, between a holder of overseas listed foreign shares and the directors, supervisors, managers or other senior officers of the Company, or between a holder of overseas listed foreign shares and a holder of domestic shares, involving any rights or obligations as provided in these Articles, the Company Law and other relevant laws and administrative regulations, or relating to the affairs of the Company, the parties concerned shall refer that dispute or claim to arbitration.</del></p> <p><del>The aforesaid dispute or claim shall be referred to arbitration in its entirety; all persons (if they are directors, supervisors, managers or other senior officers, or shareholders of the Company, or the Company itself) who have a cause of action based upon the same facts giving rise to that dispute of claim, or whose participation are necessary for the resolution of that dispute or claim, shall submit themselves for arbitration.</del></p>	Delete

Articles of Association of the Company	
Existing Articles <sup>Note 1</sup>	Amended Articles <sup>Note 2</sup>
<p>(2) <del>An application for arbitration may refer the matter either to the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the applicant refers a dispute or claim to arbitration, the other party or parties must also submit to arbitral body by the applicant.</del></p> <p><del>If the party apply for arbitration choose to refer the matter to the Hong Kong International Arbitration Centre, then any party concerned shall be entitled to request, in accordance with the requirements of the securities arbitration rules of the Hong Kong International Arbitration Centre, for that arbitration to be conducted in Shenzhen.</del></p> <p>(3) <del>Unless otherwise provided by law or administrative regulations, where a matter as described in paragraph (1) of this Article is referred to arbitration, the applicable law shall be the laws of the PRC.</del></p> <p>(4) <del>A decision of the arbitration body shall be final and conclusive, and shall be binding on all parties to the dispute or claim.</del></p>	
<p>The terms “manager” and “deputy manager” mentioned in the articles of association</p>	<p>Revised to “<b><u>general</u></b> managers” and “deputy <b><u>general</u></b> manager”</p>

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

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

Except for the above revisions, other provisions of the Articles of Association remain unchanged, and the numbering will be adjusted accordingly.

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

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 1</b></p> <p>In order to safeguard the legitimate rights and interests of all shareholders of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the “Company”), ensure the standardized and efficient operation of the company’s shareholders’ meeting, and ensure that shareholders exercise their powers equally and effectively, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code of Governance for Listed Companies, the Rules of Shareholders’ Meetings of Listed Companies, <del>the Guidelines for the Standardized Operation of Main Board Listed Companies on</del> the Shenzhen Stock Exchange, the Hong Kong Stock Exchange Listing Rules (hereinafter referred to as the “Hong Kong Listing Rules”), the Articles of Association of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the “Articles of Association”), and other relevant laws and regulations of the country, these rules are formulated.</p>	<p><b>Rule 1</b></p> <p>In order to safeguard the legitimate rights and interests of all shareholders of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the “Company”), ensure the standardized and efficient operation of the company’s shareholders’ meeting, and ensure that shareholders exercise their powers equally and effectively, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code of Governance for Listed Companies, the Rules of Shareholders’ Meetings of Listed Companies, the Standardized Operation of Main Board Listed Companies <b>of</b> the Shenzhen Stock Exchange <b><u>Self Regulatory Guidelines for Listed Companies No. 1</u></b>, the Hong Kong Stock Exchange Listing Rules (hereinafter referred to as the “Hong Kong Listing Rules”), the Articles of Association of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the “Articles of Association”), and other relevant laws and regulations of the country, these rules are formulated.</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 8</b></p> <p>independent directors have the right to propose an extraordinary general meeting to be convened to the board of directors. The board of directors shall in accordance with the laws, administrative regulations and the Articles within <del>10</del> days of the receipt of the proposal by independent directors for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting.</p> <p>.....</p>	<p><b>Rule 8</b></p> <p><b><u>Approved by a special meeting of independent directors,</u></b> independent directors have the right to propose an extraordinary general meeting to be convened to the board of directors. The board of directors shall in accordance with the laws, administrative regulations and the Articles within <b>ten</b> days of the receipt of the proposal by independent directors for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting.</p> <p>.....</p>



<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 10</b></p> <p>Shareholders may convene an extraordinary general meeting <del>or a class meeting</del> in accordance with the following procedures:-</p> <p>(1) <del>two or more</del> shareholders, who together hold 10 <del>per cent.</del> or more of the shares carrying voting rights at the proposed meeting, may sign one or several written requisition(s) of the same form and contents, requiring the board of directors to convene an extraordinary general meeting <del>or a class shareholders' meeting</del> as requested. The percentage represented by the shareholdings of the requisitioning shareholders shall be calculated as at the date of the deposit of the requisition.</p> <p>(2) <del>If the board of directors fails to give a notice convening a meeting within 30 days of receiving the aforesaid written requisition, the requisitioning shareholders may themselves convene a meeting within 4 months of the receipt of such requisition by the board of directors. In so convening a meeting, the requisitioning shareholders should adopt a procedure as similar to that of a shareholders' should adopt a procedure as similar to that of a shareholders' general meeting convened by the board of directors as possible.</del></p>	<p><b>Rule 10</b></p> <p>Shareholders may convene an extraordinary general meeting in accordance with the following procedures:-</p> <p>(1) shareholders, who <b><u>individually or</u></b> together hold 10 <b><u>percent</u></b> or more of the shares carrying voting rights at the proposed meeting, may sign one or several written requisition(s) of the same form and contents, requiring the board of directors to convene an extraordinary general meeting as requested <b><u>and clarify the agenda of the meeting and include resolutions in the meeting agenda. The board of directors shall make a decision on whether to convene an extraordinary general meeting of shareholders within ten days after receiving the aforementioned written request and provide a written response to the shareholders.</u></b> The percentage represented by the shareholdings of the requisitioning shareholders shall be calculated as at the date of the deposit of the requisition.</p>

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

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

**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 15</b></p> <p>When the Company convenes shareholders’ general meeting, the Board of Directors, the Supervisory Committee and shareholder(s), severally or jointly, holding 3 percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Articles of Association of the Company to be considered at the meeting.</p> <p>Shareholders, severally or jointly, holding 3 percent or more of the shares of the Company carrying voting rights may put forward a temporary proposal and submit it to the board of directors in writing 10 days prior to the date of shareholders’ meeting; and the board of directors shall, within 2 days after receipt of the proposal, notify other shareholders and present the temporary proposal to shareholders’ general meeting for deliberation. The content of the temporary proposal should be within the scope of functions and powers of the shareholder’s general meeting and there shall be clear and definite topics and specific matters to resolve.</p> <p>The Company shall include in the notice and agenda of that meeting those matters contained in the proposal which are within the scope of the functions and powers of the shareholders’ general meeting, provided that the said proposal shall be delivered to the Company at least 7 days prior to that general meeting after notice of that general meeting was given.</p>	<p><b>Rule 15</b></p> <p>When the Company convenes shareholders’ general meeting, the Board of Directors, the Supervisory Committee and shareholder(s), severally or jointly, holding <u>1</u> percent or more of the shares of the Company carrying voting rights are entitled to put forward a proposal, in writing, (except those stated in Articles of Association of the Company to be considered at the meeting.</p> <p>Shareholders, severally or jointly, holding <u>1</u> percent or more of the shares of the Company carrying voting rights may put forward a temporary proposal and submit it to the board of directors in writing 10 days prior to the date of shareholders’ meeting; and the board of directors shall, within 2 days after receipt of the proposal, notify other shareholders and present the temporary proposal to shareholders’ general meeting for deliberation. The content of the temporary proposal should be within the scope of functions and powers of the shareholder’s general meeting and there shall be clear and definite topics and specific matters to resolve.</p> <p>The Company shall include in the notice and agenda of that meeting those matters contained in the proposal which are within the scope of the functions and powers of the shareholders’ general meeting, provided that the said proposal shall be delivered to the Company at least 7 days prior to that general meeting after notice of that general meeting was given.</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
	<b><u>Except for above-mentioned provisions, the convener, after issuing notice of shareholder’s general meeting, shall not revise the proposal specified or add new proposal in the shareholder’s general meeting notice.</u></b>
<p><b>Rule 18</b></p> <p>Notice of a shareholders’ general meeting shall: –</p> <p>(1) <del>be given in writing;</del></p> <p>(2) specify the place, the date and the time of the meeting;</p> <p>(3) state the matters to be considered at the meeting;</p> <p>(4) <del>provide the shareholders such information and explanation as necessary for the shareholders to make an informed decision on the matters proposed to be considered. Without limiting the generality of the foregoing principle, such information and explanation shall include, in the case of a proposal for the Company to merge with another, repurchase shares, reorganise its share capital, or restructure in any other way, the details of the agreed terms of, and the contract (if any) for, the proposed transaction, and the reason for and the effect of such proposal must be properly explained;</del></p>	<p><b>Rule 18</b></p> <p>Notice of a shareholders’ general meeting shall: –</p> <p>(1) specify the place, the date and the time of the meeting;</p> <p><b>(2)</b> state the matters to be considered at the meeting;</p> <p><b>(3)</b> if any director, supervisor, <b>general</b> manager or other senior management officer has a material interest in a matter to be considered at the general meeting, he shall disclose the nature and extent of such interest; if the matter to be considered affects a director, supervisor, <b>general</b> manager or other senior management officer in his capacity as a shareholder in a manner different from the manner in which the other shareholders of the same class are affected, then such differences should be declared;</p> <p><b>(4)</b> contain the text of any special resolution proposed to be passed at the general meeting;</p>

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p>(5) if any director, supervisor, manager or other senior management officer has a material interest in a matter to be considered at the general meeting, he shall disclose the nature and extent of such interest; if the matter to be considered affects a director, supervisor, manager or other senior management officer in his capacity as a shareholder in a manner different from the manner in which the other shareholders of the same class are affected, then such differences should be declared;</p> <p>(6) contain the text of any special resolution proposed to be passed at the general meeting;</p> <p>(7) contain, in conspicuous wording, <del>a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote at the meeting instead of him and that a proxy so appointed need not be a shareholder; and</del></p> <p>(8) <del>specify the time and place for lodging the proxy form(s) for the general meeting.</del></p> <p>(9) the date of registration of equity entitlements for shareholders having the right to attend the general meeting;</p> <p>(10) the names and contact telephone numbers of the regular contact persons in connection with the meeting.</p>	<p><b><u>(5) contain, in conspicuous wording, all shareholders have the right to attend the shareholders’ meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a shareholder of the company;</u></b></p> <p><b><u>(6) the date of registration of equity entitlements for shareholders having the right to attend the general meeting;</u></b></p> <p><b><u>(7) the names and contact telephone numbers of the regular contact persons in connection with the meeting; and</u></b></p> <p><b><u>(8) voting time and voting procedures through online or other means.</u></b></p>

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 19</b></p> <p>Notices of shareholders’ general meetings shall be served on all shareholders (whether or not they are entitled to vote thereat) by <del>personal delivery or prepaid post at their addresses registered in the register of shareholders. In respect of holders of domestic shares, notices of shareholders’ general meetings may also be given by way of a public announcement.</del></p> <p><del>The aforesaid public announcement shall be published, within the time limit specified in Article 61 of these Articles, on the website of the stock exchange and on the media in compliance with requirements set by the securities regulatory authorities of the State Council. Once the public announcement is made, all holders of domestic shares shall be deemed to have received notice of the relevant shareholders’ general meeting.</del></p> <p><del>On the premise of complying with laws, administrative regulations, normative documents, and relevant regulations of the securities regulatory authorities of the place where the company’s stock is listed, and fulfilling relevant procedures, the company may also issue a notice of the shareholders’ meeting to foreign shareholders listed in Hong Kong by publishing it on the company’s website and the website designated by The Stock Exchange of Hong Kong Limited (hereinafter referred to as The Stock Exchange of Hong Kong), or by other means permitted by the Hong Kong Listing Rules and the company’s articles of association, instead of sending it to foreign shareholders listed in Hong Kong by hand or by prepaid mail.</del></p>	<p><b>Rule 19</b></p> <p>Notices of shareholders’ general meetings shall be served on all shareholders (whether or not they are entitled to vote thereat) by <b><u>announcement or other means as stipulated in Articles of Association.</u></b></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 28</b></p> <p>The company shall convene a shareholders’ meeting, and all directors, supervisors, and board secretaries shall attend the meeting. The <b>president</b> and other senior management personnel shall attend the meeting as observers.</p>	<p><b>Rule 28</b></p> <p>The company shall convene a shareholders’ meeting, and all directors, supervisors, and board secretaries shall attend the meeting. The <b><u>general manager</u></b> and other senior management personnel shall attend the meeting as observers.</p>
<p><b>Rule 29</b></p> <p>The shareholders’ meeting shall be <del>convened and</del> chaired by the chairman of the board; If the chairman is unable to attend the meeting for any reason, the vice chairman shall convene the meeting and serve as the chairman of the meeting; If both the chairman and vice chairman are unable to attend the meeting, the board of directors may designate a company director to convene the meeting on their behalf and serve as the chairman with the consent of <del>more than half</del> of the directors; If the chairman of the meeting is not designated, the attending shareholders may elect one person to serve as the chairman; If for any reason the shareholders are unable to elect a chairman, the shareholder (including shareholder proxies) who holds the most voting shares present at the meeting shall serve as the chairman of the meeting.</p> <p>The shareholders’ meeting convened by the supervisory board shall be presided over by the chairman of the supervisory board. When the Chairman of the Supervisory Board is unable or fails to perform his duties, the Vice Chairman of the Supervisory Board shall preside over the meeting; When the Vice Chairman of the Supervisory Board is unable or fails to perform his duties, a supervisor elected by <del>more than half</del> of the supervisors shall preside over the meeting.</p> <p>.....</p>	<p><b>Rule 29</b></p> <p>The shareholders’ meeting shall be chaired by the chairman of the board; If the chairman is unable to attend the meeting for any reason, the vice chairman shall convene the meeting and serve as the chairman of the meeting; If both the chairman and vice chairman are unable to attend the meeting, the board of directors may designate a company director to convene the meeting on their behalf and serve as the chairman with the consent of <b><u>a majority</u></b> of the directors; If the chairman of the meeting is not designated, the attending shareholders may elect one person to serve as the chairman; If for any reason the shareholders are unable to elect a chairman, the shareholder (including shareholder proxies) who holds the most voting shares present at the meeting shall serve as the chairman of the meeting.</p> <p>The shareholders’ meeting convened by the supervisory board shall be presided over by the chairman of the supervisory board. When the Chairman of the Supervisory Board is unable or fails to perform his duties, the Vice Chairman of the Supervisory Board shall preside over the meeting; When the Vice Chairman of the Supervisory Board is unable or fails to perform his duties, a supervisor elected by <b><u>a majority</u></b> of the supervisors shall preside over the meeting.</p> <p>.....</p>



<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 33</b></p> <p>When any shareholders’ general meeting considers matters related to related transactions, the related shareholder shall not vote and the number of voting shares that it represents shall not be counted as part of the total number of valid votes.</p> <p>.....</p>	<p><b>Rule 33</b></p> <p>When any shareholders’ general meeting considers matters related to related transactions, the related shareholder shall not vote and the number of voting shares that it represents shall not be counted as part of the total number of valid votes.</p> <p><b><u>The announcement of the resolution of the general meeting shall fully disclose the votes of the nonrelated shareholders.</u></b></p> <p>.....</p>
<p><b>Rule 34</b></p> <p>At any shareholders’ meeting, voting shall be by a show of hands <del>unless a poll (before or after any vote by a show of hands) is demanded by the following persons:-</del></p> <p>(1) <del>the chairman of the meeting; or</del></p> <p>(2) <del>at least two shareholders, represent in person or by proxy, who have the right to vote at that meeting;</del></p> <p>(3) <del>One or more shareholders or their proxies who, alone or together, represent 10 per cent. or more of the shareholding represented at the meeting which carry the right to vote at that meeting;</del></p> <p><del>Unless a poll is demanded, a declaration by the chairman based on the results of a show of hands as to whether a resolution has been passed and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the result of that vote, it shall not be necessary to produce evidence of the number of the votes recorded, nor the percentage of votes, in favour of and against such resolution at the meeting;</del></p> <p><del>The demand for a poll may be withdrawn by the person or persons who demanded it.</del></p>	<p><b>Rule 34</b></p> <p><b><u>Subject to compliance with the laws and regulations of the place where the company’s stock is listed, at any shareholders’ meeting, voting shall be by a show of hands <u>related to procedures or administrative matters by a show of hands. Except for the aforementioned circumstances, the shareholders’ meeting must adopt a registered voting method.</u></u></b></p>

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 36</b></p> <p>On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p><del>Where there is an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional vote.</del></p>	<p><b>Rule 36</b></p> <p><u>Subject to compliance with the laws and regulations of the place where the company’s stock is listed,</u> on a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p><u>Where any shareholder under any rules of a stock exchange and the provisions of the company’s articles of association on which the Company’s shares are listed is required to abstain from voting on any particular resolution and on any specific resolution or restricted to voting only for or only against any particular resolution, any votes cast by on or behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</u></p> <p><u>When material issues affecting the interests of small and medium investors are considered at the shareholders’ general meeting, the votes of small and medium investors shall be counted separately. The separate voting results shall be disclosed publicly in a timely manner.</u></p>

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
	<p><b><u>Shares of the Company held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</u></b></p> <p><b><u>The Board, independent directors and eligible shareholders are entitled to solicit proxy from shareholders publicly. While soliciting proxy of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom proxy is being solicited. No consideration or other form of actual consideration shall be involved in the solicitation of proxy from shareholders. The Company and the convener of the shareholder's general meeting shall not impose any limitation related to the minimum shareholding ratio on the solicitation of proxy.</u></b></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 53</b></p> <p><del> Holders of different classes of shares are class shareholders:</del></p> <p><del> Class shareholders shall enjoy rights and undertake obligations in accordance with the law, administrative regulations and these Articles.</del></p> <p><del> In addition to being holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders:-</del></p>	Delete
<p><b>Rule 54</b></p> <p><del> If the Company proposes to vary or abrogate the rights of any class of shareholders, the variation or abrogation must be approved by a special resolution of the shareholders' general meeting and by the affected class of shareholders at a separate meeting convened and conducted in accordance with Rule 56 to 60 before it may proceed.</del></p>	Delete

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 55</b></p> <p><del>The following events shall be deemed to be a variation or abrogation of the rights of shareholders:-</del></p> <p>(1) <del>an increase or decrease in the number of shares in that class, or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other rights which are equal or superior to the shares of that class;</del></p> <p>(2) <del>an exchange of all or part of the shares of that class for the shares of different class or the exchange of all or part of the shares of a different class for the shares of that class or a grant of a right or rights to such conversion;</del></p> <p>(3) <del>a cancellation or reduction of the rights to accrued dividends or the rights to cumulative dividends attached to that class of shares;</del></p> <p>(4) <del>a reduction or cancellation of the preferential rights of that class of shares to dividends or a distribution of surplus assets in the event of the winding-up or liquidation of the Company;</del></p>	Delete

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
(5) <del>an increase, cancellation or reduction of any conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to that class of shares;</del>	
(6) <del>a cancellation or reduction of any rights attached to that class of shares to receive payments from the Company in specified currencies;</del>	
(7) <del>a creation of a new class of shares having voting rights, distribution rights or other rights equal to superior to that class of shares;</del>	
(8) <del>a creation or increase of restrictions on the rights of transfer or ownership attached to that class of shares;</del>	
(9) <del>an issue of rights to subscribe for, or convert into, shares of that class or other class(es);</del>	
(10) <del>an increase in the rights or privileges of another class or other classes of shares;</del>	
(11) <del>a restructuring of the Company which will result in (a) class(es) of shareholders bearing (a) disproportionate amount(s) of obligations to other class(es) in the course of such restructuring; and</del>	
(12) <del>a variation or abrogation of the provisions contained in this Chapter.</del>	

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 56</b></p> <p><del>Shareholders of the affected class, whether or not entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class shareholders' meetings in respect of matters involving the provisions of paragraphs (2) to (8), (11) and (12) of approve rule, but interested shareholders) shall have no voting rights at such meetings.</del></p> <p><del>An "interested shareholder" means the following person(s):-</del></p> <p><del>(1) in the case of a repurchase of shares by the Company in accordance with Article 30 of these Articles by way of a general offer to shareholders in proportion to their respective shareholdings or by way of open trading on a stock exchange, an "interested shareholder" means a controlling shareholder as defined in Article;</del></p> <p><del>(2) in the case of a repurchase of shares by the Company in accordance with Article 30 of these Articles by way of a separate contract outside a stock exchange, an "interested shareholder" means a shareholder who is connected with the proposed contract; and</del></p> <p><del>(3) in the case of a proposal to restructure of the Company, an "interested shareholder" refers to a shareholder who bears less than a proportionate amount of obligations when compared to other shareholders of the same class or a shareholder who has an interest different from the interests of the other shareholders of the same class.</del></p>	<p>Delete</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 57</b></p> <p><del>Resolutions of a class shareholders' meeting shall in accordance with Rule 56 be passed by two thirds of the votes represented by the shareholders of that class who are entitled to vote and who are present at the class meeting.</del></p>	Delete
<p><b>Rule 58</b></p> <p><del>When the Company convenes a class shareholders' meeting, the time limit for giving notice shall comply with provisions in Rule 16 in these Articles.</del></p>	Delete
<p><b>Rule 59</b></p> <p><del>Notice of class shareholders' meeting need only be served on shareholders who are entitled to vote at those meetings.</del></p> <p><del>Unless otherwise specified in the company's articles of association, Class shareholders' meeting shall be conducted in a manner as similar as possible to a shareholders' general meeting. The provisions of these Articles relating to the proceedings of shareholders' general meeting shall apply to class shareholders' meetings.</del></p>	Delete



**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 60</b></p> <p>The special procedure for voting by class shareholders does not apply in the following situations:</p> <p>(1) where, the approval by way of a special resolution of the shareholders' general meeting having been obtained, the Company issues domestic shares or overseas listed foreign shares separately or concurrently in any 12-months period whereby the number of domestic shares and/or overseas listed foreign shares to be issued do not exceed 20 per cent. of the respective numbers of such shares already in issue;</p> <p>(2) where the Company's plans (made at the time of its establishment) to issue domestic shares and overseas listed foreign shares is completed within 15 months from the date on which approval is given by the Securities Commission of the State Council.</p>	<p>Delete</p>

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 62</b></p> <p>.....</p> <p>(2) If the shareholder, being the holder of overseas listed foreign shares in the Company, is a recognized clearing house defined in the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong), it may authorize any appropriate person(s) as it thinks fit to act as its representative(s) at any shareholders' general meetings <del>or any class shareholders' meetings</del>. If more than one person is so authorized, the instrument of authorization must clearly state the class(es) and number of shares in respect of which each such person is so authorized. The aforementioned authorized person is entitled to exercise rights on behalf of the recognized clearing house (or its proxy(ies), as if such person is an individual shareholder of the Company.</p>	<p><b>Rule 54</b></p> <p>.....</p> <p>(2) If the shareholder, being the holder of overseas listed foreign shares in the Company, is a recognized clearing house defined in the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong), it may authorize any appropriate person(s) as it thinks fit to act as its representative(s) at any shareholders' general meetings <b><u>and creditors' meeting</u></b>. If more than one person is so authorized, the instrument of authorization must clearly state the class(es) and number of shares in respect of which each such person is so authorized. The aforementioned authorized person is entitled to exercise rights on behalf of the recognized clearing house (or its proxy(ies), as if such person is an individual shareholder of the Company.</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR GENERAL MEETINGS**

<b>The Rules and Procedures for General Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 77</b></p> <p>After the shareholders' meeting of the company is held, information disclosure shall be carried out in accordance with the Company's articles of association and relevant national laws and administrative regulations. The content of the information disclosure shall be reviewed by the chairman in accordance with relevant laws and regulations, and shall be implemented by the secretary of the board of directors in accordance with the law.</p>	<p><b>Rule 69</b></p> <p>After the shareholders' meeting of the company is held, information disclosure shall be carried out in accordance with the Company's articles of association, relevant national laws and administrative regulations, <b>and the Hong Kong Listing Rules</b>. The content of the information disclosure shall be reviewed by the chairman in accordance with relevant laws and regulations, and shall be implemented by the secretary of the board of directors in accordance with the law.</p>

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

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

Except for the above revisions, other rules of the Rules and Procedures for General Meetings of the Company remain unchanged, and the numbering will be adjusted accordingly.

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

<b>The Rules and Procedures for Board Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 1</b></p> <p>In order to standardize the convening, deliberation, resolution and other activities of the board of directors of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the company), ensure the efficiency and scientific decision-making of the board of directors, promote the effective performance of supervisory responsibilities by directors and the board of directors, improve the corporate governance structure of the company, and in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, <del>the Guidelines for the Standardized Operation of Companies Listed on the Main Board of the Shenzhen Stock Exchange, the Securities Listing Rules of the Hong Kong Stock Exchange Limited, and the Articles of Association of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the Articles of Association), as well as other relevant laws and regulations of the country, these rules are formulated.</del></p>	<p><b>Rule 1</b></p> <p>In order to standardize the convening, deliberation, resolution and other activities of the board of directors of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the company), ensure the efficiency and scientific decision-making of the board of directors, promote the effective performance of supervisory responsibilities by directors and the board of directors, improve the corporate governance structure of the company, and in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, <u>the Standardized Operation of Companies Listed on the Main Board of the Shenzhen Stock Exchange <b>Self Regulatory Guidelines for Listed Companies No. 1</b></u>, the Securities Listing Rules of the Hong Kong Stock Exchange Limited, and the Articles of Association of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the Articles of Association), as well as other relevant laws and regulations of the country, these rules are formulated.</p>
<p><b>Rule 7</b></p> <p>Board meetings are divided into regular meetings and extraordinary meetings. <del>When there is an urgent matter, an extraordinary board meeting may be convened upon the proposal of more than one-third of the directors or company managers.</del></p>	<p><b>Rule 7</b></p> <p>Board meetings are divided into regular meetings and extraordinary meetings. An extraordinary board meeting may be convened upon <u>a request by Shareholders representing more than one tenth of the voting rights</u>, one-third or more of the directors or <u>supervisory board</u>.</p>

<b>The Rules and Procedures for Board Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 9</b></p> <p>If the time and location of the board meeting have been predetermined by the board of directors, no notice is required for its convening;</p> <p>If the time and location of the board meeting have not been decided in advance by the board of directors, the chairman shall require the Company secretary to notify all directors and supervisors of the time, place and method of the proposed board meeting by <del>telex, telegram</del>, or by hand not less than 10 days and not more than 30 days before the meeting.</p> <p>In the event of an emergency which requires an extraordinary board meeting to be convened, the chairman shall require the Company secretary to notify all directors and supervisors of the time, place and method of the proposed extraordinary board meeting by <del>telex, telegram</del>, or by hand not less than 2 days and not more than 10 days before the meeting.</p> <p>.....</p>	<p><b>Rule 9</b></p> <p>If the time and location of the board meeting have been predetermined by the board of directors, no notice is required for its convening;</p> <p>If the time and location of the board meeting have not been decided in advance by the board of directors, the chairman shall require the Company secretary to notify all directors and supervisors of the time, place and method of the proposed board meeting by <b>phone, email</b>, or by hand not less than 10 days and not more than 30 days before the meeting.</p> <p>In the event of an emergency which requires an extraordinary board meeting to be convened, the chairman shall require the Company secretary to notify all directors and supervisors of the time, place and method of the proposed extraordinary board meeting by <b>phone, email</b>, or by hand not less than 2 days and not more than 10 days before the meeting.</p> <p>.....</p>

<b>The Rules and Procedures for Board Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 18</b></p> <p>The chairman of the board meeting shall announce the meeting at the scheduled time. However, if the number of attending directors does not <del>reach</del> half of the total number of directors, the meeting should not be held. The board of directors shall, in accordance with the provisions of the company’s articles of association, make resolutions on the acquisition of shares of the company for the purpose of using shares for employee stock ownership plans or equity incentives, converting shares into convertible corporate bonds issued by listed companies, and necessary situations to maintain the company’s value and shareholder rights. More than two-thirds of the directors shall attend.</p> <p>.....</p>	<p><b>Rule 18</b></p> <p>The chairman of the board meeting shall announce the meeting at the scheduled time. However, if the number of attending directors does not <u>exceed</u> half of the total number of directors, the meeting should not be held. The board of directors shall, in accordance with the provisions of the company’s articles of association, make resolutions on the acquisition of shares of the company for the purpose of using shares for employee stock ownership plans or equity incentives, converting shares into convertible corporate bonds issued by listed companies, and necessary situations to maintain the company’s value and shareholder rights. More than two-thirds of the directors shall attend.</p> <p>.....</p>

<b>The Rules and Procedures for Board Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 24</b></p> <p>If a director is association relationship with the enterprises involved in a resolution to be made at a board meeting, he shall not vote on the aforesaid resolution, or vote on behalf of other directors. The aforesaid board meeting may be held with the attendance of over half of the directors without association relationship. Resolutions made by the board meeting shall be adopted by over half of the directors without association relationship. If the number of the directors without association relationship attending the board meeting is below 3, the matter shall be submitted to the shareholders’ general meeting for deliberation.</p>	<p><b>Rule 24</b></p> <p>If a director is association relationship with the enterprises <b><u>or individuals</u></b> involved in a resolution to be made at a board meeting, <b><u>the director shall promptly report in writing to the board of directors. Directors with related relationships</u></b> shall not vote on the aforesaid resolution, or vote on behalf of other directors. The aforesaid board meeting may be held with the attendance of over half of the directors without association relationship. Resolutions made by the board meeting shall be adopted by over half of the directors without association relationship. If the number of the directors without association relationship attending the board meeting is below <b><u>three</u></b>, the matter shall be submitted to the shareholders’ general meeting for deliberation.</p>
<p><b>Rule 27</b></p> <p>Each director shall have one vote. Resolutions of the board of directors are required to be passed by a majority of the directors. <del>In the case of an equality of approval votes and objection votes, the chairman shall have the rights to cast an additional vote.</del></p>	<p><b>Rule 27</b></p> <p>Each director shall have one vote. Resolutions of the board of directors are required to be passed by a majority of the directors.</p>

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

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

Except for the above revisions, other rules of the Rules and Procedures for Board Meetings of the Company remain unchanged.

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

<b>The Rules and Procedures for Supervisors Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 1</b></p> <p>In order to standardize the convening, deliberation, resolution and other activities of the board of supervisors of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the company), ensure the efficiency and scientific decision-making of the board of supervisors, promote the effective performance of supervisory responsibilities by supervisors and the board of supervisors, improve the corporate governance structure of the company, and in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, <del>the Guidelines for the Standardized Operation of Companies</del> Listed on the Main Board of the Shenzhen Stock Exchange, the Securities Listing Rules of the Hong Kong Stock Exchange Limited, and the Articles of Association of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the Articles of Association), as well as other relevant laws and regulations of the country, these rules are formulated.</p>	<p><b>Rule 1</b></p> <p>In order to standardize the convening, deliberation, resolution and other activities of the board of supervisors of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the company), ensure the efficiency and scientific decision-making of the board of supervisors, promote the effective performance of supervisory responsibilities by supervisors and the board of supervisors, improve the corporate governance structure of the company, and in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Standardized Operation of Companies Listed on the Main Board of the Shenzhen Stock Exchange <b><u>Self Regulatory Guidelines for Listed Companies No. 1</u></b>, the Securities Listing Rules of the Hong Kong Stock Exchange Limited, and the Articles of Association of Shandong Xinhua Pharmaceutical Co., Ltd. (hereinafter referred to as the Articles of Association), as well as other relevant laws and regulations of the country, these rules are formulated.</p>



<b>The Rules and Procedures for Supervisors Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 10</b></p> <p>The supervisory committee shall exercise the following functions and powers in accordance with law:-</p> <p>(1) to review the regular corporate reports prepared by the board of directors and present the review suggestions in writing;</p> <p>(2) examine the Company’s financial affairs;</p> <p>(3) to carry out supervision to ensure that the directors, managers and other senior officers do not act in contravention of any laws, administrative regulations and/or these Articles in the performance of their duties;</p> <p>(4) if the conduct of a director, manager of other senior officer is detrimental to the interests of the Company, to require that person to rectify such conduct;</p>	<p><b>Rule 10</b></p> <p>The supervisory committee shall exercise the following functions and powers in accordance with law:-</p> <p>(1) to review the regular corporate reports prepared by the board of directors and present the review suggestions in writing;</p> <p>(2) examine the Company’s financial affairs;</p> <p>(3) to carry out supervision to ensure that the directors, <b>general</b> managers and other senior officers do not act in contravention of any laws, administrative regulations and/or these Articles in the performance of their duties <b><u>or propose to dismiss directors, general managers, and other senior management personnel who have passed resolutions at the shareholders’ meeting;</u></b></p> <p>(4) if the conduct of a director, manager of other senior officer is detrimental to the interests of the Company, to require that person to rectify such conduct;</p>

<b>The Rules and Procedures for Supervisors Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p>(5) review the Company’s financial reports, business reports and profit distribution plans which the board of directors proposes to be submitted to the shareholders’ general meeting, and in appropriate cases, to appoint on behalf of the Company registered accountants or practising auditors to assist min such review;</p> <p>(6) to propose the convening of extraordinary general meetings of shareholders; convene and host the general meetings of shareholders in the event that the board of directors does not fulfill its duty to convene and host the general meetings of shareholders as stipulated by the Company Law;</p> <p>(7) to present proposals to the general meetings of shareholders;</p> <p>(8) to represent the Company in negotiations with directors or to institute proceedings against directors;</p> <p>(9) to launch an investigation in the event of the discovery of abnormal corporate operation; to employ such professional institutes as the accounting firms and the law firms to assist in its work if necessary with all the expenses to be borne by the Company;</p> <p>(10) other functions and powers provided for in these Articles.</p>	<p>(5) review the Company’s financial reports, business reports and profit distribution plans which the board of directors proposes to be submitted to the shareholders’ general meeting, and in appropriate cases, to appoint on behalf of the Company registered accountants or practising auditors to assist min such review;</p> <p>(6) to propose the convening of extraordinary general meetings of shareholders; convene and host the general meetings of shareholders in the event that the board of directors does not fulfill its duty to convene and host the general meetings of shareholders as stipulated by the Company Law;</p> <p>(7) to present proposals to the general meetings of shareholders;</p> <p>(8) to represent the Company in negotiations with directors, <b><u>general managers and other senior officers</u></b> or to institute proceedings against directors, <b><u>general managers and other senior officers</u></b>;</p> <p>(9) to launch an investigation in the event of the discovery of abnormal corporate operation; to employ such professional institutes as the accounting firms and the law firms to assist in its work if necessary with all the expenses to be borne by the Company;</p> <p>(10) other functions and powers provided for in these Articles.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR SUPERVISORS MEETINGS**

<b>The Rules and Procedures for Supervisors Meetings of the Company</b>	
<b>Existing Rules</b> <i>Note 1</i>	<b>Amended Rules</b> <i>Note 2</i>
<p><b>Rule 10</b></p> <p>The Chairman of the Supervisory Board convenes and presides over the meetings of the Supervisory Board; If the chairman of the board of supervisors is unable or fails to perform his duties, a supervisor jointly elected by <del>more than half</del> of the supervisors shall convene and preside over the meeting of the board of supervisors.</p>	<p><b>Rule 10</b></p> <p>The Chairman of the Supervisory Board convenes and presides over the meetings of the Supervisory Board; If the chairman of the board of supervisors is unable or fails to perform his duties, a supervisor jointly elected by <b><u>a majority</u></b> of the supervisors shall convene and preside over the meeting of the board of supervisors.</p>

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

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

Except for the above revisions, other rules of the Rules and Procedures for Supervisors Meetings of the Company of the Company remain unchanged.

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# NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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

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

(Stock Code: 00719)

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

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**EGM**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) will be held at the Company’s conference room at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, The People’s Republic of China (the “**PRC**”) on Friday, 25 October 2024 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as resolutions.

Unless the context otherwise requires, terms defined in the circular to the shareholders of the Company dated 3 October 2024, of which this notice forms part (the “**Circular**”) shall have the same meaning when used herein.

The details of the Meetings are provided as follows:

### **A. CONVENING OF THE EGM**

#### **1. Time of the Meetings**

The EGM will commence at 2:00 p.m. on Friday, 25 October 2024.

#### **2. Venue of the physical Meetings**

The Meetings will be held at the Company’s conference room at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, The People’s Republic of China (the “**PRC**”).

#### **3. Convenor**

The Meetings were convened by the board of directors of the Company (the “**Board**”).

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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### 4. Ways of conducting the Meetings

The A Shareholders or the duly appointed proxies thereof may vote at the EGM by way of physical voting or online voting, whereas the H Shareholders or the duly appointed proxies thereof may vote at the EGM by way of physical voting.

### 5. Eligible attendees

(1) Shareholders

The EGM:

All the A Shareholders whose names appear on the register of members, kept by China Securities Depository and Clearing Corporation Limited, Shenzhen Office, as at the close of A share trading session on Shenzhen Stock Exchange on Monday, 21 October 2024.

For information on the attendance of the A Shareholders, please refer to the notice(s) to A Shareholders in respect of the EGM published by the Company on the website of the Shenzhen Stock Exchange of even date.

All the H Shareholders whose names appear on the register of members of H shares of the Company (“**H Shares**”) at 4:30 p.m. on Monday, 21 October 2024.

(2) Proxies duly appointed by the Shareholders;

(3) Directors (“**Directors**”), supervisors (“**Supervisors**”) and senior management (with the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the “Senior Management”) of the Company;

(4) Legal advisors to the Company; and

(5) Auditors of the Company.

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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### B. MATTERS FOR CONSIDERATION AND APPROVAL AT THE EGM

#### SPECIAL RESOLUTIONS

1. To consider and approve the proposed amendments to the Articles of Association, Rules and Procedures for General Meetings, Rules and Procedures for Board Meetings and Rules and Procedures for Supervisors Meetings and authorise the Board to deal with on behalf of the Company all relevant procedures and matters to effect the amendments. <sup>Note 11</sup>

By Order of the Board

**Shandong Xinhua Pharmaceutical Company Limited**

**He Tongqing**

*Chairman*

3 October 2024, Zibo, PRC

*Notes:*

1. The register of members of the Company will be closed from 22 October 2024 to 25 October 2024 (both days inclusive), during which period no H Share transfers of the Company will be registered. Shareholders whose names appear on the register of members of the Company kept by the Hong Kong Registrars Limited at 4:30 p.m. on Monday, 21 October 2024 and on the register of members kept by the China Securities Registrar Company Limited Shenzhen Branch after the closing of Shenzhen Stock Exchange on Monday, 21 October 2024 and the Directors, the supervisors and the senior management of the Company are entitled to attend the EGM or any adjournment thereof.
2. H Shareholders who wish to attend the EGM shall lodge their share transfer instruments accompanied by the relevant share certificates with the share registrar for the Company's H Shares not later than 4:30 p.m. on Monday, 21 October 2024.

The address of the share registrar for the Company's H Shares:

Hong Kong Registrars Limited  
Shops 1712–1716, 17th Floor, Hopewell Centre  
183 Queen's Road East, Wanchai, Hong Kong

3. Shareholders who intend to attend the EGM are requested to send the completed and signed reply slip for attendance despatched to the Company's shareholders together with this notice to the office of the secretary to the Board (see Note 8 below) or to the share registrar for the Company's H Shares (see Note 2 above) on or before 2:00 p.m. on 24 October 2024, by hand, by post or by facsimile. The written reply will not affect the right of the Shareholders to attend and vote at the EGM.
4. Shareholders entitled to attend and vote at the EGM may appoint one or more proxies (whether the person is a shareholder or not) to attend and vote on his/her/its behalf at the EGM. When a Shareholder appoints more than one proxy, such proxies may only vote by way of poll.

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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5. Shareholders may only appoint a proxy or proxies in writing i.e. the proxy form despatched to the Company's shareholders together with this notice or a copy of it, which shall be in compliance with the instructions thereon and signed by the person appointing the proxy or proxies or by his/her/its duly authorised attorney. If the form of proxy is signed by an attorney, the document appointing the attorney must be certified by a notary public. If the appointing shareholder is a legal entity, its seal or the signature of its director(s) or representative(s) duly authorized in writing is required. To be valid, a notarially certified power of attorney or other authority (if any) and the forms of proxy must be received by the office of the secretary to the Board (see Note 8 below) 24 hours prior to the commencement of the EGM. The completion and deposit of a form of proxy will not preclude any Shareholder from attending and voting in person at the EGM or any adjournment thereof.
6. Shareholders or their proxies shall present proof of identity upon attending the EGM. Should a proxy be appointed, the proxy shall also present his/her form of proxy.
7. The EGM is expected to last half a day. Shareholders who attend the EGM shall bear their own traveling and accommodation expenses.
8. The address of the office of the secretary to the Board is as follows:  
  
No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC  
Postal Code: 255086  
Telephone: 86 533 2196024  
Facsimile: 86 533 2287508
9. All references to time herein refer to Hong Kong time.
10. For the arrangements applicable to the A Shareholders in respect of the EGM, please refer to the notice(s) to A Shareholders published by the Company on the website of the Shenzhen Stock Exchange of the even date.
11. The proposed amendments to the articles of association, rules and procedures for general meetings and rules and procedures for board meetings of the Company have been set out in the announcement of the Company dated 30 September 2024 and the circular dated 3 October 2024.

As at the date hereof, the Board comprises:

*Executive Directors:*

Mr. He Tongqing (*Chairman*)

Mr. Xu Wenhui

Mr. Hou Ning

*Non-executive Directors:*

Mr. Xu Lie

Mr. Zhang Chengyong

*Independent Non-executive Directors:*

Mr. Pan Guangcheng

Mr. Zhu Jianwei

Mr. Ling Peixue

Ms. Cheung Ching Ching, Daisy