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If you have sold or transferred all your shares in Yangtze Optical Fibre and Cable Joint Stock Limited Company*, you should at once hand this circular together with the accompanying proxy form(s) and reply slip(s) to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

2016 PROFIT DISTRIBUTION PLAN

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

PROPOSAL IN RELATION TO FUTURE NEW EQUITY FINANCING PLANS

PROPOSED A SHARE OFFERING

OTHER PROPOSALS RELATING TO THE A SHARE OFFERING

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES
FOR THE GENERAL MEETING, PROPOSED AMENDMENTS TO
THE PROCEDURAL RULES FOR THE BOARD, PROPOSED ADOPTION OF
THE PROCEDURAL RULES FOR THE BOARD OF SUPERVISORS AND
PROPOSED ADOPTION OF OTHER CORPORATE GOVERNANCE RULES
FOR THE PURPOSE OF THE PROPOSED A SHARE OFFERING**

AND

**NOTICE OF THE AGM, NOTICE OF THE FIRST EGM,
NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING,
NOTICE OF THE FIRST H SHARE CLASS MEETING, NOTICE OF THE SECOND EGM,
NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING AND
NOTICE OF THE SECOND H SHARE CLASS MEETING**

A letter from the Board is set out on pages 6 to 30 of this circular.

A notice convening each of the AGM, the First EGM, the First Domestic Share Class Meeting the First H Share Class Meeting to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Monday, May 22, 2017 at 10:00 a.m., 11:00 a.m., 11:30 a.m. and 12:00 noon, respectively, is set out on pages 524 to 527, pages 528 to 530, pages 531 to 533 and pages 534 to 536 of this circular, respectively.

A notice convening each of the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 23, 2017 at 10:00 a.m., 11:00 a.m. and 11:30 a.m., respectively, is set out on pages 537 to 542, pages 543 to 547 and pages 548 to 552 of this circular, respectively.

If you intend to appoint a proxy to attend the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and/or the Second H Share Class Meeting, you are required to complete and return the accompanying proxy forms in accordance with the instructions printed thereon. The proxy forms should be returned to the Company's H Share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for holder of H Shares, and to the Company's Board of Directors' Office, at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073), for holder of Domestic Shares by hand or by post not later than 10:00 a.m., 11:00 a.m., 11:30 a.m. and 12:00 noon (Hong Kong time) on Sunday, May 21, 2017 for the AGM, the First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting respectively and not later than 10:00 a.m., 11:00 a.m. and 11:30 a.m. (Hong Kong time) on Monday, May 22, 2017 for the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting respectively. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and/or the Second H Share Class Meeting or at any adjourned meeting (as the case may be) should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and/or the Second H Share Class Meeting in person or by proxy, you are required to complete and return the reply slip(s) to the Company's H Share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or to the Company's Board of Directors' Office, at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) on or before Monday, May 1, 2017 (in the case of the AGM, the First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting) or on or before Tuesday, May 2, 2017 (in the case of the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting).

* For identification purposes only

April 6, 2017

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company for the year 2016 to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Monday, May 22, 2017 at 10:00 a.m., or any adjournment thereof
“A Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are proposed to be issued by the Company pursuant to the A Share Offering and subscribed for in Renminbi
“A Share Offering”	the Company’s proposed initial public offering of not more than 75,790,510 A Shares, which are proposed to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“China Huaxin”	China Huaxin Post and Telecommunication Economy Development Center (中國華信郵電經濟開發中心), an entity incorporated in the PRC, a Shareholder holding 26.37% of the total issued share capital of the Company as at the Latest Practicable Date and a connected person of the Company
“Company”	Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the directors of the Company
“Domestic Shares”	ordinary shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi

DEFINITIONS

“Draka”	Draka Comteq B.V., a company incorporated in the Netherlands and wholly-owned by Draka Holding B.V. and a Shareholder holding 26.37% of the total issued share capital of the Company as at the Latest Practicable Date and a connected person of the Company
“Effective Date”	the date on which approval by the Shareholders is obtained in respect of the proposed amendments to the Articles of Association at the AGM
“ESOP”	the 2015 Core Employee Stock Ownership Scheme of the Company approved on October 19, 2015
“First Class Meetings”	together, the First Domestic Share Class Meeting and the First H Share Class Meeting
“First Domestic Share Class Meeting”	the class meeting of holders of the Domestic Shares of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Monday, May 22, 2017 at 11:30 a.m., or any adjournment thereof, to consider and, if thought fit, approve the proposal in relation to future new equity financing plans
“First EGM”	the extraordinary general meeting of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Monday, May 22, 2017 at 11:00 a.m., or any adjournment thereof, approve the proposal in relation to future new equity financing plans; it being the second extraordinary general meeting to be convened in the year 2017
“First H Share Class Meeting”	the class meeting of holders of the H Shares of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Monday, May 22, 2017 at 12:00 noon, or any adjournment thereof, to consider and, if thought fit, approve the proposal in relation to future new equity financing plans
“Group”	the Company and its subsidiaries

DEFINITIONS

“H Shares”	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Latest Practicable Date”	March 31, 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Private Placement”	the private placement of 30,783,000 new Domestic Shares and 1,205,000 new H Shares for the purpose of implementing the ESOP and the placing of 10,664,000 new H Shares to independent institutional investors
“Procedural Rules for the Board”	Rules of Procedures for the Board of Directors of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“Procedural Rules for the Board of Supervisors”	Rules of Procedures for the Board of Supervisors of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“Procedural Rules for the General Meeting”	Rules of Procedures for the General Meeting of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Class Meetings”	together, the Second Domestic Share Class Meeting and the Second H Share Class Meeting

DEFINITIONS

“Second Domestic Share Class Meeting”	a class meeting of holders of the Domestic Shares of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 23, 2017 at 11:00 a.m., or any adjournment thereof, to consider and, if thought fit, approve the proposed A Share Offering and the related proposals
“Second EGM”	an extraordinary general meeting of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 23, 2017 at 10:00 a.m., or any adjournment thereof, to consider and, if thought fit, approve the proposed A Share Offering and the related proposals; it being the third extraordinary general meeting to be convened in the year 2017
“Second H Share Class Meeting”	a class meeting of holders of the H Shares of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 23, 2017 at 11:30 a.m., or any adjournment thereof, to consider and, if thought fit, approve the A Share Offering and the related proposals
“Share(s)”	Domestic Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“Supervisor(s)”	the supervisors of the Company
“Wuhan Ruihong”	Wuhan Ruihong Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿鴻管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is owned by certain selected employees of the Company under the ESOP

DEFINITIONS

“Wuhan Ruiteng”	Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿騰管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is owned by certain selected employees of the Company under the ESOP
“Wuhan Ruitu”	Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿圖管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is wholly and beneficially owned by four existing and past Directors and certain senior management members of the Company
“Wuhan Ruiyue”	Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿越管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is owned by certain selected employees of the Company under the ESOP
“Yangtze Communications”	Wuhan Yangtze Communications Industry Group Co., Ltd. (武漢長江通信產業集團股份有限公司), a company incorporated in the PRC, a Shareholder holding 17.58% of the total issued share capital of the Company as at the Latest Practicable Date and a connected person of the Company

* For identification purposes only

LETTER FROM THE BOARD



Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6869)

Executive Directors:

Mr. ZHUANG Dan
Mr. Frank Franciscus DORJEE

Non-executive Directors:

Mr. MA Jie (*Chairman*)
Mr. YAO Jingming
Mr. Philippe Claude VANHILLE
Mr. Pier Francesco FACCHINI
Mr. XIONG Xiangfeng
Ms. ZHENG Huili

Independent Non-executive Directors:

Dr. NGAI Wai Fung
Dr. IP Sik On Simon
Mr. LI Ping
Dr. LI Zhuo

Registered Office:

No. 9 Guanggu Avenue
East Lake High-tech
Development Zone
Wuhan, Hubei Province
PRC

Principal Place of

Business in Hong Kong:
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

April 6, 2017

To the Shareholders

Dear Sir or Madam,

2016 PROFIT DISTRIBUTION PLAN

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

PROPOSAL IN RELATION TO FUTURE NEW EQUITY FINANCING PLANS

PROPOSED A SHARE OFFERING

OTHER PROPOSALS RELATING TO THE A SHARE OFFERING

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,

PROPOSED AMENDMENTS TO THE PROCEDURAL RULES

**FOR THE GENERAL MEETING, PROPOSED AMENDMENTS TO
THE PROCEDURAL RULES FOR THE BOARD, PROPOSED ADOPTION OF**

**THE PROCEDURAL RULES FOR THE BOARD OF SUPERVISORS AND
PROPOSED ADOPTION OF OTHER CORPORATE GOVERNANCE RULES**

FOR THE PURPOSE OF THE PROPOSED A SHARE OFFERING

AND

NOTICE OF THE AGM, NOTICE OF THE FIRST EGM,

NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING,

NOTICE OF THE FIRST H SHARE CLASS MEETING, NOTICE OF THE SECOND EGM,

NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING AND

NOTICE OF THE SECOND H SHARE CLASS MEETING

1. INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek Shareholders' approval for, among other things, the 2016 profit distribution plan and the proposed amendments to the Articles of Association to be effective from the Effective Date.

LETTER FROM THE BOARD

At each of the forthcoming First EGM and First Class Meetings, a special resolution will be proposed to seek Shareholders' approval for the proposal in relation to future new equity financing plans.

At each of the forthcoming Second EGM and Second Class Meetings, resolutions will be proposed to seek Shareholders' approval for the proposed A Share Offering and related proposals; and the proposed amendments to the Articles of Association, the proposed amendments to the Procedural Rules for the General Meeting, the proposed amendments to the Procedural Rules for the Board, the proposed adoption of the Procedural Rules for the Board of Supervisors and the proposed adoption of other corporate governance rules for the purpose of the proposed A Share Offering. Reference is made to the announcements of the Company dated December 23, 2016 and March 24, 2017. At the meetings of the Board held on December 23, 2016 and March 24, 2017, the Board approved and resolved to submit to a general meeting, a Domestic Share class meeting and an H Share class meeting (as the case may be) for consideration and approval by the Shareholders the following resolutions: (1) the proposal on the application for the initial public offering and listing of the A Shares of the Company; (2) the proposal to authorize the Board to deal with all matters in relation to the A Share Offering; (3) the proposal on the appointment of KPMG Huazhen (Special General Partnership) as the auditor for the A Share Offering and the granting of the authorization to the Board to determine the remuneration of KPMG Huazhen (Special General Partnership); (4) the proposal on the appointment of Commerce & Finance Law Offices as the legal counsel for the A Share Offering and the granting of the authorization to the Board to determine the remuneration of Commerce & Finance Law Offices; (5) the proposal on the use of proceeds from the A Share Offering and the feasibility analysis thereof; (6) the proposal on the dilution of immediate return as a result of the A Share Offering, remedial measures and undertakings by relevant parties; (7) the proposal on the report on the use of previously raised funds; (8) the proposal on the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares; (9) the proposal on the dividend return plan for shareholders for the three years after the A Share Offering (2017-2019); (10) the proposal on the distribution plan for accumulated profits before the A Share Offering; (11) the proposal on the relevant undertakings to be included in the prospectus in connection with the A Share Offering and the relevant restrictive measures; (12) the proposed amendments to the Articles of Association; the proposed amendments to or adoption of relevant corporate governance rules for the purpose of the proposed A Share Offering, including: (13) the proposed amendments to the Procedural Rules for the General Meeting; (14) the proposed amendments to the Procedural Rules for the Board; (15) the proposed adoption of the Administrative Measures on the Use of Proceeds; (16) the proposed adoption of the Administrative Regulations on Related Parties Transactions; (17) the proposed adoption of the Administrative Measures on the Provision of External Guarantees; (18) the proposed adoption of the Administrative Regulations on External Investment; and (19) the proposed adoption of the Working Rules for Independent Directors. At the meeting of the Board of Supervisors held on March 24, 2017, the Board of Supervisors approved and resolved to submit to a general meeting (20) the proposed adoption of the Procedural Rules for the Board of Supervisors.

LETTER FROM THE BOARD

The proposals (1), (2), (5), (6), (8) to (14) and (20) set out in the preceding paragraph are subject to approval by the Shareholders by way of special resolutions at the Second EGM whereas the proposals (3), (4), (7), and (15) to (19) are subject to approval by the Shareholders by way of ordinary resolutions at the Second EGM. The proposals (1), (2), (6), (8), (10) and (11) above are also subject to approval by the holders of the Domestic Shares at the Second Domestic Share Class Meeting and by the holders of the H Shares at the Second H Share Class Meeting, respectively.

The purpose of this circular is to provide you with, among other things, (i) information regarding the 2016 profit distribution plan, (ii) information regarding the proposed amendments to the Articles of Association with effect from the Effective Date, (iii) information regarding the proposal in relation to future new equity financing plans, (iv) information regarding various proposed resolutions in relation to the A Share Offering so as to enable you to make an informed decision on whether to vote for or against such proposed resolutions at the AGM, the First EGM, the First Class Meetings, the Second EGM and the Second Class Meetings (as the case may be), and (v) the notices of the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting.

2. 2016 PROFIT DISTRIBUTION PLAN

The Company's distributable net profit for the year ended December 31, 2016 is RMB694.0 million, which is the lesser of the net profit for the year ended December 31, 2016 as determined in accordance with the International Financial Reporting Standards and the net profit for the year ended December 31, 2016 as determined in accordance with the generally accepted accounting policies in the PRC (the "PRC GAAP"). Pursuant to the provisions of relevant laws and regulatory requirements, the 2016 profit distribution plan of the Company is as follows:

- (i) RMB77.0 million will be appropriated to the statutory surplus reserves, which is calculated based on the net profit for the year ended December 31, 2016 as determined in accordance with the PRC GAAP.
- (ii) RMB38.5 million will be appropriated to the discretionary reserves, which is calculated based on the net profit for the year ended December 31, 2016 as determined in accordance with the PRC GAAP.
- (iii) A cash dividend of RMB0.255 per share (before tax) will be paid to Shareholders whose names appear on the register of members of the Company on Monday, June 5, 2017 after close of trading. Based on the Company's total issued share capital as at December 31, 2016, the total amount of cash dividends to be distributed shall be approximately RMB173.9 million, representing approximately 30% of the total amount of the distributable net profit attributable to the Shareholders for the year ended December 31, 2016.

LETTER FROM THE BOARD

3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As a result of the transfer of Shares among certain holders of the Domestic Shares, the Company's intention to create a senior management member position and the adjustments to the name of the titles of the general manager and the deputy general manager, the Company proposed certain amendments to be made to the Articles of Association with effect from the date on which Shareholders' approval is obtained. The proposed amendments are to reflect:

- (i) The change in the shareholdings of Wuhan Ruiteng, Wuhan Ruitu and Wuhan Ruiyue as a result of the equity transfer by Wuhan Ruiteng of 1,648,000 Domestic Shares and 25,000 Domestic Shares to Wuhan Ruitu and Wuhan Ruiyue respectively. Accordingly, the Company proposes to amend Article 19 of the Articles of Association in relation to the number of Shares held by Shareholders and their shareholding percentages after such transfer.
- (ii) The addition of a chief human resources officer as a senior management member of the Company by virtue of the Company's internal governance needs. The Company therefore proposes to amend Article 104, Article 116, Article 117 and Article 189 of the Articles of Association accordingly.
- (iii) The adjustment of the name of the titles of general manager and deputy general manager to president and deputy president respectively. Thus, the Company proposes to amend the Articles which mention such titles accordingly.

A comparison of the existing Articles of Association against the draft amended Articles of Association to be effective from the Effective Date (assuming that it is approved at the AGM) which details the proposed amendments to the existing Articles of Association is set out in Appendix I to this circular.

This proposal has been approved by the Board, and shall be submitted to the AGM for consideration and approval by way of a special resolution pursuant to Article 60(12) of the existing Articles of Association.

4. PROPOSAL IN RELATION TO FUTURE NEW EQUITY FINANCING PLANS

On March 24, 2017, Draka, in its capacity as a shareholder holding 26.37% of the total issued share capital of the Company, submitted to the Board a written proposal in relation to the deliberation and implementation procedures of future new equity financing plans pursuant to Article 64 of the existing Articles of Association, and requested such proposal be submitted to a general meeting, a Domestic Share class meeting and an H Share class meeting for consideration and approval pursuant to Articles 60(13) and 90 of the existing Articles of Association.

LETTER FROM THE BOARD

With a view to ensuring the participation rights of all Shareholders and allowing them to fully voice their opinions in relation to future new equity financing plans, it is proposed that any new equity financing plans will only be implemented after such plans have been considered and approved at a general meeting, a Domestic Share class meeting and an H Share class meeting via special resolution adopted by way of poll; and that the Company will not consider conducting in the future new issuance(s) of such number of Domestic Shares not exceeding 20% of the issued Domestic Shares or such number of H Shares not exceeding 20% of the issued H Shares once every 12 months upon approval by a special resolution at a general meeting (a “**general mandate**”), or consider proposing a general mandate to issue and allot any new Shares to a general meeting for approval in the future.

The Board has approved the submission of the proposal made by Draka to each of the First EGM and the First Class Meetings for consideration and approval by way of a special resolution.

5. PROPOSED A SHARE OFFERING

A. Introduction

At a meeting of the Board held on December 23, 2016, the Company proposed to apply to the CSRC and other relevant regulatory authorities for an initial public offering of A Shares each with a nominal value of RMB1.00 to the qualified investors and a listing of such A Shares on the Shanghai Stock Exchange. The A Share Offering and related proposals will be subject to the approval by the Shareholders at the Second EGM and the Second Class Meetings (as the case may be), as well as the approvals by the CSRC and other relevant regulatory authorities.

The total number of A Shares to be issued will be not more than 75,790,510 A Shares, which represents:

- (i) approximately 22.93% of the total number of Domestic Shares in issue and approximately 11.11% of the existing total issued share capital of the Company; and
- (ii) approximately 18.65% of the total number of A Shares in issue and 10.00% of the enlarged total issued share capital of the Company upon completion of the A Share Offering,

assuming that the Domestic Shares in issue will all be converted into tradeable A Shares upon completion of the A Share Offering and there are no other changes to the issued share capital of the Company.

LETTER FROM THE BOARD

The proposed A Share Offering will be made in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Measures for the Administration of Initial Public Offering and Listing of Securities (《首次公開發行股票並上市管理辦法》), the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform (《中國證監會關於進一步推進新股發行體制改革的意見》), and other relevant laws, administrative regulations, departmental rules, and normative documents, and after consultation with the sponsor(s).

B. Proposal on the application for the initial public offering and listing of the A Shares of the Company

The plan for the proposed A Share Offering as approved by the Board is as follows:

1. Class of shares : Domestic listed RMB-denominated ordinary shares (A Shares)
2. Par value of shares : RMB1.00
3. Number of shares to be issued : Not more than 75,790,510 RMB-denominated ordinary shares (A Shares). The final number of shares to be issued will be determined by the Board in accordance with the authorization from general meetings of Shareholders, upon consultation with the sponsor(s) (the lead underwriter(s)) and taking into consideration the relevant laws and regulations and market conditions. Corresponding adjustment will be made to the number of A Shares to be issued pursuant to the A Share Offering upon occurrence of ex-rights events such as bonus issue and capitalization issue.

The aforementioned issuance size is determined based on a number of factors including the current shareholding structure of the Company, the funding needs of the target investment projects which are to be funded from the proceeds of the A Share Offering, the estimated operating performance of the Company by the time of the offering and the valuations as obtained from the capital markets. The A Share Offering involves only issue of new Shares but not any transfer of any existing Shares by the existing Shareholders to the investors.

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4. Target subscribers : Investors who satisfy relevant qualification requirements in the price consultation process, and domestic natural persons, legal persons and other institutional investors which have maintained RMB-denominated ordinary shares (A shares) securities accounts with the Shanghai branch of the China Securities Depository and Clearing Co., Ltd. (excluding those prohibited by the relevant PRC laws, administrative regulations, departmental rules, regulatory documents, and other regulatory requirements applicable to the Company).

The Company and the lead underwriter(s) will strictly comply with the requirements under relevant laws and regulations such as the Securities Law of the People's Republic of China and the Measures for the Administration of the Offering and Underwriting of Securities when conducting the placement of Shares offline, and ascertain if any target subscriber on the one hand and the Company and the lead underwriter(s) on the other are connected to one another and whether the target subscribers comply with relevant compliance requirements, so as to ensure that the target subscribers of the A Share Offering comply with the relevant requirements of the CSRC and the listing rules of the Shanghai Stock Exchange.

5. Method of issuance : A combination of placing by way of price consultation with target subscribers ("**Enquired Persons**") offline and online application based on market capitalization, or other methods approved by regulatory authorities such as the CSRC.

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6. Pricing methodology: The issue price of the A Shares under the A Share Offering will be determined through price consultation with Enquired Persons offline or other legally permissible methods such as direct pricing by way of negotiations between the Board (as authorized at general meetings of Shareholders) and the lead underwriter(s), taking into account the conditions of the capital markets and the actual conditions of the Company at the time of the issuance.

According to relevant provisions of the Company Law of the People's Republic of China, shares may be issued at a price equal to or in excess of the par value of the shares, but may not be issued below the par value of the shares. As the par value of the A Shares proposed to be issued by the Company under the A Share Offering is RMB1.00, the issue price of the A Shares will not be lower than RMB1.00 per Share. Subject to the aforementioned requirement, no minimum issue price has been set for the proposed A Share Offering.

When determining the actual issue price of the A Shares, the Company will take into consideration the following factors: (i) the Company's financial results, (ii) the average price-to-earnings ratio of other A share listed companies which operate in the same industry as the Company; (iii) market conditions; (iv) the trading price of the H Shares; (v) requirements under relevant laws and regulations; and (vi) rules and policies of relevant regulatory authorities.

In the event that the proposed issue price of the A Shares does not reflect the actual value of the Company or is lower than the trading price of the H Shares, the Board will consider the prevailing market conditions, the actual funding needs and development strategy of the Company at the time, the trading multiples of comparable companies at the time and other relevant factors in order to determine whether or not to proceed with the proposed A Share Offering.

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7. Form of underwriting : The offering will be underwritten by an underwriting syndicate led by the lead underwriter(s) who commits to underwrite all unsubscribed A Shares. There will not be any sub-underwriting arrangements.
8. Place of listing : Shanghai Stock Exchange.
9. Use of proceeds : The proceeds from the A Share Offering, after deducting listing expenses, are to be used for the upgrading of industrial scale, improvement of technologies and purchase of equipment, replenishment of working capital, and repayment of bank loans. If the actual net proceeds from the A Share Offering, after deducting listing expenses, are insufficient for carrying out the investment sums required for the aforementioned uses, the Company will meet the funding needs by its own funds or through obtaining bank loans. Before the proceeds from the A Share Offering are made available to the Company, the Company may facilitate the implementation of the aforementioned investments by using its own funds or through obtaining bank loans in accordance with the actual progress of the respective investments. When the proceeds from the A Share Offering are made available, the proceeds will be used to replace the Company's self-funded capital which has been used for the aforementioned investments and to repay the relevant bank loans.
10. Conversion of the Company : The Company will apply for conversion into a joint stock company with limited liability with both domestic and overseas-listed Shares.
11. Effective period of the resolution : 12 months from the date on which the proposal on the application for the initial public offering and listing of the A Shares of the Company is considered and approved by the Shareholders at a general meeting, an H Share class meeting and a Domestic Share class meeting.

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As advised by the PRC legal counsels to the Company, subject to relevant policies and directions on the supervision of state-owned assets, the A Share issue price of the Company may not be less than the latest audited net asset value per Share prior to the A Share Offering; moreover, under the relevant PRC laws and regulations in effect, there is no restriction on the actual issue price of the A Shares to be issued under the A Share Offering, subject to the regulatory opinions which may be provided by the relevant regulatory authorities from time to time during the application process. For reference only, as at December 31, 2016, the audited net asset value per Share of the Company based on the Company's consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards is RMB6.12.

It is expected that none of the target subscribers of the A Share Offering is or will become a connected person of the Company. If any of the target subscribers of the A Share Offering is or will become a connected person of the Company, the Company will take every reasonable step to comply with the relevant requirements under the Listing Rules as well as the applicable PRC laws and regulations. In particular, for the purpose of ensuring compliance with the public float requirements under the Listing Rules, the Company undertakes that not less than 10% of the total number of the A Shares to be offered under the proposed A Share Offering will only be offered for subscription by target subscribers who are third parties independent of the Company and its connected persons.

As at the Latest Practicable Date, the Company has not identified or appointed any lead or participating underwriter. The Company will ensure that any lead or participating underwriter(s) to be appointed would be a third party independent of the Company and its connected persons. Also, the Company has not been in negotiation with any parties of the underwriting agreement, which will be entered into between the Company and the lead or participating underwriters after the necessary approvals from the relevant regulatory authorities for the A Share Offering have been obtained. Further details of the underwriting agreement (including the basis of underwriting commission), when entered into, will be disclosed by the Company by way of further announcement(s). Pursuant to Article 32 of the Securities Law of the People's Republic of China, securities to be offered to the public with a total face value exceeding RMB50 million shall be underwritten by an underwriting syndicate which shall be composed of a securities company/securities companies acting as the lead underwriter(s) and securities companies acting as participating underwriters. As stated in the plan for the proposed A Share Offering set out above and in compliance with the abovementioned PRC legal requirements, the proposed A Share Offering will be underwritten by an underwriting syndicate.

The plan for the proposed A Share Offering has been approved by the Board, and shall be submitted to each of the Second EGM and the Second Class Meetings for consideration and approval as a special resolution pursuant to Articles 60(10) and 90 of the existing Articles of Association, Rule 19A.38 of the Listing Rules as well as the other applicable PRC laws and regulations. Each item under the plan for the proposed A Share Offering as detailed above will be voted individually and is to be approved by way of special resolutions. It should be noted that, the A Share Offering is also subject to the approvals from the CSRC and other relevant regulatory authorities of

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the PRC. The Company expects the proposed A Share Offering, if approved by the Shareholders at the Second EGM and the Second Class Meetings as well as the CSRC and/or other relevant regulatory authorities, will be completed by mid-2018. In compliance with the Listing Rules and the applicable PRC laws and regulations, the Company will make further announcement(s) on the proposed A Share Offering as and when appropriate and, in particular, when the detailed terms of the proposed A Share Offering, such as the issue price and issuance size, are finalized.

C. Reasons for and benefits of the A Share Offering

The Directors consider that the proposed A Share Offering will provide additional capital to support its future development plans (including the Investment Projects (as defined below)); increase the liquidity of the Shares held by holders of the Domestic Shares; and significantly enhance the corporate image and brand awareness of the Company, which together, will raise the overall competitiveness of the Company and strengthen the capability of the Company in terms of sustainable development.

The Directors consider that the proposed A Share Offering is in the interests of the Company and the Shareholders as a whole.

D. Public float

As at the Latest Practicable Date, based on the publicly available information and to the best of the Directors' knowledge, approximately 25% of the total issued Shares are held by the public, and the Company has maintained a public float above the minimum requirements as prescribed in the Listing Rules. As a result of the proposed A Share Offering, the Company's public float (including H Shares and A Shares) will be approximately 34.46% (assuming an aggregate of 75,790,510 A Shares are issued, there are no other changes to the issued share capital of the Company before completion of the A Share Offering and without taking into account the Shares to be transferred by State-owned Shareholders in compliance with the Implementing Measures for the Transfer of Some State-owned Shares from the Domestic Securities Market to the National Social Security Fund and other relevant requirements). The Company undertakes that it will continue to comply with the public float requirement as prescribed in the Listing Rules during the application process and after completion of the A Share Offering.

E. Effect of the proposed A Share Offering on the shareholding structure of the Company

The Company has been advised by its PRC counsel that according to the relevant PRC laws and regulations in force and the relevant requirements of the CSRC and the Shanghai Stock Exchange, the Domestic Shares in issue before the A Share Offering will all be converted into tradeable A Shares upon completion of the A Share Offering. Except for the lock up requirements under the relevant laws and regulations, such converted A Shares shall rank pari passu with the A Shares to be issued under the A Share Offering.

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For reference and illustration purposes only, assuming that an aggregate of 75,790,510 A Shares will be issued under the A Share Offering and no other changes to the issued share capital of the Company between the Latest Practicable Date and immediately upon completion of the A Share Offering, the shareholding structures of the Company as at the Latest Practicable Date and immediately upon completion of the A Share Offering are set out as follows:

	As at the Latest Practicable Date		Immediately after completion of the A Share Offering	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
Non-public Shareholders				
- Domestic Shares				
- China Huaxin	179,827,794	26.37	-	-
- Yangtze Communications	119,937,010	17.58	-	-
- Wuhan Ruitu	15,900,000	2.33	-	-
- Wuhan Ruiteng	9,095,000	1.33	-	-
- Wuhan Ruihong	3,413,000	0.50	-	-
- Wuhan Ruiyue	2,375,000	0.35	-	-
	330,547,804	48.46	-	-
- H Shares				
- Draka	179,827,794	26.37	179,827,794	23.73
- Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony ⁽¹⁾	1,205,000	0.17	1,205,000	0.16
	181,032,794	26.54	181,032,794	23.89
- A Shares ⁽²⁾	-	-	315,664,804	41.65
Public Shareholders				
- A Shares to be issued under the A Share Offering	-	-	75,790,510	10.00
- A Shares ⁽³⁾	-	-	14,883,000	1.96
- H Shares	170,534,000	25.00	170,534,000	22.50
Total	682,114,598	100.00	757,905,108	100.00

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Notes:

- (1) Mr. Frank Franciscus Dorjee is an executive Director and Mr. Yeung Kwok Ki Anthony was a Director within the past 12 months, both are connected persons of the Company.
- (2) Include the 179,827,794 A Shares and the 119,937,010 A Shares to be respectively held by China Huaxin and Yangtze Communications, both of them being substantial shareholders (as defined under the Listing Rules) of the Company, and the 15,900,000 A Shares to be held by Wuhan Ruitu, a limited partnership owned by the connected persons of the Company. The figures are presented without taking into account the Shares to be transferred by State-owned Shareholders in compliance with the Implementing Measures for the Transfer of Some State-owned Shares from the Domestic Securities Market to the National Social Security Fund and other relevant requirements. Shareholders will carry out the Share transfer in compliance with the relevant laws and regulations and opinions of the regulatory authorities in the course of the A Share Offering.
- (3) Represent the 14,883,000 A Shares to be held by the limited partnerships established and owned by certain selected employees under the ESOP, namely Wuhan Ruiteng, Wuhan Ruihong and Wuhan Ruiyue.

F. Fund raising in the past twelve months

The Company has not conducted any fund raising activities involving the issue of equity within the 12 months immediately prior to the Latest Practicable Date.

Except for the proposed registration and issuance of short to medium-term debt financing instruments, details of which were disclosed in the announcement of the Company dated December 23, 2016 and the circular of the Company dated January 9, 2017, as at the Latest Practicable Date, the Company does not have any other concrete plans to conduct any fund raising activity involving the issue of equity (apart from the proposed A Share Offering) in the next 12 months from the Latest Practicable Date.

The proposed A Share Offering is subject to certain conditions, including but not limited to the market conditions, the Shareholders' approval at the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting, as well as the approvals of the CSRC and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares or other securities of the Company.

6. OTHER PROPOSALS RELATING TO THE A SHARE OFFERING

The following ancillary proposals relating to and which are essential for the implementation of the proposed A Share Offering were considered and passed at the meetings of the Board held on December 23, 2016 and March 24, 2017.

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A. Proposal to authorize the Board to deal with all matters in relation to the A Share Offering

It is proposed that the Board be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:

- (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;
- (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;
- (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
- (4) adjust the plan for the Investment Projects (as defined below) and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
- (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;
- (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
- (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;

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- (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
- (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock-up of relevant shares;
- (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and
- (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering.

Upon the passing of the resolution to grant the aforesaid authorization at general meetings of the Company, it is proposed that the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months from the date of the passing of such resolution at the an extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting.

This proposal has been approved by the Board, and shall be submitted to each of the Second EGM and the Second Class Meetings for consideration and approval by way of a special resolution pursuant to Articles 60(10) and 90 of the existing Articles of Association.

B. Proposals on the appointment of intermediaries for the proposed A Share Offering

For the purpose of the A Share Offering, the Company proposed to appoint KPMG Huazhen (Special General Partnership) as the auditor and Commerce & Finance Law Offices as its legal counsel, and that the Board be authorized to determine the remuneration of KPMG Huazhen (Special General Partnership) and Commerce & Finance Law Offices.

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These proposals have been approved by the Board, and shall be submitted to the Second EGM for consideration and approval by way of ordinary resolutions pursuant to Article 60(11) of the existing Articles of Association.

C. Proposal on the use of proceeds from the A Share Offering and the feasibility analysis thereof

It is estimated that the proceeds from the A Share Offering, after deducting offering expenses (the “**Net Proceeds from the A Share Offering**”), will be approximately RMB2,000,000,000, among which (1) RMB1,400,000,000 is proposed to be invested in the Phase II and Phase III Capacity Expansion Projects of Yangtze Optical Fibre (Qianjiang) Co., Ltd. in relation to the industrialization of the self-produced preforms and the optical fibres (the “**Investment Projects**”), (2) RMB300,000,000 is proposed to be used for the repayment of bank loans, and (3) RMB300,000,000 is proposed to be used for the replenishment of working capital. The aforementioned amounts of RMB1,400,000,000, RMB300,000,000 and RMB300,000,000 proposed to be applied to each use represent the full amount of the investment sums required thereunder, respectively.

If the actual Net Proceeds from the A Share Offering are in excess of the investment sums required for the aforementioned uses, the surplus will be used to supplement the working capital of the Company or be used in accordance with relevant regulations of regulatory authorities. If the actual Net Proceeds from the A Share Offering are less than the investment sums required for the aforementioned uses, the Company will meet the shortfall by its own funds or through obtaining bank loans or similar means. Before the proceeds from the A Share Offering are made available to the Company, the Company shall facilitate the implementation of the aforementioned uses by using its own funds or through obtaining bank loans in accordance with the actual progress and capital needs of the respective uses. When the proceeds from the A Share Offering are made available, the proceeds shall be used to replace the Company’s own funds used for the aforementioned investments prior to the A Share Offering or to repay the bank loans obtained, in accordance with the order in which the aforementioned projects are carried out and the Company’s relevant requirements in relation to the management of the use of proceeds. The use of proceeds of the A Share Offering as disclosed in the prospectus to be published in connection with the A Share Offering shall prevail in case of any deviation from the proposed use of proceeds set out above.

A feasibility analysis on the projects involved is set out in Appendix II to this circular.

This proposal (together with the feasibility analysis) has been approved by the Board, and shall be submitted to the Second EGM for consideration and approval by way of a special resolution pursuant to Articles 60(1) and 60(10) of the existing Articles of Association.

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D. Proposal on the dilution of immediate return as a result of the A Share Offering, remedial measures and undertakings by relevant parties

In accordance with the requirements under the relevant PRC laws and regulations, the Company has conducted an analysis of the dilution of immediate return as a result of the A Share Offering and has formulated specific remedial measures on the recovery of return. In addition, in order to ensure the implementation of the remedial measures on the recovery of return, each of the Directors and senior management members are to provide certain undertakings to the Company.

Details of the analysis on the dilution of immediate return as a result of the A Share Offering, the remedial measures and the undertakings by the relevant parties are set out in Appendix III to this circular.

This proposal has been approved by the Board, and shall be submitted to each of the Second EGM and the Second Class Meetings for consideration and approval by way of a special resolution pursuant to Article 90 of the existing Articles of Association.

E. Proposal on the report on the use of previously raised funds

In accordance with the requirements under the relevant PRC laws and regulations, the Company has prepared a report on the use of funds raised from the Private Placement.

The Company completed the Private Placement on December 18, 2015, pursuant to which 11,869,000 H Shares and 30,783,000 Domestic Shares were issued by the Company. The aggregate net proceeds from the Private Placement (after deducting underwriting fees and related offering expenses) amounted to approximately HK\$302 million (equivalent to approximately RMB251 million). The Company confirmed that the actual use of proceeds from the Private Placement were in line with the relevant disclosure in relevant periodic reports and other public disclosure of the Company since the completion of the Private Placement.

Details of the report on the use of such previously raised funds are set out in Appendix IV to this circular.

This proposal has been approved by the Board, and shall be submitted to the Second EGM for consideration and approval by way of an ordinary resolution pursuant to Article 60(1) of the existing Articles of Association.

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F. Proposal on the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares

In order to stabilize the price of A Shares after the A Share Offering, the Company has formulated the price stabilization plan for the A Shares within the three years from the date on which the A Shares are listed on the Shanghai Stock Exchange in accordance with relevant PRC laws and regulations. The plan sets out, among other things, the conditions triggering the implementation of the price stabilization measures and the specific measures to be taken by each of the Company, the domestic substantial Shareholders holding 5% or more of the Shares prior to the A Share Offering, the Directors (excluding the independent Directors, foreign Directors and Directors who do not receive remuneration from the Company) and the senior management members of the Company (excluding foreign individuals).

Details of the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares are set out in Appendix V to this circular.

This proposal has been approved by the Board, and shall be submitted to each of the Second EGM and the Second Class Meetings for consideration and approval by way of a special resolution pursuant to Articles 60(8) and 60(10) and 90 of the existing Articles of Association.

G. Proposal on the dividend return plan for shareholders for the three years after the A Share Offering (2017-2019)

Pursuant to the development strategies of the Company and in order to enhance the Company's awareness on shareholder returns, to optimize the dividend distribution policy and to improve the effectiveness of the shareholders communication mechanism of the Company, the Company has formulated the dividend return plan for the three years after the A Share Offering in accordance with relevant PRC laws and regulations, normative documents, the Articles of Association and other corporate governance rules of the Company. The plan sets out (i) the factors considered when formulating the dividend return plan; (ii) the principles followed when formulating the dividend return plan; (iii) details of the dividend return plan for the three years after the A Share Offering; (iv) decision-making mechanism of the dividend return plan; and (v) effective date of the dividend return plan.

Details of the dividend return plan for shareholders for the three years after the A Share Offering are set out in Appendix VI to this circular.

This proposal has been approved by the Board, and shall be submitted to the Second EGM for consideration and approval by way of a special resolution pursuant to Article 60(7) of the existing Articles of Association.

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H. Proposal on the distribution plan for accumulated profits before the A Share Offering

Prior to the completion of the A Share Offering, the Company may distribute profits in accordance with a profit distribution plan formulated by the Board and approved at a general meeting of the Company. After the completion of the A Share Offering, the accumulated undistributed profits of the Company before the A Share Offering shall be shared among all the new and existing Shareholders in proportion to their respective shareholdings.

This proposal has been approved by the Board, and shall be submitted to each of the Second EGM and the Second Class Meetings for consideration and approval by way of a special resolution pursuant to Articles 60(7) and 90 of the existing Articles of Association.

I. Proposal on the relevant undertakings to be included in the prospectus in connection with the A Share Offering and the relevant restrictive measures

In accordance with the requirements under the relevant PRC laws and regulations, the Company and such responsible persons or entities including the domestic substantial Shareholders, the Directors, the Supervisors and the senior management members of the Company propose to make, among other things, certain undertakings in the prospectus to be published in connection with the A Share Offering.

The Company and such responsible persons or entities including the domestic substantial Shareholders who hold 5% or more of the Shares prior to the A Share Offering, the Directors, the Supervisors and the senior management members of the Company shall publicly undertake in the public offering and listing documents that: *"If any statement contained in the prospectus of the issuer is false or misleading, or if any material information has been omitted, which results in losses suffered by the investors when dealing in the A Shares, investors shall be compensated in accordance with the relevant laws of the PRC."*

The Company and such responsible persons or entities including the domestic substantial Shareholders who hold 5% or more of the Shares prior to the A Share Offering, the Directors, the Supervisors and the senior management members of the Company providing such undertaking agree to be bound by certain restrictive measures in the case where they fail to fulfill any of the undertakings, which measures shall be disclosed in the public offering and listing documents, under the scrutiny of the public.

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In accordance with the Opinions of the China Securities Regulatory Commission on Further Promoting the Reform of the IPO System (《關於進一步推進新股發行體制改革的意見》) promulgated by the CSRC, the Company will provide relevant undertakings in relation to the authenticity, accuracy and completeness of the information disclosed in the prospectus to be published in connection with the A Share Offering, and the restrictive measures related thereto.

Forms of the undertaking letters regarding (1) the authenticity, accuracy and completeness of the information disclosed in the prospectus to be published in connection with the proposed A Share Offering and (2) the relevant restrictive measures proposed by responsible parties are set out in Appendix VII to this circular.

It is proposed that the Board be authorized by the general meeting, and the chairman of the Board and the president of the Company be further authorized by the Board to, either acting together or individually, make adjustments to or revise the contents of the undertaking letters in accordance with any change in the PRC or overseas laws, regulations and other normative documents, and requirements or suggestions of relevant government departments or regulatory authorities.

This proposal has been approved by the Board, and shall be submitted to each of the Second EGM and the Second Class Meetings for consideration and approval by way of a special resolution pursuant to Articles 60(8), 60(10) and 90 of the existing Articles of Association.

7. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING, PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD, PROPOSED ADOPTION OF THE PROCEDURAL RULES FOR THE BOARD OF SUPERVISORS AND PROPOSED ADOPTION OF OTHER CORPORATE GOVERNANCE RULES FOR THE PURPOSE OF THE PROPOSED A SHARE OFFERING

To optimize the corporate governance structure of the Company in preparation for the A Share Offering, in accordance with the Company Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), as well as other related laws, regulations and regulatory documents, the Company proposed to (i) amend the Articles of Association; (ii) amend, amongst others, the Procedural Rules for the General Meeting and the Procedural Rules for the Board; and (iii) adopt, amongst others, the following corporate governance rules: the Procedural Rules for the Board of Supervisors, the Administrative Measures on the Use of Proceeds, the Administrative Regulations on Related Parties Transactions, the Administrative Measures on the Provision of External Guarantees, the Administrative Regulations on External Investment, and the Working Rules for Independent Directors.

LETTER FROM THE BOARD

The proposed amendments to the Articles of Association are intended to improve and enhance the corporate governance of the Company and to ensure compliance by the Company with the relevant laws and regulations of the PRC and the listing rules of the Shanghai Stock Exchange. The main proposed amendments to the Articles of Association to be effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange include, inter alia, provisions to reflect the change in the shareholding structure as a result of the proposed A Share Offering and provisions which are mandatory for or relevant to the listing of the A Shares. Upon completion of the A Share Offering, the actual number of A Shares issued will be known and the shareholding structure of the Company will change as a result of the A Shares issued under the A Share Offering. Such changes will have to be reflected in the Articles of Association, and cannot be ascertained unless and until the A Share Offering has been completed. The Board will, pursuant to the authorization granted by the Shareholders at the Second EGM and the Second Class Meetings, fill in the relevant information in Article 19 and Article 22 after the completion of the A Share Offering.

The full set of amended Articles of Association to be effective upon completion of the A Share Offering is set out in Appendix VIII to this circular. A comparison of the Articles of Association to be effective from the Effective Date (assuming that the proposed amendments set out in Appendix I have been approved at the AGM) against the draft amended Articles of Association (assuming that it is approved at the Second EGM and approved by the relevant authorities) which sets out the proposed amendments to the Articles of Association to be effective from the Effective Date is set out in Appendix IX to this circular.

The draft amended Procedural Rules for the General Meeting and the draft amended Procedural Rules for the Board are set out in Appendix X and Appendix XII to this circular, respectively. A comparison of the existing Procedural Rules for the General Meeting against the draft amended Procedural Rules for the General Meeting (assuming that it is approved at the Second EGM) which sets out the proposed amendments to the existing procedural rules is set out in Appendix XI to this circular. A comparison of the existing Procedural Rules for the Board against the draft amended Procedural Rules for the Board (assuming that it is approved at the Second EGM) which sets out the proposed amendments to the existing procedural rules is set out in Appendix XIII to this circular.

The Procedural Rules for the Board of Supervisors is set out in Appendix XIV to this circular. Other corporate governance rules proposed to be adopted including the Administrative Measures on the Use of Proceeds, the Administrative Regulations on Related Parties Transactions, the Administrative Measures on the Provision of External Guarantees, the Administrative Regulations on External Investment and the Working Rules for Independent Directors are set out in Appendix XV to this circular.

Each of the proposed amendments to the Articles of Association or procedural rules, or proposed corporate governance rules to be adopted have been prepared in Chinese without an official English version. Any English translation is for reference only. In case of any inconsistency, the Chinese version shall prevail.

LETTER FROM THE BOARD

Such proposals have been approved by the Board or the Board of Supervisors (as the case may be). The proposed amendments to the Articles of Association as set out in Appendix IX to this circular are subject to approval by Shareholders at the Second EGM by way of a special resolution pursuant to Article 60(12) of the existing Articles of Association and approval by relevant authorities in the PRC, and will be effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange. Prior to that, the Articles of Association to be effective from the Effective Date shall remain in force (assuming that the proposed amendments set out in Appendix I have been approved at the AGM). The proposed amendments to the Procedural Rules for the General Meeting, the proposed amendments to the Procedural Rules for the Board, and the proposed adoption of the Procedural Rules for the Board of Supervisors are subject to approval by Shareholders at the Second EGM by way of special resolutions pursuant to Article 60(12) of the existing Articles of Association and will be effective from the date of the passing of the relevant resolutions, save for the specific provisions in relation to the A Share Offering (which shall become effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange). The Administrative Measures on the Use of Proceeds, the Administrative Regulations on Related Parties Transactions, the Administrative Measures on the Provision of External Guarantees, the Administrative Regulations on External Investment, and the Working Rules for Independent Directors are subject to approval by Shareholders at the Second EGM by way of ordinary resolutions because the matters to be governed by these Administrative Measures, Administrative Regulations and Working Rules are within the scope of functions and powers of the Shareholders' meetings as provided under Article 60 of the existing Articles of Association. These Administrative Measures, Administrative Regulations and Working Rules will be effective from the date of the passing of the relevant resolutions, save for the specific provisions in relation to the A Share Offering (which shall become effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange).

In addition, the Administrative Measures and the Administrative Regulations also provide that if there are any matters in these Administrative Measures and Administrative Regulations which are inconsistent with applicable PRC laws, regulations, the Articles of Association, the listing rules of the place where the shares of the Company are listed, such applicable laws, regulations, the Articles of Association or the listing rules of the place where the shares of the Company are listed shall prevail.

8. AGM, THE FIRST EGM, THE FIRST DOMESTIC SHARE CLASS MEETING, THE FIRST H SHARE CLASS MEETING, THE SECOND EGM, THE SECOND DOMESTIC SHARE CLASS MEETING AND/OR THE SECOND H SHARE CLASS MEETING

The Company proposes to convene the AGM, the First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting, in sequence, to consider and, if thought fit, approve, among other things, the 2016 profit distribution plan, the proposed amendments to the Articles of Association and the proposal in relation to future new equity financing plans, at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Monday, May 22, 2017 at 10:00 a.m., 11:00 a.m., 11:30 a.m. and 12:00 noon.

LETTER FROM THE BOARD

The Company also proposes to convene the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting in sequence, to consider and, if thought fit, approve, the proposed A Share Offering and related proposals, and the proposed amendments to the Articles of Association, the proposed amendments to the Procedural Rules for the General Meeting, the proposed amendments to the Procedural Rules for the Board, the proposed adoption of the Procedural Rules for the Board of Supervisors and the proposed adoption of other corporate governance rules for the purpose of the A Share Offering, at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 23, 2017 at 10:00 a.m., 11:00 a.m. and 11:30 a.m..

The notice of the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting are set out on pages 524 to 527, pages 528 to 530, pages 531 to 533, pages 534 to 536, pages 537 to 542, pages 543 to 547 and pages 548 to 552 of this circular, respectively.

In order to determine the holders of H Shares who are entitled to attend the AGM, the First EGM and the First H Share Class Meeting, the H Shares register of members of the Company will be closed from Saturday, April 22, 2017 to Monday, May 22, 2017 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares who wish to attend the AGM, the First EGM and the First H Share Class Meeting but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Friday, April 21, 2017. Holders of H Shares whose names appear on the H Shares register of members of the Company at the close of business on Friday, April 21, 2017 are entitled to attend the AGM, the First EGM and the First H Share Class Meeting.

In order to determine the holders of H Shares who are entitled to attend the Second EGM and the Second H Share Class Meeting, the H Shares register of members of the Company will be closed from Sunday, April 23, 2017 to Tuesday, May 23, 2017 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares who wish to attend the Second EGM and the Second H Share Class Meeting but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Friday, April 21, 2017. Holders of H Shares whose names appear on the H Shares register of members of the Company at the close of business on Friday, April 21, 2017 are entitled to attend the Second EGM and the Second H Share Class Meeting.

LETTER FROM THE BOARD

A reply slip and a proxy form for use at each of the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting are enclosed with this circular. If you intend to appoint a proxy to attend the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and/or the Second H Share Class Meeting, you are required to complete and return the accompanying proxy form(s) in accordance with the instructions printed thereon. The proxy forms should be returned to the Company's H Share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for holder of H Shares and to the Company's Board of Directors' Office at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) for holder of Domestic Shares by hand or by post not later than 10:00 a.m., 11:00 a.m., 11:30 a.m. and 12:00 noon (Hong Kong time) on Sunday, May 21, 2017 for the AGM, the First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting respectively and not later than 10:00 a.m., 11:00 a.m. and 11:30 a.m. (Hong Kong time) on Monday, May 22, 2017 for the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting respectively. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and/or the Second H Share Class Meeting or at any adjourned meeting (as the case may be) should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked. If you intend to attend the AGM, the First EGM, the First Domestic Share Class Meeting, the First H Share Class Meeting, the Second EGM, the Second Domestic Share Class Meeting and/or the Second H Share Class Meeting (as the case may be) in person or by proxy, you are required to complete and return the reply slip(s) to the Company's H Share registrar, Tricor Investor Services Limited, for holder of H Shares or to the Company's Board of Directors' Office for holder of Domestic Shares, at the above addresses, on or before Monday, May 1, 2017 (in the case of the AGM, the First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting) or on or before Tuesday, May 2, 2017 (in the case of the Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting).

9. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM, the First EGM, the First Class Meetings, the Second EGM and the Second Class Meetings will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

10. RECOMMENDATION

The Board considers that the 2016 profit distribution plan; the proposed amendments to the Articles of Association; the proposal in relation to future new equity financing plans; the proposed A Share Offering and related proposals; the proposed amendments to the Articles of Association, the proposed amendments to the Procedural Rules for the General Meeting, the proposed amendments to the Procedural Rules for the Board, the proposed adoption of the Procedural Rules for the Board of Supervisors and the proposed adoption of other corporate governance rules for the purpose of the A Share Offering are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant ordinary resolutions and special resolutions to be proposed at the AGM, the First EGM, the First Class Meetings, the Second EGM and the Second Class Meetings (as the case may be).

11. FURTHER INFORMATION

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

Yours faithfully

For and on behalf of the Board

Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

Ma Jie

Chairman

* *For identification purposes only*

The English version of the Articles of Association in this Appendix I is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

The Existing Articles of Association

**The Draft Amended Articles
of Association to be Effective from
the Effective Date**

Article 8

The Articles of Association are binding on the Company and its Shareholders, Directors, Supervisors, general managers and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Subject to Article 187 of the Articles of Association, the Articles of Association are actionable by a Shareholder against the Company and vice versa, by the Company against Shareholders, by Shareholders against each other and by a Shareholder against the Directors, Supervisors, general manager and other senior management members of the Company.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Article 8

The Articles of Association are binding on the Company and its Shareholders, Directors, Supervisors, ~~general managers~~president and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Subject to Article 187 of the Articles of Association, the Articles of Association are actionable by a Shareholder against the Company and vice versa, by the Company against Shareholders, by Shareholders against each other and by a Shareholder against the Directors, Supervisors, ~~general manager~~president and other senior management members of the Company.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Article 19

Upon establishment, the Company issued 159,870,000 Overseas Listed Foreign Shares upon approval of the securities regulatory authority of the State Council.

As at 30 September 2015, the shareholding structure of the Company was as follows: total share capital of 639,462,598 shares, including 299,764,804 domestic shares, representing 46.88% of the total number of ordinary shares issued by the Company, 339,697,794 H shares, representing 53.12% of the total number of ordinary shares issued by the Company.

On 18 December 2015, the Company issued 11,869,000 Overseas Listed Foreign Shares after approval of the securities regulatory authority of the State Council. Meanwhile, the Company issued 307,830,000 domestic shares upon approval by the Company.

Article 19

Upon establishment, the Company issued 159,870,000 Overseas Listed Foreign Shares upon approval of the securities regulatory authority of the State Council.

As at 30 September 2015, the shareholding structure of the Company was as follows: total share capital of 639,462,598 shares, including 299,764,804 domestic shares, representing 46.88% of the total number of ordinary shares issued by the Company, 339,697,794 H shares, representing 53.12% of the total number of ordinary shares issued by the Company.

On 18 December 2015, the Company issued 11,869,000 Overseas Listed Foreign Shares after approval of the securities regulatory authority of the State Council. Meanwhile, the Company issued 307,830,000 Domestic Shares upon approval by the Company.

Upon the issuance of Overseas Listed Foreign Shares and domestic shares as aforementioned, the shareholding structure of the Company shall be as follows: total share capital of 682,114,598 shares, including 330,547,804 domestic shares, representing 48.46% of the total number of ordinary shares, details as follows: 179,827,794 are held by China Huaxin Post and Telecommunication Economy Development Center, representing 26.37% of the total ordinary share capital, 119,937,010 are held by Wuhan Changjiang Communications Industry Group Company Ltd, representing 17.58% of the total ordinary share capital, 14,252,000 Shares are held by Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership), representing 2.09% of the total ordinary share capital, 10,768,000 Shares are held by Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) representing 1.58% of the total ordinary share capital, 3,413,000 Shares are held by Wuhan Ruihong Management Consulting Partnership Enterprise (Limited Partnership), representing 0.5% of the total ordinary share capital, 2,350,000 Shares are held by Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership), representing 0.34% of the total ordinary share capital. 351,566,794 H shares, representing 51.54% of the total number of ordinary shares issued by the Company, details as follows: 179,827,794 Shares are held by Draka Comteq B.V., representing 26.37% of the total ordinary share capital, 171,739,000 Shares are held by H Shareholders, representing 25.17% of the total ordinary share capital.

Upon the issuance of Overseas Listed Foreign Shares and domestic shares as aforementioned, the shareholding structure of the Company shall be as follows: total share capital of 682,114,598 shares, including 330,547,804 Domestic Shares, representing 48.46% of the total number of ordinary shares, details as follows: 179,827,794 are held by China Huaxin Post and Telecommunication Economy Development Center, representing 26.37% of the total ordinary share capital, 119,937,010 are held by Wuhan Changjiang Communications Industry Group Company Ltd., representing 17.58% of the total ordinary share capital, ~~14,252,000~~15,900,000 Shares are held by Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership), representing ~~2.09~~2.33% of the total ordinary share capital, ~~10,768,000~~9,095,000 Shares are held by Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) representing ~~1.58~~1.33% of the total ordinary share capital, 3,413,000 Shares are held by Wuhan Ruihong Management Consulting Partnership Enterprise (Limited Partnership), representing ~~0.50~~0.50% of the total ordinary share capital, ~~2,350,000~~2,375,000 Shares are held by Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership), representing ~~0.340~~0.35% of the total ordinary share capital. 351,566,794 H shares, representing 51.54% of the total number of ordinary shares issued by the Company, details as follows: 179,827,794 Shares are held by Draka Comteq B.V., representing 26.37% of the total ordinary share capital, 171,739,000 Shares are held by H Shareholders, representing 25.17% of the total ordinary share capital.

Article 37

Share certificates of the Company shall be in registered form.

In addition to provisions provided in the Company Law and Special Regulations, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the Shares are listed.

During the period of H Shares listing on the Hong Kong Stock Exchange, the Company shall ensure that all of its documents relating to the title of all of its Shares listing on the Hong Kong Stock Exchange (including H Shares), include the statements stipulated below and shall instruct and procure each of its share registrars not to register the subscription, purchase or transfer of any of its Shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such Shares bearing statements to the following effect:

- (1) The acquirer of Shares agrees with the Company and each Shareholder, and the Company agrees with each Shareholder, to observe and comply with the Company Law, the Special Regulations and other requirements related to the laws, administrative regulations and the Articles of Association.

Article 37

Share certificates of the Company shall be in registered form.

In addition to provisions provided in the Company Law and Special Regulations, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the Shares are listed.

During the period of H Shares listing on the Hong Kong Stock Exchange, the Company shall ensure that all of its documents relating to the title of all of its Shares listing on the Hong Kong Stock Exchange (including H Shares), include the statements stipulated below and shall instruct and procure each of its share registrars not to register the subscription, purchase or transfer of any of its Shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such Shares bearing statements to the following effect:

- (1) The acquirer of Shares agrees with the Company and each Shareholder, and the Company agrees with each Shareholder, to observe and comply with the Company Law, the Special Regulations and other requirements related to the laws, administrative regulations and the Articles of Association.

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| (2) The acquirer of Shares agrees with the Company, each Shareholder, Director, Supervisor, general manager and other senior management members of the Company and the Company acting for itself and for each Director, supervisor, general manager and other senior management members agrees with each Shareholder to refer all disputes and claims arising from the Articles of Association or any right or obligation conferred or imposed by the Company Law and other relevant laws of the PRC and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive. | (2) The acquirer of Shares agrees with the Company, each Shareholder, Director, Supervisor, general manager <u>president</u> and other senior management members of the Company and the Company acting for itself and for each Director, supervisor, general manager <u>president</u> and other senior management members agrees with each Shareholder to refer all disputes and claims arising from the Articles of Association or any right or obligation conferred or imposed by the Company Law and other relevant laws of the PRC and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive. |
| (3) The acquirer of Shares agrees with the Company and each Shareholder that Shares in the Company are freely transferable by the holder thereof. | (3) The acquirer of Shares agrees with the Company and each Shareholder that Shares in the Company are freely transferable by the holder thereof. |
| (4) The acquirer authorizes the Company to enter into a contract on his behalf with each Director, general manager and other senior management members whereby such Directors, general manager and other senior management members undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association. | (4) The acquirer authorizes the Company to enter into a contract on his behalf with each Director, general manager <u>president</u> and other senior management members whereby such Directors, general manager <u>president</u> and other senior management members undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association. |

Article 52

The ordinary Shareholders shall be entitled to the following rights:

- (1) the right to dividends and other distributions in proportion to the number of Shares held;
- (2) the right to attend or appoint a proxy to attend General Meetings and to exercise the voting right thereat;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer Shares in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;

Article 52

The ordinary Shareholders shall be entitled to the following rights:

- (1) the right to dividends and other distributions in proportion to the number of Shares held;
- (2) the right to attend or appoint a proxy to attend General Meetings and to exercise the voting right thereat;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer Shares in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;

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| <p>(ii) the right to inspect and, subject to payment of a reasonable charge, copy:</p> <ol style="list-style-type: none"> 1. the register of all Shareholders; 2. personal particulars of each of the Company's Directors, Supervisors, general managers and other senior management members including: <ol style="list-style-type: none"> (a) present name and alias and any former name and alias; (b) principal address (residence); (c) nationality; (d) primary and all other part-time occupations; (e) identification document and its number. | <p>(ii) the right to inspect and, subject to payment of a reasonable charge, copy:</p> <ol style="list-style-type: none"> 1. the register of all Shareholders; 2. personal particulars of each of the Company's Directors, Supervisors, general managers<u>president</u> and other senior management members including: <ol style="list-style-type: none"> (a) present name and alias and any former name and alias; (b) principal address (residence); (c) nationality; (d) primary and all other part-time occupations; (e) identification document and its number. |
| <p>(iii) the state of the Company's share capital;</p> | <p>(iii) the state of the Company's share capital;</p> |
| <p>(iv) the latest audited financial statements and the reports of the Board, auditors and the Board of Supervisors;</p> | <p>(iv) the latest audited financial statements and the reports of the Board, auditors and the Board of Supervisors;</p> |
| <p>(v) the special resolution of the General Meeting;</p> | <p>(v) the special resolution of the General Meeting;</p> |

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| (vi) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose; | (vi) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose; |
| (vii) a copy of the latest annual review report, which shall be submitted to the State Administration for Industry and Commerce of the PRC or other authorities for inspection; and | (vii) a copy of the latest annual review report, which shall be submitted to the State Administration for Industry and Commerce of the PRC or other authorities for inspection; and |
| (viii) minutes of General Meetings. | (viii) minutes of General Meetings. |

The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the listing rules, for the purpose of inspection by the public and holders of Overseas Listed Foreign Shares free of charge.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of Shares they hold. Upon verification of the Shareholder's identity, the Company shall provide such information at the Shareholder's request.

The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the listing rules, for the purpose of inspection by the public and holders of Overseas Listed Foreign Shares free of charge.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of Shares they hold. Upon verification of the Shareholder's identity, the Company shall provide such information at the Shareholder's request.

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| <p>(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held; and</p> <p>(7) other rights conferred by laws, administrative regulations and the Articles of Association.</p> | <p>(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held; and</p> <p>(7) other rights conferred by laws, administrative regulations and the Articles of Association.</p> |
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Article 61

Unless a prior approval by way of special resolution is obtained in a General Meeting, the Company shall not enter into any contract with any party other than the Directors, Supervisors, general managers and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 61

Unless a prior approval by way of special resolution is obtained in a General Meeting, the Company shall not enter into any contract with any party other than the Directors, Supervisors, ~~general managers~~president and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 66

A notice of General Meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the matters to be discussed at the meeting;
- (4) it shall state the date of registration of equity entitlements for Shareholders having the right to attend the General Meeting;

Article 66

A notice of General Meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the matters to be discussed at the meeting;
- (4) it shall state the date of registration of equity entitlements for Shareholders having the right to attend the General Meeting;

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| (5) it shall provide Shareholders with such materials and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its Shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the same must be properly explained; | (5) it shall provide Shareholders with such materials and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its Shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the same must be properly explained; |
| (6) if any Director, Supervisor, general manager and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, Supervisor, general manager and other senior management members in their capacity as Shareholders is different from that of other Shareholders of the same class, the differences shall also be specified; | (6) if any Director, Supervisor, general manager <u>president</u> and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, Supervisor, general manager <u>president</u> and other senior management members in their capacity as Shareholders is different from that of other Shareholders of the same class, the differences shall also be specified; |
| (7) it shall set out the full text of any special resolutions proposed for approval at the meeting; | (7) it shall set out the full text of any special resolutions proposed for approval at the meeting; |
| (8) it shall contain a clear statement that a Shareholder who has the right to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and that such proxies need not be Shareholders; | (8) it shall contain a clear statement that a Shareholder who has the right to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and that such proxies need not be Shareholders; |

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| (9) it shall state the date and place for the service of the proxy forms for the meeting; and | (9) it shall state the date and place for the service of the proxy forms for the meeting; and |
| (10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting. | (10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting. |

Article 104

The Board shall report to the General Meeting and exercises the following powers:

- (1) to be responsible for the convening of General Meetings and report its work to the General Meeting;
- (2) to implement the resolutions of General Meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue and listing of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of Shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;

Article 104

The Board shall report to the General Meeting and exercises the following powers:

- (1) to be responsible for the convening of General Meetings and report its work to the General Meeting;
- (2) to implement the resolutions of General Meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue and listing of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of Shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;

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| (8) to decide on the establishment of an internal management organization of the Company; decide the establishment or revocation of the subsidiaries or branches of the Company; | (8) to decide on the establishment of an internal management organization of the Company; decide the establishment or revocation of the subsidiaries or branches of the Company; |
| (9) to elect the Chairman and the Vice Chairman, nominate, appoint or dismiss the general manager of the Company; | (9) to elect the Chairman and the Vice Chairman, nominate, appoint or dismiss the general manager <u>president</u> of the Company; |
| (10) appoint or dismiss the secretary to the Board, appoint or dismiss the head of each special committee of the Board; | (10) appoint or dismiss the secretary to the Board, appoint or dismiss the head of each special committee of the Board; |
| (11) upon the nomination of the general manager, appoint or dismiss the deputy general manager, the CFO, the chief technology officer, the chief sales officer and the chief marketing and strategy officer of the Company, and decide their remunerations, incentives and punishments; | (11) upon the nomination of the general manager <u>president</u> , appoint or dismiss the deputy general manager <u>vice president(s)</u> , the CFO, the chief technology officer, the chief sales officer and , the chief marketing and strategy officer <u>and the chief human resources officer</u> of the Company, and decide their remunerations, incentives and punishments; |
| (12) to formulate the basic management system of the Company; | (12) to formulate the basic management system of the Company; |
| (13) to formulate proposals for amendment to the Articles of Association; | (13) to formulate proposals for amendment to the Articles of Association; |
| (14) to propose to the General Meeting to appoint or change accounting firm in charge of the audition of the Company; | (14) to propose to the General Meeting to appoint or change accounting firm in charge of the audition of the Company; |
| (15) other authorities provided by laws and regulations, and listing rules of the stock exchange where the stock of the Company is listed, and by General Meeting of the Shareholder and the Articles of Association. | (15) other authorities provided by laws and regulations, and listing rules of the stock exchange where the stock of the Company is listed, and by General Meeting of the Shareholder and the Articles of Association. |

Except for the Board resolutions in respect of the matters specified in sub-clauses (6), (7) and (13) of the preceding sub-section which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by more than one half of the Directors. The Board shall perform its duties in accordance with laws, administrative regulations, the Articles of Association and Shareholder's resolution.

Article 107

At least two (2) meetings of the Board shall be convened every year by the Chairman, notice of the meeting shall be served, on all of the Directors and of the Supervisors and the general manager, at least ten (10) days before the date of the meeting.

In the event of any of the following circumstances, the Chairman shall convene extraordinary meetings:

- (1) when proposed by 2 (two) or more Directors;
- (2) when proposed by the general manager.

Except for the Board resolutions in respect of the matters specified in sub-clauses (6), (7) and (13) of the preceding sub-section which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by more than one half of the Directors. The Board shall perform its duties in accordance with laws, administrative regulations, the Articles of Association and Shareholder's resolution.

Article 107

At least two (2) meetings of the Board shall be convened every year by the Chairman, notice of the meeting shall be served, on all of the Directors and of the Supervisors and the ~~general manager~~president, at least ten (10) days before the date of the meeting.

In the event of any of the following circumstances, the Chairman shall convene extraordinary meetings:

- (1) when proposed by 2 (two) or more Directors;
- (2) when proposed by the ~~general manager~~president.

Article 114

Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:

- (1) to be responsible for communication and coordination between the Company and the related parties, stock exchange and the securities regulatory authority, to ensure that the Company legally prepares and submits reports and documents as required by the regulatory authorities;
- (2) to be responsible for information disclosure of the Company, to procure the Company to formulate and implement the information disclosure system and material information internal reporting system, to procure the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and to submit regular reports and temporary reports to the stock exchange;
- (3) to coordinate the relationship between the Company and its investors, to handle visits of the investors, to answer questions raised by the investors, and to provide the investors with information disclosed by the Company;
- (4) to prepare for General Meetings and Board meetings following the specific procedure and to prepare and submit relevant documents of the meetings;

Article 114

Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:

- (1) to be responsible for communication and coordination between the Company and the related parties, stock exchange and the securities regulatory authority, to ensure that the Company legally prepares and submits reports and documents as required by the regulatory authorities;
- (2) to be responsible for information disclosure of the Company, to procure the Company to formulate and implement the information disclosure system and material information internal reporting system, to procure the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and to submit regular reports and temporary reports to the stock exchange;
- (3) to coordinate the relationship between the Company and its investors, to handle visits of the investors, to answer questions raised by the investors, and to provide the investors with information disclosed by the Company;
- (4) to prepare for General Meetings and Board meetings following the specific procedure and to prepare and submit relevant documents of the meetings;

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| <p>(5) to attend Board meetings and prepare and sign the minutes of the meetings;</p> | <p>(5) to attend Board meetings and prepare and sign the minutes of the meetings;</p> |
| <p>(6) to be responsible for confidentiality issues relating to information disclosure of the Company, formulate confidentiality measures, procure the Directors, Supervisors, general manager and other senior management members and related informed persons to keep confidential all information before disclosure thereof, make prompt responsive remedies in the event of divulgence of inside information and report to the stock exchange;</p> | <p>(6) to be responsible for confidentiality issues relating to information disclosure of the Company, formulate confidentiality measures, procure the Directors, Supervisors, general manager<u>president</u> and other senior management members and related informed persons to keep confidential all information before disclosure thereof, make prompt responsive remedies in the event of divulgence of inside information and report to the stock exchange;</p> |
| <p>(7) to be responsible for keeping Shareholders' register, Directors' register, data about shareholdings of major Shareholders, Directors, Supervisors, general managers and other senior management members, and documents and minutes of the General Meeting and Board meetings, to ensure the Company has complete organizational documents and records, and to ensure the persons with right of access to relevant records and documents of the Company can have the said records and documents in time;</p> | <p>(7) to be responsible for keeping Shareholders' register, Directors' register, data about shareholdings of major Shareholders, Directors, Supervisors, general managers<u>the president</u> and other senior management members, and documents and minutes of the General Meeting and Board meetings, to ensure the Company has complete organizational documents and records, and to ensure the persons with right of access to relevant records and documents of the Company can have the said records and documents in time;</p> |
| <p>(8) to help Directors, Supervisors, general manager and other senior management members learn about information disclosure related laws, regulations, rules, listing rules and other rules of the stock exchange, and the Articles of Association, and the provisions in the listing agreements concerning their legal liabilities;</p> | <p>(8) to help Directors, Supervisors, general manager<u>the president</u> and other senior management members learn about information disclosure related laws, regulations, rules, listing rules and other rules of the stock exchange, and the Articles of Association, and the provisions in the listing agreements concerning their legal liabilities;</p> |

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| <p>(9) to procure the Board to exercise functions and powers in accordance with law; to remind the attending Directors where the resolutions to be made by the Board do not comply with the relevant laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association, and request the Supervisors present at meeting to express their opinions; to record the opinions of relevant Supervisors and persons in the minutes if the Board insists on making the aforesaid resolutions, and report to the stock exchange;</p> | <p>(9) to procure the Board to exercise functions and powers in accordance with law; to remind the attending Directors where the resolutions to be made by the Board do not comply with the relevant laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association, and request the Supervisors present at meeting to express their opinions; to record the opinions of relevant Supervisors and persons in the minutes if the Board insists on making the aforesaid resolutions, and report to the stock exchange;</p> |
| <p>(10) to fulfill other duties specified in the applicable laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association.</p> | <p>(10) to fulfill other duties specified in the applicable laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association.</p> |

**Chapter 12 General Manager of the
Company**

Article 116

The Company shall have 1 (one) general manager, 3 (three) deputy general managers who shall assist the general manager in his/her work, 1 (one) CFO, 1 (one) chief technology officer, 1 (one) chief sales officer and 1 (one) chief marketing and strategy officer. The general manager, deputy general manager, the CFO, the chief technology officer, the chief sales officer and the chief marketing and strategy officer shall be appointed and dismissed by the Board.

**Chapter 12 General Manager President
of the Company**

Article 116

The Company shall have 1 (one) general manager president, 3 (three) deputy general managers vice presidents who shall assist the general manager president in his/her work, 1 (one) CFO, 1 (one) chief technology officer, 1 (one) chief sales officer ~~and~~, 1 (one) chief marketing and strategy officer. ~~The general manager, deputy general manager and 1 (one) chief human resources officer.~~ The president, the vice presidents, the CFO, the chief technology officer, the chief sales officer and the chief human resources officer shall be appointed and dismissed by the Board.

The term of office of the general manager and other senior management members shall be 3 years and they shall be eligible to offer themselves for reappointment.

Article 117

The general manager of the Company shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and organize resources to carry out the Board's resolutions;
- (2) to organize the implementation of the Company's annual business plan, invest plan and financing plan formulated by the Board;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft plans for the establishment of subsidiaries and other branches of the Company;
- (5) to draft the Company's basic management system;
- (6) to formulate detailed rules and regulations of the Company;
- (7) to propose the appointment or dismissal of the Company's deputy general manager, the CFO, the chief technology officer, the chief sales officer and the chief marketing and strategy officer to the Board;

The term of office of the ~~general manager~~president and other senior management members shall be 3 years and they shall be eligible to offer themselves for reappointment.

Article 117

The ~~general manager~~president of the Company shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and organize resources to carry out the Board's resolutions;
- (2) to organize the implementation of the Company's annual business plan, invest plan and financing plan formulated by the Board;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft plans for the establishment of subsidiaries and other branches of the Company;
- (5) to draft the Company's basic management system;
- (6) to formulate detailed rules and regulations of the Company;
- (7) to propose the appointment or dismissal of the Company's ~~deputy general manager~~vice presidents, the CFO, the chief technology officer, the chief sales officer ~~and~~the chief marketing and strategy officer and the chief human resources officer to the Board;

(8) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;

(9) to exercise other powers conferred by the Articles of Association or the Board.

Article 118

The general manager of the Company shall attend Board meetings; the general manager and other non-director managers, who the Board may invite to attend the meeting, shall not have the right to vote at board meetings.

Article 119

In performing his/her job duties, the general manager of the Company shall act honestly and diligently in accordance with the laws, administrative regulations and requirements under the Articles of Association.

Article 123

The Directors, general manager and other senior management members of the Company shall not assume the position of Supervisors.

Article 125

The Board of Supervisors shall be accountable to the General Meeting and exercise the following powers in accordance with the laws:

(1) to examine the Company's financial affairs;

(8) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;

(9) to exercise other powers conferred by the Articles of Association or the Board.

Article 118

The ~~general manager~~president of the Company shall attend Board meetings; the ~~general manager~~president and other non-director managers, who the Board may invite to attend the meeting, shall not have the right to vote at board meetings.

Article 119

In performing his/her job duties, the ~~general manager~~president of the Company shall act honestly and diligently in accordance with the laws, administrative regulations and requirements under the Articles of Association.

Article 123

The Directors, ~~general manager~~president and other senior management members of the Company shall not assume the position of Supervisors.

Article 125

The Board of Supervisors shall be accountable to the General Meeting and exercise the following powers in accordance with the laws:

(1) to examine the Company's financial affairs;

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| <p>(2) to supervise Directors and other senior management members in performing their duties to the Company who violate any laws, administrative regulations, the Articles of Association or resolutions of General Meetings;</p> <p>(3) to demand rectification from a Director, the general manager and any other senior management members when the acts of such persons are harmful to the Company's interest;</p> <p>(4) to examine the financial information such as the financial report, business report and plans for profits distribution to be submitted by the Board to the General Meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a reexamination;</p> <p>(5) to propose the convening of an extraordinary General Meeting;</p> <p>(6) to deal with or take legal actions against Directors and senior management members on behalf of the Company;</p> <p>(7) to exercise other powers specified in the Articles of Association.</p> | <p>(2) to supervise Directors and other senior management members in performing their duties to the Company who violate any laws, administrative regulations, the Articles of Association or resolutions of General Meetings;</p> <p>(3) to demand rectification from a Director, the general manager <u>president</u> and any other senior management members when the acts of such persons are harmful to the Company's interest;</p> <p>(4) to examine the financial information such as the financial report, business report and plans for profits distribution to be submitted by the Board to the General Meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a reexamination;</p> <p>(5) to propose the convening of an extraordinary General Meeting;</p> <p>(6) to deal with or take legal actions against Directors and senior management members on behalf of the Company;</p> <p>(7) to exercise other powers specified in the Articles of Association.</p> |
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Supervisors shall attend Board meetings.

Supervisors shall attend Board meetings.

Chapter 14 Qualifications and Duties of the Directors, Supervisors, General Manager and Other Senior Management Members of the Company

Article 129

A person may not serve as a Director, Supervisor, general manager or any other senior management members of the Company if any of the following circumstances applies:

- (1) a person without legal or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation due to poor operation results and bad management and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

Chapter 14 Qualifications and Duties of the Directors, Supervisors, ~~General Manager~~ President and Other Senior Management Members of the Company

Article 129

A person may not serve as a Director, Supervisor, ~~general manager~~ president or any other senior management members of the Company if any of the following circumstances applies:

- (1) a person without legal or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation due to poor operation results and bad management and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

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| <p>(4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;</p> <p>(5) a person who has a relatively large amount of debts due and outstanding;</p> <p>(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;</p> <p>(7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;</p> <p>(8) a non-natural person;</p> <p>(9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction.</p> | <p>(4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;</p> <p>(5) a person who has a relatively large amount of debts due and outstanding;</p> <p>(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;</p> <p>(7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;</p> <p>(8) a non-natural person;</p> <p>(9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction.</p> |
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Article 130

The validity of an act of a Director, general manager or any other senior management member on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his/her office, election or any defect in his/her qualification.

Article 130

The validity of an act of a Director, ~~general manager~~president or any other senior management member on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his/her office, election or any defect in his/her qualification.

Article 131

In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which the Shares are listed, each of the Directors, Supervisors, general manager and other senior management members owes a duty to each Shareholder, in the exercise of the functions and powers of the Company entrusted to him/her:

- (1) not to cause the Company to exceed the scope of the business stipulated in its business license;
- (2) to act honestly in the best interest of the Company;
- (3) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;
- (4) not to expropriate the individual rights of Shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to the General Meeting for approval in accordance with the Articles of Association.

Article 132

Each of the Directors, Supervisors, general manager and other senior management members owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 131

In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which the Shares are listed, each of the Directors, Supervisors, ~~general manager~~president and other senior management members owes a duty to each Shareholder, in the exercise of the functions and powers of the Company entrusted to him/her:

- (1) not to cause the Company to exceed the scope of the business stipulated in its business license;
- (2) to act honestly in the best interest of the Company;
- (3) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;
- (4) not to expropriate the individual rights of Shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to the General Meeting for approval in accordance with the Articles of Association.

Article 132

Each of the Directors, Supervisors, ~~general manager~~president and other senior management members owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 133

Each of the Company's Directors, Supervisors, general manager and other senior management members shall exercise his/her powers or carry on his/her duties in accordance with the principle of fiduciary and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his/her powers and not to exceed those powers;
- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of Shareholders given in a General Meeting, not to delegate the exercise of his/her discretion;
- (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association or with the informed consent of Shareholders given in General Meeting, not to enter into any contract, transaction or arrangement with the Company;

Article 133

Each of the Company's Directors, Supervisors, ~~general manager~~president and other senior management members shall exercise his/her powers or carry on his/her duties in accordance with the principle of fiduciary and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his/her powers and not to exceed those powers;
- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of Shareholders given in a General Meeting, not to delegate the exercise of his/her discretion;
- (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association or with the informed consent of Shareholders given in General Meeting, not to enter into any contract, transaction or arrangement with the Company;

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| (6) without the informed consent of Shareholders given in General Meeting, not to use the Company's property for his/her own benefit by any means; | (6) without the informed consent of Shareholders given in General Meeting, not to use the Company's property for his/her own benefit by any means; |
| (7) not to exploit his/her position to accept bribes or other illegal income, expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company; | (7) not to exploit his/her position to accept bribes or other illegal income, expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company; |
| (8) without the informed consent of Shareholders given in General Meeting, not to accept commissions in connection with the Company's transactions; | (8) without the informed consent of Shareholders given in General Meeting, not to accept commissions in connection with the Company's transactions; |
| (9) to abide by the Articles of Association, faithfully execute his/her official duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests; | (9) to abide by the Articles of Association, faithfully execute his/her official duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests; |
| (10) without the informed consent of Shareholders given in General Meeting, not to compete with the Company in any form; | (10) without the informed consent of Shareholders given in General Meeting, not to compete with the Company in any form; |
| (11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for the Shareholder(s) of the Company or other personal debts with the Company's assets; | (11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for the Shareholder(s) of the Company or other personal debts with the Company's assets; |

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| <p>(12) unless otherwise permitted by informed Shareholders in General Meeting, to keep in confidence information relating to the Company acquired by him/her in the course of and during his/her tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:</p> <p>(i) disclosure is made under compulsion of law;</p> <p>(ii) the interests of the public require disclosure;</p> <p>(iii) the interests of the relevant Director, Supervisor, general manager or other senior management members require disclosure.</p> | <p>(12) unless otherwise permitted by informed Shareholders in General Meeting, to keep in confidence information relating to the Company acquired by him/her in the course of and during his/her tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:</p> <p>(i) disclosure is made under compulsion of law;</p> <p>(ii) the interests of the public require disclosure;</p> <p>(iii) the interests of the relevant Director, Supervisor, general manager<u>president</u> or other senior management members require disclosure.</p> |
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Article 134

Each Director, Supervisor, general manager or other senior management member of the Company shall not instigate the following persons or institutions (“**Relevant Persons**”) to do what he/she is prohibited from doing:

- (1) the spouse or minor child of that Director, Supervisor, general manager and other senior management members;
- (2) a person acting in the capacity of trustee of that Director, Supervisor, general manager or other senior management members or any person referred to in paragraph (1) of this Article;

Article 134

Each Director, Supervisor, ~~general manager~~president or other senior management member of the Company shall not instigate the following persons or institutions (“**Relevant Persons**”) to do what he/she is prohibited from doing:

- (1) the spouse or minor child of that Director, Supervisor, ~~general manager~~president and other senior management members;
- (2) a person acting in the capacity of trustee of that Director, Supervisor, ~~general manager~~president or other senior management members or any person referred to in paragraph (1) of this Article;

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| <p>(3) a person acting in the capacity of partner of that Director, Supervisor, general manager or other senior management members or any person referred to in paragraphs (1) and (2) of this Article;</p> | <p>(3) a person acting in the capacity of partner of that Director, Supervisor, general manager<u>president</u> or other senior management members or any person referred to in paragraphs (1) and (2) of this Article;</p> |
| <p>(4) a company in which that Director, Supervisor, general manager or other senior management member, alone or jointly with one or more persons referred to in paragraphs (1), (2) and above or other Directors, Supervisors, general manager and other senior management members of the Company have a de facto controlling interest; and</p> | <p>(4) a company in which that Director, Supervisor, general manager<u>president</u> or other senior management member, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or other Directors, Supervisors, general manager<u>president</u> and other senior management members of the Company have a de facto controlling interest; and</p> |
| <p>(5) the Directors, Supervisors, general manager and other senior management members of the controlled company referred to in paragraph (4) of this Article.</p> | <p>(5) the Directors, Supervisors, general manager<u>president</u> and other senior management members of the controlled company referred to in paragraph (4) of this Article.</p> |

Article 135

The fiduciary duties of the Directors, Supervisors, general manager and other senior management members of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 135

The fiduciary duties of the Directors, Supervisors, ~~general manager~~president and other senior management members of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 136

Except for circumstances prescribed in Article 57 of the Articles of Association, a Director, Supervisor, general manager and other senior management members of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of Shareholders given at a General Meeting.

Article 137

Where a Director, Supervisor, general manager and other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his/her contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which he/she or any of his/her close associates as defined in the applicable listing rules in effect from time to time has any material interest or any other relevant proposals.

Article 136

Except for circumstances prescribed in Article 57 of the Articles of Association, a Director, Supervisor, ~~general manager~~president and other senior management members of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of Shareholders given at a General Meeting.

Article 137

Where a Director, Supervisor, ~~general manager~~president and other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his/her contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which he/she or any of his/her close associates as defined in the applicable listing rules in effect from time to time has any material interest or any other relevant proposals.

Unless the interested Director, Supervisor, general manager or other senior management member discloses his/her interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, Supervisor, general manager or other senior management member is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that Director, Supervisor, general manager or other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, Supervisor, general manager or other senior management member.

A Director, Supervisor, general manager or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which Relevant Persons of him/her are interested.

Unless the interested Director, Supervisor, ~~general manager~~president or other senior management member discloses his/her interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, Supervisor, ~~general manager~~president or other senior management member is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that Director, Supervisor, ~~general manager~~president or other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, Supervisor, ~~general manager~~president or other senior management member.

A Director, Supervisor, ~~general manager~~president or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which Relevant Persons of him/her are interested.

Article 138

Where a Director, Supervisor, general manager or other senior management member of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in contracts transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding paragraph of this Article to be a sufficient declaration of his/her interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 139

The Company shall not in any manner pay taxes for or on behalf of its Directors, Supervisors, general manager or other senior management members.

Article 140

The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, Supervisor, general manager or other senior management member of the Company or of the Company's parent company or any of their Relevant Persons.

Article 138

Where a Director, Supervisor, ~~general manager~~president or other senior management member of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in contracts transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding paragraph of this Article to be a sufficient declaration of his/her interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 139

The Company shall not in any manner pay taxes for or on behalf of its Directors, Supervisors, ~~general manager~~president or other senior management members.

Article 140

The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, Supervisor, ~~general manager~~president or other senior management member of the Company or of the Company's parent company or any of their Relevant Persons.

However, the following transactions are not subject to such prohibition:

- (1) the provision by the Company of a loan or a guarantee for a loan to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, Supervisors, general manager or other senior management members to meet expenditure incurred or to be incurred by him/her for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the Shareholders in General Meeting; and
- (3) The Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant Directors, Supervisors, general manager or other senior management members or their Relevant Persons in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

However, the following transactions are not subject to such prohibition:

- (1) the provision by the Company of a loan or a guarantee for a loan to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, Supervisors, ~~general manager~~president or other senior management members to meet expenditure incurred or to be incurred by him/her for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the Shareholders in General Meeting; and
- (3) The Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant Directors, Supervisors, ~~general manager~~president or other senior management members or their Relevant Persons in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

Article 142

A loan guarantee provided by the Company in breach of provision under paragraph (1) of Article 140 shall be unenforceable against the Company, provided that:

- (1) a loan was advanced to an Relevant Person of any of the Directors, Supervisors, general manager and other senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances; or
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 144

In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, Supervisor, general manager and other senior management members of the Company is in breach of his/her duties to the Company, the Company has a right to:

- (1) claim damages from the Director, Supervisor, general manager and other senior management members in compensation for losses sustained by the Company as a result of such breach;

Article 142

A loan guarantee provided by the Company in breach of provision under paragraph (1) of Article 140 shall be unenforceable against the Company, provided that:

- (1) a loan was advanced to an Relevant Person of any of the Directors, Supervisors, ~~general manager~~president and other senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances; or
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 144

In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, Supervisor, ~~general manager~~president and other senior management members of the Company is in breach of his/her duties to the Company, the Company has a right to:

- (1) claim damages from the Director, Supervisor, ~~general manager~~president and other senior management members in compensation for losses sustained by the Company as a result of such breach;

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| <p>(2) rescind any contract or transaction entered into by the Company with the Director, Supervisor, general manager and other senior management members or with a third party (where such third party knows or should know that there is such a breach of duties by such Director, Supervisor, general manager and other senior management members);</p> | <p>(2) rescind any contract or transaction entered into by the Company with the Director, Supervisor, general manager<u>president</u> and other senior management members or with a third party (where such third party knows or should know that there is such a breach of duties by such Director, Supervisor, general manager<u>president</u> and other senior management members);</p> |
| <p>(3) demand the Director, Supervisor, general manager and other senior management members to surrender the profits made by him/her in breach of his/her duties;</p> | <p>(3) demand the Director, Supervisor, general manager<u>president</u> and other senior management members to surrender the profits made by him/her in breach of his/her duties;</p> |
| <p>(4) recover any monies received by the Director, Supervisor, general manager and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions; and</p> | <p>(4) recover any monies received by the Director, Supervisor, general manager<u>president</u> and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions; and</p> |
| <p>(5) demand payment of the interest earned or which may have been earned by the Director, Supervisor, general manager and other senior management members on the monies that should have been paid to the Company.</p> | <p>(5) demand payment of the interest earned or which may have been earned by the Director, Supervisor, general manager<u>president</u> and other senior management members on the monies that should have been paid to the Company.</p> |

Article 164

The certified public accountants' firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, general manager and other senior management members of the Company to provide any relevant information and explanation thereof;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm; and
- (3) a right to attend General Meetings and to receive all notices of, and other communications relating to, any General Meeting which any Shareholder is entitled to receive, and to be heard at any General Meeting in relation to matters concerning its role as the accountants' firm of the Company.

Article 164

The certified public accountants' firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, the general manager~~president~~ and other senior management members of the Company to provide any relevant information and explanation thereof;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm; and
- (3) a right to attend General Meetings and to receive all notices of, and other communications relating to, any General Meeting which any Shareholder is entitled to receive, and to be heard at any General Meeting in relation to matters concerning its role as the accountants' firm of the Company.

Article 187

The Company shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims arise between holders of the Overseas Listed Foreign Shares and the Company, holders of the Overseas Listed Foreign Shares and the Company's Directors, Supervisors, general managers or other senior management members, or holders of the Overseas Listed Foreign Shares and holders of Domestic Shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights abovementioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a Shareholder, Director, Supervisor, general manager or other senior management members of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of Shareholders and disputes in relation to the register of Shareholders need not be referred to arbitration.

Article 187

The Company shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims arise between holders of the Overseas Listed Foreign Shares and the Company, holders of the Overseas Listed Foreign Shares and the Company's Directors, Supervisors, the general managers president or other senior management members, or holders of the Overseas Listed Foreign Shares and holders of Domestic Shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights abovementioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a Shareholder, Director, Supervisor, general manager president or other senior management members of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of Shareholders and disputes in relation to the register of Shareholders need not be referred to arbitration.

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| <p>(2) A claimant may elect arbitration at either 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 a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> | <p>(2) A claimant may elect arbitration at either 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 a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> |
| <p>(3) If any disputes or claims of rights prescribed in subparagraph (1) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations.</p> | <p>(3) If any disputes or claims of rights prescribed in subparagraph (1) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations.</p> |
| <p>(4) The award of an arbitration body shall be final and conclusive and binding on all parties.</p> | <p>(4) The award of an arbitration body shall be final and conclusive and binding on all parties.</p> |

Article 189

In these Articles of Association, “senior management members” refer to the Company’s general manager, deputy general manager, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and Secretary to the Board and other personnel engaged by the Board. “General manager”, “deputy general manager” and “CFO” herein refer to “manager”, “deputy manager” and “financial controller” as defined in the Company Law.

Article 189

In these Articles of Association, “senior management members” refer to the Company’s ~~general manager, deputy general manager~~president, vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer, ~~the chief human resources officer~~ and Secretary to the Board and other personnel engaged by the Board. ~~“General manager”, “deputy general manager-president”, “vice president”~~ and “CFO” herein refer to “manager”, “deputy manager” and “financial controller” as defined in the Company Law.

The English version of the contents in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

The proceeds from the A Share Offering, after deducting offering expenses (the net proceeds from the A Share Offering), will be approximately RMB2,000,000,000, which is proposed to be invested in the Phase II and Phase III Capacity Expansion Projects of Yangtze Optical Fibre (Qianjiang) Co., Ltd. in relation to the industrialization of the self-produced preforms and the optical fibres, to be used for the repayment of bank loans and the replenishment of working capital. The Company has conducted, a feasibility analysis on the aforementioned projects. A feasibility analysis on the projects involved is set out as follows:

I. PHASE II AND PHASE III CAPACITY EXPANSION PROJECTS OF YANGTZE OPTICAL FIBRE (QIANJIANG) CO., LTD. IN RELATION TO THE INDUSTRIALIZATION OF THE SELF-PRODUCED PREFORMS AND THE OPTICAL FIBRES

The Phase II and Phase III Capacity Expansion Projects of Yangtze Optical Fibre (Qianjiang) Co., Ltd. in relation to the industrialization of the self-produced preforms and the optical fibres are located in YOFC Qianjiang Science & Technology Park in Qianjiang, Hubei Province, with a gross area of 205.78 mus (equivalent to 137,186.67 square meters). The Phase II and Phase III Capacity Expansion Projects of Yangtze Optical Fibre (Qianjiang) Co., Ltd. in relation to the industrialization of the self-produced preforms and the optical fibres are proposed to be carried out between 2017 and 2018, with an estimated investment sum amounting to RMB1,400,000,000, which shall be used for, among others, process equipment, newly built production facilities and auxiliary facilities, power equipment supporting the production, other project construction related fees, reserve fund, interests incurred during the construction period, start-up working capital. It is anticipated that after the production capacity is fully released, the capacity will be expanded by 1,000 tons of VAD-OVD preforms and 10,000,000 fibre kilometers of optical fibres.

In July 2015, The IT Electronic Eleventh Design & Research Institute Scientific and Technological Engineering Corporation Limited (信息產業電子第十一設計研究院科技工程股份有限公司) issued the "Feasibility Study Report on the Project of Industrialization of the Selfproduced Preforms and the Optical Fibres of Yangtze Optical Fibre (Qianjiang) Co., Ltd.", where it concluded that the project would bring significant economic benefits, enhance the R&D capability of the company and the industry, improve the technological value and additional value of the products, and enhance the core competitiveness and risk resistance abilities of the company. Furthermore, the project could stimulate the development of the local recycling economy and bring significant social benefits.

II. REPAYMENT OF BANK LOANS AND REPLENISHMENT OF WORKING CAPITAL

In accordance with the actual needs arising from its operation and business development, the Company proposed to use a portion of the proceeds to repay part of its interest-bearing debt in order to reduce the financing costs and financial fees, which could help alleviate the pressure on financing and improve the structure of assets to liabilities, reduce the financial risks, enhance the Company's profitability and create greater value for shareholders, which is consistent with the interests of the Company and of the shareholders as a whole. Therefore, it is reasonable and necessary for the Company to propose to use a portion of the proceeds to repay bank loans.

In addition, due to the continuous expansion of its business scale, the Company has generated greater demand for working capital. In order to ensure the smooth operation of the Company's business, a portion of the proceeds will be used to replenish the working capital, which can help deal with the pressure on the operating capital, satisfy the ordinary business development needs of the Company, and improve the competitiveness of the Company in the market. Therefore, it is reasonable and necessary for the Company to propose to use a portion of the proceeds to replenish the working capital.

The English version of the contents in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

I. THE IMPACT OF THE A SHARE OFFERING ON THE DILUTION OF IMMEDIATE RETURN

1. Major assumptions used for the analysis were:

- 1) The A Share Offering would be completed at the end of year 2017. The total number of issued shares of the Company prior to the A Share Offering is 682,114,598 Shares. According to the disclosed plan for the proposed A Share Offering, the number of shares to be issued would not exceed 75,790,510 Shares, and the total number of issued shares of the Company after the A Share Offering would be 757,905,108 Shares. The abovementioned number of shares to be issued and the timing of completion of the A Share Offering are estimations of the Company and may differ from the final number and timing upon completion of the A Share Offering after the approval by the CSRC is obtained.
- 2) Excluding the impact of listing expenses, the net proceeds from the A Share Offering are expected to amount to RMB2 billion. This amount of proceeds is merely an estimated amount and may differ from the final aggregate proceeds upon completion of the A Share Offering after the approval by the CSRC is obtained.
- 3) There would be no major changes to the macro economic environment, the industrial policies, industry development, and the product markets.
- 4) In the profit distribution plan for the year ended December 31, 2016, dividends shall only be distributed in cash, the cash dividend payout ratio is assumed to be 30% of the net profit attributable to the parent company for the year ended December 31, 2016, and the distribution would be completed before the end of August 2017. The assumptions on profit distribution are only used for the purpose of calculating the impact of the A Share Offering on the immediate return. The actual profit distribution shall be subject to the relevant resolutions of the Company.
- 5) The impact on aspects such as the operations of the Company and the financial conditions (such as financing expenses and investment returns) after receiving proceeds from the A Share Offering are not taken into consideration.

2. The impact of the A Share Offering on the dilution of immediate return

In accordance with the Guiding Opinions on Matters Relating to the Dilution of Current Returns As a Result of Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) and the Compilation Rules for Information Disclosures by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (2010 Revision) (《公開發行證券的公司信息披露編報規則第9號–淨資產收益率和每股收益的計算及披露》) (2010修訂), the formulae for calculating the indicators for immediate return are calculated by the following formulas:

1) Basic earnings per share = $P_0 \div S$

$$S = S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k$$

Among which:

P_0 equals the net profit attributable to holders of ordinary shares of the Company after deducting extraordinary items; S equals the weighted average number of ordinary shares outstanding; S_0 equals the number of shares at the start of the period; S_1 equals the increased number of shares during the reporting period as a result of the capitalization of common reserve or dividend distribution, etc.; S_i equals the increased number of shares during the reporting period as a result of new shares issuance or the conversion of debt to equity; S_j equals the decreased number of shares during the reporting period as a result of share repurchase; S_k equals the number of shares reduced during the reporting period; M_0 equals the number of months for the reporting period; M_i equals the aggregate number of months from the month following the share increase to the end of the reporting period; M_j equals the aggregate number of months from the month following the share decrease to the end of the reporting period.

2) Diluted earnings per share = $P_1 / (S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k + \text{the enlarged weighted average number of ordinary shares in the form of stock warrants, share options and convertible bonds, etc.})$

Among which:

P_1 equals the net profit attributable to holders of ordinary shares of the Company after deducting extraordinary items, taking into consideration the dilution effect to potential ordinary shares and subject to adjustment under the Accounting Standards for Business Enterprises and relevant rules.

Take the basic earnings per share for an example, in accordance with the assumptions in “1. Major assumptions used for the analysis” set out above, the dilution effect on the immediate return as a result of the A Share Offering can be estimated as follows:

The weighted average number of ordinary shares outstanding in 2016:
 $S_{2016}=682,114,598$ shares;

The weighted average number of ordinary shares outstanding in 2017: $S_{2017}=682,114,598+75,790,510 \times (12 \div 12)=757,905,108$ shares;

Thus, as a result of the A Share Offering, the Company’s weighted average number of ordinary shares outstanding in 2017 would be increased by 11.11% as compared to that in 2016.

As a result, in accordance with the formula for calculation of the basic earnings per share, considering that the optical fibre preform, optical fibre and optical cable industry is closely related to the macro-economy and is under significant influence of economic cycles; the global and domestic economic environment still remains complicated; and the domestic economy is under significant downward pressure, from a prudent perspective, if the Company’s net profit attributable to holders of ordinary shares in 2017, after deducting extraordinary items, increased by less than 11.11% as compared to that in 2016, then there is a dilution effect on the Company’s immediate return.

Since the Company did not issue stock warrants, share options or convertible bonds during the reporting period, the denominator in the formula for calculation of diluted earnings per share of the Company equals the denominator in the formula for calculation of basic earnings per share; thus in accordance with the assumptions set out in “1. Major assumptions for the analysis”, when using the formula for calculation of diluted earnings per share, the dilution effect on the Company’s immediate return is the same (with the calculation result using the formula for calculation of basic earnings per share).

In accordance with the abovementioned calculation, after the A Share Offering, the total share capital of the Company shall increase accordingly. But as it would take some time for the investment of the proceeds raised from the A Share Offering to generate return, and the investment projects needs a certain period before they realize investment return, if the growth rate of the Company’s net profit attributable to holders of ordinary shares, after deducting extraordinary items, is lower than the growth rate of the weighted average number of ordinary shares outstanding of the Company, the Company’s basic earnings per share and diluted earnings per share, after deducting extraordinary items, would be decreased; and the shareholders are exposed to the risk of dilution on the immediate return. The assumptions, analysis and

the calculation for immediate return index prior to and following the A Share Offering does not constitute the profit forecast of the Company and investors shall not rely on the analysis to make investment decisions. The Company expressly disclaims any liability for any loss the investors may suffer in reliance upon the analysis.

II. THE NECESSITY AND RATIONALE FOR THE A SHARE OFFERING

1. The proposed use of proceeds from the A Share Offering is consistent with the business development needs of the Company

The proceeds from the A Share Offering would be used in the Phase II and III Capacity Expansion Projects of Yangtze Optical Fibre Qianjiang Co., Ltd. in relation to the industrialization of the self-produced preforms and optical fibres, and to replenish the working capital and to repay bank loans. The investment projects will adopt new production technology, and effectively expand the capacity of optical fibre preform production for the Company, solve the problems of the shortage of raw materials for current production processes and reliance on the a single supply chain, help adapt to future demands from the optical fibre preform, optical fibre and optical fibre cable market and strengthen the competitiveness of the Company as a whole.

As production commences for the investment projects, the Company's production capacity for optical fibre preforms would be significantly increased, the production efficiency of the Company would be improved, and the Company's production capability and competitiveness would also be strengthened, which would bring significant economic benefits to the Company.

2. The proceeds raised from the A Share Offering will help increase the Company's financial strength

After the proceeds raised from the A Share Offering are made available to the Company, the financial strength of the Company will be further increased. Both the net assets and the diluted net assets per share of the Company will be increased, and the Company's ability to repay indebtedness will also be improved.

Since it takes some time to implement the investment projects, it is relatively difficult for the investment projects to generate return in the short term. Thus, the enlarged net assets could result in a decrease in the return of net assets within a short period when the proceeds raised from the A Share Offering are made available to the Company. However, when the proceeds are put to use and production commences for the investment projects, the profitability of the Company as a whole would still remain at a relatively high level.

3. The proceeds from the A Share Offering will help improve the Company's operational results

The proceeds from the A Share Offering would be used in the investment projects that are closely related to the current major business of the Company, focusing on the manufacturing of the optical fibre preforms, optical fibres and optical cables, which could improve the manufacturing and research and development capabilities of optical fibre preforms, optical fibres and optical fibre cables, improve the operational efficiency of the Company, ensure the continuing operation and development of the Company, further enhance the competitiveness of the Company's core business, establish the Company's competitive position in the domestic and global optical fibre preform, optical fibre and optical fibre cable industry, and help accomplish the Company's development goals.

In addition, the A Share Offering will help improve the value of the Company as a whole, the liquidity of shares held by domestic shareholders, the brand image of the Company, and further the brand awareness of the Company in the domestic market.

III. THE RELATIONSHIP BETWEEN THE INVESTMENT PROJECTS AND THE COMPANY'S CURRENT BUSINESS, AND THE COMPANY'S RESERVE OF PERSONNEL, TECHNOLOGIES, AND MARKETS FOR CARRYING OUT THE INVESTMENT PROJECTS

1. The relationship between the investment projects and the Company's current business

Since 1992, the Company has ranked number one in terms of production and sales volume of optical fibre and optical cable products in domestic optical fibre and optical cable market for 23 consecutive years. The Company has comprehensive production lines in place for optical fibre and optical cable products, possesses multiple patented products, and currently ranks as the number one supplier of optical fibre preforms, optical fibres and optical cables in the world.

The proceeds raised from the A Share Offering would be used in the Phase II and III Capacity Expansion Projects of Yangtze Optical Fibre Qianjiang Co., Ltd. ("YOFC Qianjiang") in relation to the industrialization of the self-produced preforms and optical fibres, and to replenish the working capital and to repay bank loans. The investment projects are closely related to the current major business of the Company, focusing on the manufacturing of the optical fibre preforms, optical fibres and optical cables, and will adopt a new production process, namely the VAD+OVD process, to produce optical fibre preforms, which could on the one hand effectively expand the Company's production capacity of optical fibre preforms, and on the other hand, solve the problem of shortage in the supply of jacket cylinders and substrate tubes

APPENDIX III	PROPOSAL ON THE DILUTION OF IMMEDIATE RETURN AS A RESULT OF THE A SHARE OFFERING, REMEDIAL MEASURES AND UNDERTAKINGS BY THE RELEVANT PARTIES
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used in the PCVD+RIC process and reduce our reliance on a single supply chain, and realize complementary advantages. The investment projects would improve the Company's research and development capability and operational efficiency, ensure the Company's potential for the future continuing operation and development, further enhance the competitiveness of the Company's core, establish the Company's competitive position in the domestic and global optical fibre preform, optical fibre and optical cable industry, and help accomplish the Company's development goals.

2. The Company's staff, technology and market reserve for carrying out the investment projects

The investment projects will be mainly carried out by the Company and YOFC Qianjiang, a subsidiary of the Company. The Company's staff, technology and market reserve for carrying out the investment projects is as follows:

1) *Staff reserve*

As of December 31, 2016, the Company and YOFC Qianjiang had 2,560 employees, 53.71% of which were production staff. 38.28% of the employees possess a bachelor's degree or above, and the employees aged 30 years old or below accounted for 47.69%. The current employee structure is able to meet the requirements for carrying out the investment projects.

a) Details of the employees by function

The table below sets forth details of the employees of our Company and YOFC Qianjiang by function as of December 31, 2016:

Functions	Number of employees	Percentage of the total number of employees
Management staff	73	2.85%
Technical staff	678	26.49%
Production staff	1,375	53.71%
Supporting staff	383	14.96%
Other staff	51	1.99%
Total	2,560	100.00%

b) Details of the employees by education level

The table below sets forth details of the employees of our Company and YOFC Qianjiang by education level as of December 31, 2016:

Education level	Number of employees	Percentage of the total number of employees
Master's degree or above	363	14.18%
Bachelor's degree	617	24.10%
Associate degree	797	31.13%
Technical school degree, high school degree and below	783	30.59%
Total	2,560	100.00%

c) Details of the employees by age

The table below sets forth details of the employees of our Company and YOFC Qianjiang by age as of December 31, 2016:

Age	Number of employees	Percentage of the total number of employees
Aged 51 and above	104	4.06%
Aged 41 to 50	378	14.77%
Aged 31 to 40	857	33.48%
Aged 30 or below	1,221	47.69%
Total	2,560	100.00%

2) *Technology reserve*

Currently, the Company possesses comprehensive optical fibres and optical cables product lines and multiple patented products that filled many gaps of products in China, and is one of the few companies that possess the technology and capability of manufacturing optical fibre preform, which is the upstream product in the optical fibre industry chain. The Company possesses the capability for integrated mass production, covering the manufacturing of optical fibre preforms and the drawing of optical fibres and cabling, and has mastered the high value-added part in the value chain. The Company has established a research and development center and owns the only state key laboratory in the industry recognized by the Ministry of Science and Technology of the PRC. The Company has a strong research and development team for optical fibre preforms, optical fibres and optical fibre cables, which can continuously launch innovative products and optimize production processes and technologies. The Company has adopted the advanced PCVD production process and related distinctive technologies, and is the only company in China that is able to produce optical fibre preforms using the PCVD process at a substantial scale for commercial purposes. In the meantime, the Company has been conducting the VAD/OVD research and development project since 2012, and has trained a large number of experts and technical staff specializing in VAD/OCD processes. The Company owns the whole set of equipment and production technology, the level of which has reached an advanced level in the industry.

3) *Market reserve*

The Company is the largest optical fibre preform, optical fibre and optical fibre cable manufacturer in China, and the Company has ranked number one in China in terms of the production and sales volume of optical fibres and optical fibre cables for 23 consecutive years since 1992. In the meantime, the Company is also the largest supplier of optical fibre preforms, optical fibres and optical fibre cables in the world. The Company's optical fibre and optical fibre cable products and various solutions to the network construction are able to meet the individualized needs of clients in each industry, and have been adopted by telecom carriers such as China Telecom, China Unicom and China Mobile, and are widely used in industries such as electricity, radio and television, transportation, education, national defense, aerospace, chemistry, petroleum and healthcare industry. The products are sold in more than 50 countries and areas such as the United States, Japan, South Korea, Taiwan, Southeast Asia, Middle East and Africa.

The Company is one of the few companies in China that is able to participate in all parts of the value chain in the optical fibre industry. With the large market for the optical fibre preforms and leading technology, the Company's advantage in cost and quality in the value chain will be further strengthened. The Company's large business coverage in the optical cable market can guarantee the demands for the Company's optical fibre preforms and optical fibres. In the meantime, the "YOFC" brand enjoys significant brand advantages in the optical fibre and optical cable industry, and the Company has established a solid and broad customer base. With the solid leading position, high quality products, industry insights and excellent service for clients, the Company possesses the advantages in grasping the continuous growth opportunities in the domestic and global optical fibre industry and continues to benefit from the economy of scale of the Company.

In summary, the Company has sufficient staff, technology and market reserve for carrying out the investment projects.

IV. REMEDIAL MEASURES ON THE DILUTION OF IMMEDIATE RETURN AS A RESULT OF THE A SHARE OFFERING

In light of the possible dilution of immediate return of the shareholders as a result of the A Share Offering, the Company will take the following remedial measures to effectively use the proceeds raised from the A Share Offering, further improve the operational efficiency of the Company, reduce its operation costs and provide adequate protection for the interests of the shareholders, in particular the interests of the minority shareholders, and place emphasis on the medium-term and long-term return value.

1. The operation status and development trend of the Company's existing business segments, the major risks it is exposed to and improvement measures

1) *The operation status and development trend of the Company's existing business segments*

The Company's current business segments mainly consist of optical fibre preforms, optical fibres and optical fibre cables. Driven by the trend of global and domestic informatization, there remains strong market demand for optical fibre preforms, optical fibres and optical fibre cables, and the optical fibres industry will continue to show an upward trend. With a leading advantage in technology, strong guaranteed supply capacity, and excellent marketing capability, the Company has achieved excellent operation results in the last five years. For the year ended December 31, 2015, the operating income of the Company reached RMB6.7 billion, with a compound growth rate of 18% from 2013 to 2015. For the year ended December 31, 2015, the gross profit of the Company reached RMB1.3 billion, with a compound growth rate of 13%

from 2013 to 2015. For the year ended December 31, 2015, the net profit of the Company reached RMB0.57 billion, with a compound growth rate of 15% from 2013 to 2015. After years of development, the Company has become a leading supplier of optical fibre preforms, optical fibres and optical fibre cables in the world and is leading in the following aspects:

a) Technology:

The Company is the only manufacturer that has mastered the PCVD, OVD and VAD processes, which are three mainstream core technological processes used in the production of optical fibre preforms, which is the upstream product in the optical fibre preform, optical fibre and optical fibre cable industry. The Company owns the only state key laboratory in the industry and a research and development team consisting of several technical experts in the industry, which has innovated and launched various new products that were first introduced in the industry in China.

b) Marketing capability:

The Company has been focusing on the domestic market establishing a long-term and stable supplier relationship with China Mobile, China Telecom, and China Unicom and has also established a marketing network covering all provinces of China. The Company has been constantly exploring the overseas market and has established 25 overseas sales offices and branches, therefore retaining the leading position in the industry to provide local marketing service globally.

c) Manufacturing capability:

The Company has gained significant advantage in the capacity of optical fibre preform, optical fibre and optical fibre cable production, and its capacity of producing its core product, optical fibre preforms, has a considerable lead compared to peers in the country. Meanwhile, the Company constantly expands its business to upstream core raw materials, which further reinforces its guaranteed supply capacity and cost advantages.

d) Management capability:

The Company has a leading team with rich experience in the industry and outstanding management skills and has built corporate culture that promotes appointment of talents and sense of responsibility.

In the future, driven by the globe's continuous attention to the informatization construction and China's continuous implementation of the "Broadband China" strategy, it is predicted that the construction of communication network will be maintained at a substantial scale, and the market demand for optical fibre preforms, optical fibres and optical fibre cables will continue to be strong. Under the favorable market environment, in the future, the Company will take advantage of its strengths and grasp the market opportunities to achieve rapid development in its business segments of optical fibre preforms, optical fibres and optical fibre cables.

2) *Major risks the Company's business is exposed to and improvement measures*

a) High level of client concentration and relatively weak bargaining power:

Major clients of the Company include China Mobile, China Telecom, and China Unicom. As a result, the company is exposed to the risk of market fluctuation and its bargaining power is relatively weak. Accordingly, the Company has been proactively implementing the diversification strategy, including development of specialty optical fibre products and network engineering consulting services, exploration of new markets apart from telecom carrier market, such as radio and television or electricity market, and expansion of client coverage in various industries. Meanwhile, the company is also actively implementing an internationalization strategy to increase the global sales volume.

b) Increase in labor costs and raw material costs

The Company is proactively implementing the policy of "Made in China 2025", researching into the intelligent manufacturing of optical fibre preforms, optical fibres and optical fibre cables, and continuously making efforts to improve its productivity.

c) Limited number of suppliers of raw materials:

The development of the Company is restricted to a certain extent due to the limited number of suppliers for the jacket cylinders, which is required in the Company's production of optical fibre preforms utilizing the PCVD production process. Accordingly, the Company has researched and mastered the VAD and OVD production processes used in the production of optical fibre preforms and gradually expanded the production capacity of optical fibre preforms utilizing these two processes, thereby reducing its reliance on the usage of jacket cylinders

and other materials required in the PCVD production process. In addition, the Company has established well-maintained strategic cooperative relationship with the suppliers of raw materials by entering into long-term supply agreements to ensure the stable supply of raw materials.

2. Specific measures to improve daily operational efficiency, to lower operating cost of the Company and to improve the results of operation

In order to ensure efficient use of the proceeds raising, to prevent the risk of dilution of immediate return of the shareholders and to improve the continuous return payment ability of the Company, following the completion of the A Share Offering, the Company will achieve the maximization of economic efficiency through speeding up the implementation of the investment projects; reduce the financial expenses and improve profitability; strengthen the management of the proceeds raised, strictly enforce the profit distribution policy and improve the investor return mechanism, so that the impact of dilution of immediate return of the shareholders as a result of the A Share Offering can be reduced to the extent possible. Details of the measures that the Company will is set out below:

1) Achieve the maximization of economic efficiency through speeding up the implementation of the investment projects

The proceeds raised from the A Share Offering will be mainly used to strengthen the current core business of the Company, which is in line with the relevant industrial policies of the country as well as the overall future development strategy of the Company. The Company believes that the current core business has a promising prospects and is expected to bring economic benefits. After the proceeds raised from the A Share Offering become available, the Company will strive to speed up the implementation of the investment projects. The successful implementation of the investment projects and the realization of the economic benefit will help remedy the dilution of immediate return as a result of the A Share Offering, which is in line with the shareholders' long-term interests.

2) Reduce the financial expenses and improve profitability

The Company proposed to use part of the proceeds raised from the A Share Offering for replenishment of working capital and repayment of bank loans, so as to further improve the asset structure and financial condition of the Company. The Company will fully utilize such proceeds to support the daily operation of the Company, improve the efficiency in the use of capital, reduce the bank loans and the financial expenses of the Company so as to improve the overall profitability of the Company.

3) *Strengthening the management of the proceeds raised*

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for the Supervision and Administration on Listed Companies No. 2 – Supervision and Administration Requirements for Listed Companies on the Management and Use of Raised Funds, the Listing Rules of the Shanghai Stock Exchange, the Measures for the Management of Raised Funds of Listed Companies on the Shanghai Stock Exchange and other laws, administrative regulations, departmental rules and normative documents, the Company has formulated the Administrative Measures on the Use of Proceeds in order to standardize the use and management of the proceeds raised by the A Share Offering and ensure the safe and efficient use of the proceeds is in compliance with relevant rules. Upon receipt of the proceeds, in accordance with the requirements under the Administrative Measures on the Use of Proceeds, the Company will enter into a three-party escrow agreement with the sponsor and the commercial bank where the proceeds are deposited in a timely manner, and deposit the proceeds into the special account established pursuant to the approval by the Board. While using the proceeds, the Company will strictly follow the application and approval procedures and establish accounts to record the outgoing of funds and the investment in investment projects, so as to ensure that the proceeds is used for the designated purposes.

4) *Strictly enforce the profit distribution policy and improve the investor return mechanism*

For the purpose of the A Share Offering, the Company has made amendments to the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the "Articles of Association") in respect of (among others) the provisions on profit distribution in accordance with the requirements under the Circular on Further Settling the Issues Concerning the Payment of Cash Dividends by Listed Companies and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividends of Listed Companies issued by the CSRC. The aforesaid amendments further specify the form of profit distribution, decision-making process, the conditions for distribution of cash dividends and stock dividends and the minimum dividend payout ratio.

In order to specify the returns to new and existing shareholders after the A Share Offering, further elaborate the provision in the Articles of Association in respect of the profit distribution policy and enhance the transparency and practicality of the profit distribution decision-making process, the Company has formulated the Dividend Return Plan for Shareholders for the Three Years after the A Share Offering (2017–2019).

The Company will strictly implement the profit distribution policy stipulated in the Articles of Association, keep creating long-term value for the Shareholders and protect the legitimate interest of the shareholders of the Company by formulating proper dividend return plans.

V. THE UNDERTAKINGS GIVEN BY RELEVANT PARTIES TO ENSURE DUE IMPLEMENTATION OF THE REMEDIAL MEASURES

The Directors and the senior management of the Company will perform their obligations faithfully and diligently, and protect the legitimate interests of the Company and the shareholders as a whole. The Directors and the senior management of the Company has given the following undertakings to ensure the due implementation of the remedial measures for recovering the dilution of immediate return as a result of the A Share Offering:

1. I undertake not to transfer benefits to other entities or individuals of a gratuitous nature or under unfair conditions, nor will I adopt other means to prejudice the Company's interests;
2. I undertake to restrict my expense-incurring behavior in relation to my duties;
3. I undertake not to use the Company's assets to make any investment or participate in any expense-incurring activities that are not related with my performance of duties;
4. I undertake that the remuneration system formulated by the Board or the nomination and remuneration committee shall be linked to the actual implementation of the remedial measures;
5. I undertake that the exercise conditions of any share incentive scheme to be announced (if any) of the Company shall be linked to the actual implementation of the remedial measures;
6. I undertake to strictly comply the remedial measures and, subject to relevant rules that may be promulgated by the CSRC, the Shanghai Stock Exchange and other regulatory authorities in the future, actively take all necessary and reasonable measures to urge and supervise the implementation of the remedial measures formulated by the Company within my authority;
7. prior to the completion of the A Share Offering, if the CSRC promulgates any additional rules on remedial measures against dilution of immediate return and relevant undertakings and the undertakings above are not sufficient to satisfy the newly issued requirements, I undertake to give supplementary undertaking(s) in accordance with the latest rules of CSRC.

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I. PREVIOUSLY RAISED FUNDS

The Company issued shares with a nominal value of RMB1.00 per share through the Private Placement at a subscription price of HK\$7.15 per share (the subscription price for the domestic shares denominated in Renminbi was RMB5.93 per share, which was calculated based on the exchange rate of HK\$1.00 to RMB0.82882 published by the People's Bank of China at the signing of the subscription agreement on December 10, 2015). After deducting the underwriting fees and issuance-related fees, the net proceeds amounted to HK\$302 million (equivalent to RMB251 million).

As of December 18, 2015, the aforesaid proceeds raised from the Private Placement had been made available to the Company, and has been verified and confirmed in the capital verification report (YAN ZI No.1501398) issued by KPMG Huazhen LLP (Special General Partnership). The total amount of funds raised, which amounted to RMB252 million (after deducting underwriting fees but before deducting other issuance-related expenses), had been deposited in the Hong Kong dollar account opened by the Company at the Bank of Communications Hong Kong Branch and in the Renminbi account opened by the Company at the Bank of Communications Wuhan Branch, respectively.

II. THE ACTUAL USE OF PREVIOUSLY RAISED FUNDS

1. Comparison table of the use of previously raised funds

Unit: RMB in millions

		Amount of net proceeds: 251.3			Aggregate amount of proceeds used: 242.3					
		Amount of proceeds the use of which had been changed: 0			Total amount of proceeds used in respective years: 242.3					
		Percentage of proceeds the use of which had been changed: 0								
No.	Committed investment projects	Actual investment projects	Total amount of proceeds invested		Aggregate amount of proceeds invested as of the cut-off date			Difference between the actual amount invested and the committed amount after		Estimated date on which the project can be put into use (or the stage of completion as of the cut-off date)
			Amount committed to be invested before fund-raising	Amount committed to be invested after fund-raising	Actual amount invested	Amount committed to be invested before fund-raising	Amount committed to be invested after fund-raising	Actual amount invested	Amount committed after fund-raising	
1	Construct the Phase II project of YOFC Science & Technology Park in Qianjiang to expand the optical fibre preform production capacity	Construct the Phase II project of YOFC Science & Technology Park in Qianjiang to expand the optical fibre preform production capacity	189.5	189.5	189.5	189.5	189.5	189.5	0	Trial production to commence at the end of December 2016
2	Support the capacity expansion of the group and the replenishment of working capital	Support the capacity expansion of the group and the replenishment of working capital	61.8	61.8	52.8	61.8	61.8	52.8	9.0	
Total			251.3	251.3	242.3	251.3	251.3	242.3	9.0	

Note: The cut-off date for the abovementioned use of proceeds raised from the Private Placement is December 31, 2016.

2. Change of use of the proceeds raised from the Private Placement

None.

3. Status of transfer or replacement of projects invested using the proceeds raised from the Private Placement

None.

4. Status of use of idle funds

As of December 31, 2016, the Company had deposited the unused proceeds raised from the Private Placement in the bank accounts maintained by the Company.

5. Comparison between the use of proceeds raised from the Private Placement and the periodic report of the Company

The Company has compared item by item the actual use of the proceeds raised from the Private Placement with the relevant disclosure in the periodic reports and other disclosure documents of the Company since the completion of the Private Placement on December 18, 2015, and the actual use of proceeds is consistent with the relevant disclosure.

III. THE ECONOMIC BENEFITS GENERATED BY THE INVESTMENT PROJECTS USING THE FUNDS RAISED FROM THE PRIVATE PLACEMENT

No forecast of the economic benefits to be generated from the investment projects using the funds raised by the Private Placement was made by the Company in the disclosure documents related to the Private Placement.

IV. CONCLUSION

The Board believes that, the previously raised funds were used in accordance with the disclosed plan for the private placement of domestic shares and H shares, and section headed "The actual use of previously raised funds" above. All Directors of the Company warrants that this report contains no false representations, misleading statements or material omissions and shall be jointly and severally liable for the authenticity, accuracy and completeness of the contents.

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I. CONDITIONS TRIGGERING THE IMPLEMENTATION OF THE PRICE STABILIZATION MEASURES (THE “TRIGGERING CONDITIONS”)

Within three years from the date on which the A Shares of the Company are listed and traded on the Shanghai Stock Exchange, the Company shall initiate relevant measures to stabilize the share price if the closing price of such A Shares are lower than the publicly-disclosed latest audited (that is, audited in accordance with the PRC Accounting Standards for Business Enterprises, same hereinafter) net asset value per share of the Company, calculated by dividing the shareholders’ equity in the audited consolidated statements by the number of ordinary shares of the Company (i.e. not issued pursuant to the A Share Offering) (the “**Net Asset Value Per Share**”), for 20 consecutive trading days (in case of any changes in the net assets or total number of shares of the Company due to distribution of cash dividends, bonus issue, capital reserve conversion into share capital, or issuance of new shares after the base date for the most recent audit, the Net Asset Value Per Share shall be adjusted accordingly); and under the laws, administrative regulations, department rules, normative documents and according to regulatory authorities, both the Company and relevant parties satisfy the requirements for acts by the Company that will result in changes to the share capital, such as repurchase of shares by the Company or increasing the shareholding.

II. SPECIFIC MEASURES FOR THE STABILIZATION OF SHARE PRICES

The measures to stabilize price include: (1) repurchase of shares by the Company, (2) increase of shareholdings by domestic substantial shareholders who hold 5% or more of the Company’s shares prior to the A Share Offering (hereinafter referred to as “**substantial shareholders**”); (3) increase of shareholdings by the Company’s directors (excluding the independent directors, foreign directors and directors who do not receive remuneration from the Company) and senior management members of the Company (excluding foreign individuals).

1. Repurchase of shares by the Company

- 1) the Company shall, in accordance with relevant laws, convene a board meeting within twenty (20) days from the date when the Triggering Conditions are triggered to make a proposal in relation to repurchase of its shares;

- 2) After the repurchase proposal is approved by the Board, the Company shall convene a general meeting and class meetings in accordance with the Articles of Association as soon as possible to consider and approve the proposal(s) on the share repurchase. Such proposal(s) shall be only approved by the shareholders with two-thirds or more of the voting rights present at the meeting.
- 3) The Company shall formulate specific plan(s) for the share repurchase, the content of which shall include, but not limit to, the amount of shares to be repurchased, range of the repurchase price, funding sources for the share repurchase, and the impact of the share repurchase on the Company's share price and its operation. The Company shall repurchase the shares by centralized bidding, tender offer, and/or other lawful means.
- 4) During the period when the share repurchase plan(s) is implemented, the Company shall spend no less than RMB10 million or 2% of the audited net profit attributable to the shareholders of the parent company (which equals the net profit minus the profit or loss of minority shareholders as shown in the consolidated financial statements, the "**Net Profit Attributable to the Shareholders of the Parent Company**") in the previous fiscal year (whichever is lower) for each single repurchase, and upon occurrence of any of the following circumstances, the Company may suspend the share repurchase plan(s):
 - a) The Company has spent more than RMB50 million or 10% of the audited Net Profit Attributable to the Shareholders of the Parent Company in the previous fiscal year (whichever is lower) in aggregate on the share repurchase within one fiscal year;
 - b) As a result of the share repurchase, the closing price of the Company's A Shares has been higher than the Company's latest audited Net Asset Value Per Share for 10 consecutive trading days;
 - c) Continuing share repurchase will result in the Company failure to satisfy the statutory requirements for listing;
 - d) The Company has repurchased more than 2% of the total number of A shares prior to the share repurchase.

- 5) Upon suspension of the share stabilization plan by the Company, within 12 months from the date on which the Triggering Conditions are satisfied, should the closing price of the Company's A Shares be lower than the latest audited Net Asset Value Per Share of the Company for 20 consecutive trading days, the Company shall continue to implement the abovementioned share repurchase plan.
- 6) The share repurchase by the Company, relevant information disclosure, and disposal of the repurchased shares shall be in compliance with the Company Law of the People's Republic of China, the Securities law of the People's Republic of China, other relevant laws, administrative regulations and the Articles of Association.

2. Increase of shareholdings in the Company's A shares by substantial shareholders

- 1) Upon the triggering of the Triggering Conditions, if the Company was unable to repurchase shares due to its failure to obtain approval from the general meeting or class meetings or other lawful reasons, the Company's substantial shareholders shall increase their shareholdings in the Company's A Shares within 90 days since triggering.
- 2) If the closing price of the Company's A Shares fail to exceed the latest audited Net Asset Value Per Share of the Company for 10 consecutive trading days despite the implementation of the share repurchase plan by the Company, its substantial shareholders shall increase their shareholdings in the Company's A Shares within 90 days upon completion of the implementation of the share repurchase plan(s). The increase of the shareholdings by the substantial shareholders and relevant information disclosure shall be in compliance with the Company Law of the People's Republic of China, the Securities law of the People's Republic of China, other relevant laws and administrative regulations.
- 3) The Company's substantial shareholders shall, within 10 trading days from the triggering of their obligations to increase shareholding, inform the Company in writing of their specific plan(s) for increasing their holding of the Company's A shares, including but not limited to the number of shares to be acquired by them, price range and time of completion. The Company shall publish announcements on details of such plan(s).
- 4) The substantial shareholders shall not sell the shares acquired pursuant to the aforementioned shareholding increase plan(s) within 6 months from the completion of implementation of the plan(s).

- 5) During the period when the substantial shareholders increase their holding of A Shares in the Company, the substantial shareholders shall spend no less than RMB5 million for each single acquisition, and upon occurrence of any of the following circumstances, such shareholders may suspend acquiring the Company's shares:
- a) As a result of the increase of shareholdings, the closing price of the Company's A Shares has been higher than the Company's latest audited Net Asset Value Per Share for 10 consecutive trading days;
 - b) Continuing increase of shareholdings will result in the Company's failure to satisfy the statutory requirements for listing;
 - c) Continuing increase of shareholdings will trigger their obligations to make a mandatory tender offer which is beyond such shareholders' plan;
 - d) The substantial shareholders have accumulatively spent more than RMB20 million on the increase of shareholdings within one fiscal year.
- 6) Upon suspension of the shareholding increase plan, within 12 months from the date on which the substantial shareholders' shareholding increase obligations are triggered, should the closing price of the Company's A Shares be lower than the latest audited Net Asset Value Per Share of the Company for 20 consecutive trading days, the substantial shareholders shall continue to implement the abovementioned shareholding increase plan.

3. Increase of shareholdings in the Company's A Shares by its directors and senior management members

- 1) If the closing price of the Company's A Shares fails to exceed the latest audited Net Asset Value Per Share of the Company for 10 consecutive trading days despite the implementation of the share repurchase plan(s) by the Company and the shareholding increase plan(s) by the substantial shareholders, the Company's directors (for the purpose of the remainder of this proposal, excludes the independent directors, foreign directors and directors who do not receive remuneration from the Company) and senior management members (for the purpose of the remainder of this proposal, excludes foreign individuals) shall increase their holding in the Company's A Shares within 90 days upon completion of the implementation of the shareholding increase plan(s) by the substantial shareholders, whereby the purchase price shall not be greater than the latest audited Net Asset Value Per Share of the Company. The increase

of the shareholdings by the Company's directors and senior management members and relevant information disclosure shall be in compliance with the Company Law of the People's Republic of China, the Securities law of the People's Republic of China, other relevant laws and administrative regulations.

- 2) The Company's directors and senior management members shall, within 10 trading days from triggering of their obligations to increase shareholding, inform the Company in writing of their specific plan(s) for the increase of the holding of the Company's A Shares, including but not limited to the number of shares to be acquired by them, price range and time of completion. The Company shall publish announcements on details of such plan(s).
- 3) The Company's directors and senior management members shall not sell the shares acquired pursuant to the aforementioned shareholding increase plan(s) within 6 months from the completion of implementation of the plan(s).
- 4) During the period when the directors and senior management members increase their holding of A shares in the Company, the Company's directors and senior management members shall spend no less than 15% of his/her income (after all taxes have been deducted) received from the Company in the previous year for each single acquisition, and upon occurrence of any of the following circumstances, such directors and senior management members may suspend acquiring the Company's shares:
 - a) As a result of the increase of shareholdings, the closing price of the Company's A Shares has been higher than the Company's latest audited Net Asset Value Per Share for 10 consecutive trading days;
 - b) Continuing increase of shareholdings will result in the Company's failure to satisfy the statutory requirements for listing;
 - c) Continuing increase of shareholdings will trigger their obligations to make a mandatory tender offer which is beyond such director(s)/senior management's plan;
 - d) The Company's directors and senior management members have accumulatively spent more than 30% of his/her income (after all taxes have been deducted) received from the Company in the previous year.

- 5) Upon suspension of the shareholding increase plan, within 12 months from the date on which the Company's directors' and senior management members' shareholding increase obligations are triggered, should the closing price of the Company's A Shares be lower than the latest audited Net Asset Value Per Share of the Company for 20 consecutive trading days, the Company's directors and senior management members shall continue to implement the abovementioned shareholding increase plan.
4. **Restrictive measures for failure to perform the obligations of increase of shareholdings or repurchase**
- 1) Should the Company fail to perform its share repurchase obligations in accordance with this proposal, the Company shall freeze such amount of fund equivalent to 10% of audited net profit attributable to the shareholders of the Company in the last fiscal year within 5 trading days upon expiration of relevant period for performance of such repurchase obligations, so as to fulfill its commitments on share price stabilization. Should investors incur any losses as a result of the Company's failure to fulfill its share price stabilization obligations, the Company shall make compensation to the investors for such losses in accordance with the methods and amounts as determined by the regulatory or judicial authorities.
 - 2) Should a substantial shareholder of the Company fail to perform its shareholding increase obligations in accordance with this proposal, the Company shall freeze such amount of dividend payable to such shareholder equivalent to the amount of fund that should have been used by such shareholder in order to perform its shareholding increase obligations until such obligations are performed.
 - 3) Should a director or senior management members of the Company fail to perform its shareholding increase obligations in accordance with this proposal, the Company shall freeze 30% of his/her monthly salary and cash dividends (if any) since the month when he/she failed to perform such obligations, the accumulative amount of which shall be equivalent to the amount he/she should have paid to perform his/her shareholding increase obligations, until such obligations are performed.

III. OTHERS

1. Within the validity period of this proposal, the substantial shareholders, directors, and senior management members of the Company are not entitled to refuse to perform their obligations as stipulated in the proposal on the ground of no longer being a substantial shareholder, change in the position or ceasing to be in the position.
2. Within the validity period of this proposal, the newly appointed directors and senior management members of the Company shall perform relevant obligations of the directors and senior management members as stipulated in the proposal. For the directors and senior management members proposed to be appointed by the Company, they shall provide written consent to perform the abovementioned obligations prior to their nomination.
3. The Company, its substantial shareholders, directors and senior management members are obligated to mandatorily initiate the share price stabilization measures only once in a calendar year.
4. It is proposed that the Board be authorized by the general meeting to make relevant amendments to this proposal when amendments are necessary as a result of any newly promulgated rules by the CSRC, stock exchanges or other regulatory authorities during the validity period of this proposal.

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I. FACTORS CONSIDERED IN FORMULATING THE DIVIDEND RETURN PLAN FOR SHAREHOLDERS

With a view to maintaining the long-term and sustainable development of the Company, and on the basis of a comprehensive analysis on the Company's operation and development strategies, cost of social capital, external financing environment and other factors, after taking into consideration the Company's present and estimated future profits, cash flow, stage of development, funding needs for investment projects, bank credit and the external financing environment and balance of the short-term interests and the long-term interests of the shareholders, the Company has made institutional arrangements on profit distribution and formulated a sustainable, stable and scientific dividend return mechanism for investors, so as to ensure the continuity and stability of the Company's profit distribution policies.

II. PRINCIPLES IN FORMULATING THE DIVIDEND RETURN PLAN FOR SHAREHOLDERS

The Company will implement sustainable and stable profit distribution policies, emphasize on payment of reasonable return on investments to investors while taking into account the sustainable development of the Company, and establish a sustainable and stable return mechanism for investors taking into consideration the profitability of and actual needs of the Company in view of future business development strategies. The Company shall formulate the dividend return plan for shareholders in accordance with the Articles of Association and adhering to the principle of prioritizing on cash dividends in profit distribution. The Board, the Board of Supervisors and the general meetings shall take full account of the opinions of independent Directors, supervisors and medium and minority shareholders when holding discussions and making decisions on the Company's profit distribution policies.

III. DIVIDEND RETURN PLAN FOR SHAREHOLDERS FOR THE THREE YEARS AFTER THE A SHARE OFFERING

The Company may distribute its profits in the form of cash, shares, a combination of cash and shares or other forms as permitted by the laws and regulations, while giving priority to distributions by way of cash dividends. The profit distribution shall be limited to the cumulative distributable profits of the Company and shall not damage the Company's sustainability in operation.

When the conditions for cash dividends are satisfied and the normal operation and development of the Company are ensured, the Company shall distribute profits in the form of cash. If the Board is of the view that the Company's share price does not match its size of share capital and that dividend distribution is beneficial to the overall interests of all shareholders, the Company may formulate dividend distribution plans on the premise that it complies with the Company's cash dividend policies.

In principle, the Company distributes profits in the form of annual dividends. The Board may propose interim profit distribution plans according to the Company's profit earnings and funding needs. The Company will, by way of the approval procedures at the meetings of the Board and general meetings, flexibly distribute the profits realized by subsidiaries according to the business development, profit realization and other aspects of subsidiaries so as to guarantee the Company's capability of implementing its cash dividend plan for that year.

In the year of the initial public offering and the listing of the A Shares and the following three years (the "**Three Years after the Listing**"), subject to requirements under the laws and regulations as well as regulatory requirements, the profits distributed by the Company in the form of cash each year shall be no less than 10% of the distributable profits realized in that year.

After a comprehensive consideration of the industry feature, stage of development, operation model, profitability, major capital expenditure arrangements and the expected time of listing, etc., the Board believes that in the Three Years after the Listing the Company will be at its growth stage and there will be major capital expenditure arrangements. During the Three Years after the Listing, the profits distributed in the form of cash shall account for at least 20% of each instance of profit distribution.

IV. DECISION-MAKING MECHANISM OF DIVIDEND RETURN PLAN FOR SHAREHOLDERS

The Company shall evaluate the implementation of the executed dividend return plans for shareholders at least once every three years. Subject to the relevant laws, regulations and the Articles of Association, and based on the opinions of independent Directors, Supervisors and medium and minority shareholders, the Board shall, upon obtaining the approval from general meetings, make appropriate and necessary adjustments to the dividend return plan for shareholders currently in force and scientifically formulate annual profit distribution plans or interim profit distribution plans after fully taking into account the Company's profitability, cash flow, stage of development, funding needs of the investment projects, bank credit and the external financing environment, etc.. The adjusted dividend plan shall be implemented upon approval by shareholders representing two-thirds or more of the voting rights of shareholders present at general meetings.

V. EFFECTIVENESS OF THE DIVIDEND RETURN PLAN FOR SHAREHOLDERS

This dividend plan shall become effective upon approval by the shareholders at general meeting.

The English version of the contents in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

I. FORM OF THE UNDERTAKING LETTER REGARDING THE AUTHENTICITY, ACCURACY AND COMPLETENESS OF THE INFORMATION DISCLOSED IN THE PROSPECTUS

Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司) (the “**Company**”) proposes to apply for the initial public offering and listing of A Shares on the Shanghai Stock Exchange (the “**A Share Offering**”). The Company will, in the public offering and listing documents, give the following undertakings:

1. If any statement contained in the prospectus of the issuer is false or misleading, or that any material information has been omitted, which would have a material and actual impact on determining whether the Company satisfies the legal requirements and conditions for issuance of securities, the Company will, within 5 days from the issuance of any final decision or effective judgment confirming existence of the aforesaid circumstance(s) by the China Securities Regulatory Commission, the people’s courts or other competent authorities, initiate the procedures relating to share repurchase and repurchase all shares issued under the A Share Offering. Detailed plans for the repurchase are subject to internal and external approval procedures to be conducted in accordance with applicable laws, regulations, normative documents and the articles of association of the Company. The repurchase price shall not be lower than the sum of the issue price of the Company’s shares and the interest being equivalent to that of the bank’s deposit for the same period between the A Share Offering and repurchase of shares. If there exists any circumstances of profit distribution, conversion of capital reserves into share capital, issuance of new shares, or share placement after the A Share Offering, the shares to be repurchased shall include all the shares newly issued under the A Share Offering and the shares derived therefrom, and the aforesaid issue price shall be adjusted according to the ex-rights and ex-dividend status accordingly.
2. If any statement contained in the prospectus in connection with the A Share Offering is false or misleading, or if any material information has been omitted, which results in losses suffered by the investors when dealing in the A Shares, such losses shall be compensated in full and in a timely manner according to the final decision(s) or effective judgment(s) of the China Securities Regulatory Commission, the people’s courts or other competent authorities in accordance with the relevant laws of the PRC.

Should the Company fail to fulfill the abovementioned undertakings, it shall bear responsibilities in accordance with relevant laws, regulations, normative documents and the requirements from regulatory authorities.

II. FORM OF THE UNDERTAKING LETTER REGARDING THE RESTRICTIVE MEASURES ON RESPONSIBLE PARTIES

Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司) (the “**Company**”) proposes to apply for the initial public offering and listing of A Shares on the Shanghai Stock Exchange (the “**A Share Offering**”), and with regards to fulfillment of the undertakings publicly given for the purpose of the A Share Offering, the Company hereby undertakes that:

1. The Company will perform relevant duties and obligations strictly in compliance with the undertakings given during the A Share Offering.
2. If the Company fails to perform the duties and obligations as specified in the public undertakings, the Company undertakes to adopt the following measures for restriction purposes:
 - 1) Make a public announcement through any media designated by the China Securities Regulatory Commission to specify the reasons for the Company’s failure to fulfill its undertakings.
 - 2) If public investor(s) incur any losses as a result of dealing(s) in reliance on the Company’s undertakings, the Company will compensate such investors in accordance with the means and amounts as determined by securities regulatory authorities or judicial authorities.
 - 3) Where the Company has set forth specific restrictive measures in any of the undertakings, the Company shall implement such restrictive measures as undertaken in the undertakings.

The drafted amended Articles of Association to be effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange is set out below (assuming that the proposed amendments to the Articles of Association set out in Appendix I have been approved by the Shareholders at the AGM).

The English version of the draft amended Articles of Association is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

Chapter 1 General Provisions

Margin notes¹

Article 1 In order to safeguard the lawful rights and interests of the Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) and its Shareholders and creditors and regulate its organization and activities, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “**Securities Law**”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “**Special Regulations**”) and other relevant regulations.

Article 1
Guide to AoA

¹ In the margin notes to the draft amended Articles of Association, the “**Company Law**” refers to the Company Law of the People’s Republic of China (as amended in 2013), the “**Securities Law**” refers to Securities Law of the People’s Republic of China (as amended in 2015), “**Mandatory Provisions**” refers to the “Mandatory Provisions for the Articles of Association of Companies Listed Overseas” jointly issued by the former State Council Securities Policy Committee and the former State Commission for Restructuring the Economic System (Zhen Wei Fa [1994] No. 21), “**Letter of Opinions on Supplementary Amendment**” refers to the “Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) jointly issued by the Overseas-Listing Department of the CSRC and the Production System Department of the former State Commission for Restructuring the Economic System; “**Listing Rules**” refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, “**Appendix 3 to the Listing Rules**” refers to the Appendix 3 to the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” issued by The Stock Exchange of Hong Kong Limited, “**Appendix 13D to the Listing Rules**” refers to Section D of Appendix 13 to the “Rules Governing the Listing of Securities” issued by The Stock Exchange of Hong Kong Limited and “**Guide to AoA**” refers to the Guide to Articles of Association of Listed Companies as promulgated by the CSRC.

Article 2	<p>The Company is a joint stock limited company incorporated pursuant to the Company Law, the Securities Law, the Special Regulations and other relevant laws in the People’s Republic of China (the “PRC”) and administrative regulations.</p> <p>The Company was established with the approval of Wuhan Municipal Bureau of Commerce, as evidenced by the approval document, namely, the approval of the conversion of Yangtze Optical Fibre and Cable Company Ltd. issued by Municipal Bureau of Commerce; the Company was registered with the Wuhan Administration for Industry and Commerce and was granted the corporate legal person’s business license on December 27, 2013. Its unified social credit code is: 91420100616400352X.</p> <p>The promoters of the Company include China Huaxin Post and Telecommunications Economy Development Center, Draka Comteq B.V. and Wuhan Changjiang Communications Industry Group Shares Company Ltd.</p>	<p>Article 1 Mandatory Provisions</p> <p>Sec. 1 (a) of Appendix 13D to the Listing Rules</p> <p>All following items mentioned Mandatory Provisions and Letter of Opinions on Supplementary Amendment should be regarded as simultaneously mentioned Appendix 13D to the Listing Rules as well</p> <p>Article 2 Guide to AoA</p>
Article 3	<p>Registered Name of the Company in Chinese: 長飛光纖光纜股份有限公司</p> <p>Registered Name of the Company in English: Yangtze Optical Fibre and Cable Joint Stock Limited Company.</p>	<p>Article 2 Mandatory Provisions</p> <p>Article 4 Guide to AoA</p>
Article 4	<p>The Company’s legal residence: No. 9 Guanggu Road, East Lake Development Zone, Wuhan, China</p> <p>Postcode: 430073</p> <p>Telephone: +86-27-87802541</p> <p>Facsimile: +86-27-87802536</p>	<p>Article 3 Mandatory Provisions</p> <p>Article 5 Guide to AoA</p>
Article 5	<p>The Chairman is the Company’s legal representative.</p>	<p>Article 4 Mandatory Provisions</p> <p>Article 8 Guide to AoA</p>

- Article 6** The Company is a joint stock limited company in perpetual existence, and the nature of the Company is a foreign investment joint stock company.
- The assets of the Company are fully divided into equal shares. The Shareholders are liable to the Company to the extent of their subscriptions of the Shares. The Company is liable for its debts to the extent of all of its assets.
- Article 7** Upon approval at the General Meeting by way of special resolution and approval by the relevant authorities in the PRC, the Articles of Association came into effect from the date on which the A Shares were listed and traded on the PRC domestic stock exchange and replaced the original articles of association of the Company registered and filed with the industry and commerce administration authorities.
- From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders.
- Article 8** The Articles of Association are binding on the Company and its Shareholders, Directors, Supervisors, president and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.
- Subject to Article 235 of the Articles of Association, the Articles of Association are actionable by a Shareholder against the Company and vice versa, by the Company against Shareholders, Directors, Supervisors, the president and other senior management members, by Shareholders against each other and by a Shareholder against the Directors, Supervisors, president and other senior management members of the Company.
- The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.
- Article 5
Mandatory Provisions
- Article 7, 9
Guide to AoA
- Article 6
Mandatory Provisions
- Article 10
Guide to AoA
- Article 7
Mandatory Provisions
- Article 10
Guide to AoA

- Article 9** Based on the requirement for business development and subject to approval by relevant government authorities, the Company may establish subsidiary companies, representative offices and offices overseas including, without limitation, in Hong Kong, Macau Special Administrative Region and Taiwan.
- Article 10** The Company may invest in other limited liability companies and joint stock limited companies. Its liability towards an investee company shall be limited to the extent of the amount of capital contributed thereto. However, unless stipulated by laws otherwise, the Company shall not be jointly and severally liable to such investee company(ies) for the latter's liabilities.
- Chapter 2 Purposes and Scope of Business**
- Article 11** The purpose of the Company's operation is to enable the Company to produce high-quality products and develop new products based on market demand, and to sell the same on markets in and outside the Territory, in order to generate economic benefits satisfactory to the Shareholders and to support the development of communication systems and networks in the PRC.
- The Company's prime objective shall be to achieve a leading role in the optical fibre and optical cable manufacturing industry in the PRC and sell its products on markets in and outside the Territory.

Article 8
Mandatory Provisions

Article 15
Company Law

Article 9
Mandatory Provisions

Article 12
Guide to AoA

Article 12 The scope of business of the Company shall be limited to activities approved by the Company and the industry and commercial administration authorities.

Article 10
Mandatory Provisions

Article 13
Guide to AoA

The business scope of the Company consists of: research, development, production and sale of perform rod, optical fibre, optical cable and communication cable, special purpose cable and related apparatus, parts, components and materials, the manufacture of special purpose equipment and products used in communications, and the provision of relevant engineering and technical services for the abovementioned products. Engagement by the Company in business activities that it did not engage in prior to the effective date of these Articles of Association shall be subject to decision of the General Meeting. If required, the Company shall file all relevant documents (such as feasibility studies) with the relevant government departments for the record, and obtain all required administrative permits, approvals and licenses before engaging in such business activities.

Based on the demand from domestic and international markets as well as its development capability and business requirements, the Company may be entitled to adjust its business scope in accordance with the law.

Chapter 3 Shares and Registered Capital

Article 13 There must, at all times, be ordinary Shares in the Company. Subject to the approval from the companies approving department authorized by the State Council, the Company may issue other classes of Shares according to its requirements.

Article 11
Mandatory Provisions

Sec. 9 of Appendix 3 to
the Listing Rules

Article 14 The Shares are evidenced by share certificates and are all issued as par value share by the Company, with a par value of RMB1 yuan each.

Article 12
Mandatory Provisions

Article 14, 16
Guide to AoA

The RMB referred to in the preceding paragraph is the legal currency of the PRC.

- Article 15** Shares shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.
- Sec. 9 of Appendix 3 to the Listing Rules
- Article 15
Guide to AoA
- For the same class of Shares issued in the same tranche, each Share shall be issued at the same price and subject to the same conditions. For the Shares subscribed by any organization or individual under the same offering, the price payable for each of such Shares shall be the same.
- Article 16** Subject to the approval of the securities regulatory authority of the State Council, the Company may issue Shares to domestic and foreign investors.
- Article 13
Mandatory Provisions
- The foreign investors referred to in the preceding paragraph mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for Shares issued by the Company. Domestic investors mean those investors within the territory of the PRC (excluding investors from the regions referred to in the preceding sentence) who subscribe for Shares issued by the Company.
- Article 17** Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as Domestic Shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as Foreign Shares. Domestic Shares which are listed on a PRC domestic stock exchange shall be referred to as Domestically Listed Domestic Shares. Foreign Shares which are listed outside the PRC shall be referred to as Overseas Listed Foreign Shares.
- Article 14
Mandatory Provisions
- Article 17
Guide to AoA
- The foreign currency referred to in the preceding paragraph is a legal currency (other than RMB) of other countries or regions which are recognized by the foreign exchange administration authority of the PRC and can be used for payment of the Shares.
- Overseas Listed Foreign Shares listed in Hong Kong shall be referred to as H Shares for short. H Shares refer to the Shares approved to be listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “**Hong Kong Stock Exchange**”), the par value of which are denominated in RMB, and are subscribed for and traded in Hong Kong dollars.

Domestically Listed Domestic Shares shall be referred to as A Shares for short. A Shares refer to the Shares approved by China Securities Regulatory Commission (hereinafter referred to as “CSRC”) to be offered and listed on a PRC domestic stock exchange, the par value of which are denominated in Renminbi, and are subscribed for and traded in RMB.

The A Shares of the Company are centrally deposited with the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

- Article 18** Upon approval by the Company, the Company issued 479,592,598 ordinary Shares in aggregate to the promoter at the time of incorporation, among which, China Huaxin Post and Telecommunications Economy Development Center had subscribed for and holds 179,827,794 Shares, representing 37.50% of the total ordinary Shares in issue of the Company, whereas Draka Comteq B.V. had subscribed for and holds 179,827,794 Shares, representing 37.50% of the total ordinary Shares in issue of the Company, and Wuhan Changjiang Communications Industry Group Company Ltd. had subscribed for and holds 119,937,010 Shares, representing 25.00% of the total ordinary Shares in issue of the Company.
- Article 15
Mandatory Provisions
- Article 18
Guide to AoA
- Article 19** Upon establishment, the Company issued 159,870,000 Overseas Listed Foreign Shares upon approval of the securities regulatory authority of the State Council.
- Article 16
Mandatory Provisions
- Sec. 9 of Appendix 3 to
the Listing Rules
- As at 30 September 2015, the shareholding structure of the Company was as follows: total share capital of 639,462,598 shares, including 299,764,804 domestic shares, representing 46.88% of the total number of ordinary shares issued by the Company, 339,697,794 H shares, representing 53.12% of the total number of ordinary shares issued by the Company.
- Article 3, 19
Guide to AoA
- On 18 December 2015, the Company issued 11,869,000 Overseas Listed Foreign Shares after approval of the securities regulatory authority of the State Council. Meanwhile, the Company issued 307,830,000 Domestic Shares upon approval by the Company.

Upon the issuance of Overseas Listed Foreign Shares and domestic shares as aforementioned, the shareholding structure of the Company shall be as follows: total share capital of 682,114,598 shares, including 330,547,804 Domestic Shares, representing 48.46% of the total number of ordinary shares, details as follows: 179,827,794 are held by China Huaxin Post and Telecommunication Economy Development Center, representing 26.37% of the total ordinary share capital, 119,937,010 are held by Wuhan Changjiang Communications Industry Group Company Ltd., representing 17.58% of the total ordinary share capital, 15,900,000 Shares are held by Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership), representing 2.33% of the total ordinary share capital, 9,095,000 Shares are held by Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) representing 1.33% of the total ordinary share capital, 3,413,000 Shares are held by Wuhan Ruihong Management Consulting Partnership Enterprise (Limited Partnership), representing 0.50% of the total ordinary share capital, 2,375,000 Shares are held by Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership), representing 0.35% of the total ordinary share capital. 351,566,794 H shares, representing 51.54% of the total number of ordinary shares issued by the Company, details as follows: 179,827,794 Shares are held by Draka Comteq B.V., representing 26.37% of the total ordinary share capital, 171,739,000 Shares are held by H Shareholders, representing 25.17% of the total ordinary share capital.

On [•••], upon approval by the securities regulatory authority of the State Council, the Company made an initial public offering of its Domestic Shares. On [•••], such publicly offered Domestic Shares were listed together with the Domestic Shares previously issued by the Company. The shareholding structure of the Company is as follows: total share capital of [•••] shares, including [•••] A Shares, representing [•••]% of the total number of ordinary shares of the Company; and [•••] H Shares, representing [•••]% of the total number of ordinary shares issued by the Company.

- Article 20** Upon approval by the securities regulatory authority of the State Council of the proposal for issue of Overseas Listed Foreign Shares and/or listed Domestic Shares, the Board of the Company may make implementation arrangements of separate issue.
- The Company's proposal for separate issue of Overseas Listed Foreign Shares and Domestic Shares pursuant to the preceding paragraph may be implemented within fifteen (15) months from the date of approval by the securities regulatory authority of the State Council.
- Article 21** Where the Company issues Overseas Listed Foreign Shares and Domestic Shares respectively within the total number of Shares as stated in the issuance proposal, the respective Shares shall be subscribed for in full at one time. If they cannot be subscribed for in full at one time under special circumstances, these Shares may be issued in several issues subject to the approval of the securities regulatory authority of the State Council.
- Article 22** The registered capital of the Company is [•••] RMB Yuan.
- Article 23** The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.
- The Company may increase its capital in the following manners:
- (1) public offering of Shares;
 - (2) private placement of Shares;
 - (3) bonus issue to its existing Shareholders;
 - (4) capitalizing its capital reserve; or
 - (5) other methods as permitted by laws and administrative regulations and those approved by the securities regulatory authority of the State Council.

Article 17
Mandatory Provisions

Article 18
Mandatory Provisions

Article 19
Mandatory Provisions

Article 6
Guide to AoA

Article 20
Mandatory Provisions

Article 10
Securities Law

Article 21
Guide to AoA

The Company's increase of capital by issuing new Shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

Upon capital increase or reduction, the Company shall register changes with its original industry and commerce administration authorities and make announcement thereof.

Article 24	Unless otherwise provided by laws, administrative regulations and the Hong Kong Stock Exchange, the Shares are freely transferable and are not subject to any lien.	Article 21 Mandatory Provisions Article 19A.46 and Sec. 1(2) of Appendix 3 to the Listing Rules
Chapter 4	Reduction of Capital and Repurchase of Shares	Article 26 Guide to AoA
Article 25	The Company may reduce its registered capital. Where the Company reduces its registered capital, it is handled in accordance with the Company Law and other relevant provisions and procedures prescribed in the Articles of Association.	Article 22 Mandatory Provisions Article 22 Guide to AoA
Article 26	The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of capital and shall publish an announcement in newspapers within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt. The registered share capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.	Article 23 Mandatory Provisions Article 176 Guide to AoA Article 19A.46 and Sec. 7(1) of Appendix 3 to the Listing Rules

- | | | |
|-------------------|---|------------------------------------|
| Article 27 | Subject to the requirements of laws, administrative regulations, departmental rules and other normative documents and the Articles of Association, the Company may repurchase its issued Shares pursuant to legal procedures under the following circumstances: | Article 24
Mandatory Provisions |
| | (1) to cancel Shares for the purpose of capital reduction; | Article 142
Company Law |
| | (2) to merge with another company that holds Shares; | Article 23
Guide to AoA |
| | (3) to grant awards of Shares to its employees; | |
| | (4) to repurchase, at their request, Shares from Shareholders dissenting from the resolutions adopted by the General Meeting for the merger or division of the Company; or | |
| | (5) other circumstances as permitted by laws and administrative regulations. | |
| | Except under the foregoing circumstances, the Company shall not engage in the purchase or sale of its own Shares. | |
| Article 28 | The Company may, with the approval of the relevant governing authority of the PRC for repurchasing its Shares, conduct the repurchase in one of the following manners: | Article 25
Mandatory Provisions |
| | (1) to make a pro rata general offer of repurchase to all of its Shareholders; | Article 24
Guide to AoA |
| | (2) to repurchase Shares through public trading on a stock exchange; | |
| | (3) to repurchase through an off-market agreement;
or | |
| | (4) other means as permitted by relevant regulatory authorities. | |

- Article 29** Where the Company repurchases its Shares through an off-market agreement, it shall seek prior approval of the Shareholders at the General Meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive its rights thereunder with prior approval by Shareholders at General Meeting obtained in the same manner.
- The contract to repurchase Shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase Shares.
- The Company shall not assign a contract for repurchasing its Shares or any of its right thereunder.
- That, where the Company has the rights to repurchase the redeemable Shares, repurchases not made through the market or by tender shall not exceed a certain maximum price limit; if repurchases are made by tender, such tenders shall be made available to all Shareholders alike.
- Article 30** Any Share repurchase by the Company due to the circumstances set out in subparagraphs (1) to (3) of Article 27 shall be resolved upon by the General Meeting of the Shareholders and by the general meeting of class Shareholders. Where a holder of H Shares requests the Company to buy back its Shares pursuant to subparagraph (4) of Article 27, such repurchases by the Company shall comply with the requirements of relevant stock exchange rules and other normative documents. Upon repurchase of the Shares pursuant to Article 27, the Company shall cancel such repurchased Shares within ten (10) days from the repurchase, if such repurchase constituted the circumstance set out in subparagraph (1); or shall transfer or cancel such repurchased Shares within six (6) months of the repurchase, if such repurchase constituted the circumstances set out in subparagraphs (2) or (4).
- Article 26
Mandatory Provisions
Sec. 8(1), (2) of
Appendix 3 to the
Listing Rules
- Article 25
Guide to AoA

Shares repurchased by the Company pursuant to subparagraph (3) of Article 27 shall not exceed 5% of the total issued Shares of the Company. Such repurchases shall be funded by the profits (after all taxes have been deducted) of the Company and the repurchased Shares shall be transferred to the employees within one (1) year.

Article 31

After repurchasing Shares, the Company shall cancel such Shares within the period prescribed by laws and administrative regulations, and shall make an application to its original registration authority to modify the registration on its registered capital.

Article 27
Mandatory Provisions

The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled Shares.

Article 32

Except where the Company is in the course of liquidation, it must comply with the following provisions in repurchasing its own issued and outstanding Shares:

Article 28
Mandatory Provisions

- (1) Where the Company repurchases its Shares at their par value, the amount of the total par value shall be deducted from the book balance of distributable profits of the Company or out of the proceeds of a new issue of Shares made for that purpose;
- (2) Where the Company repurchases its Shares at a premium, an amount equivalent to their total par value shall be deducted from the book balance of distributable profits of the Company or out of the proceeds of a new issue of Shares made for that purpose. Payment of the portion in excess of their par value shall be effected as follows:
 - (i) if the Shares being repurchased were issued at their par value, payment shall be made out of the book balance of distributable profits of the Company;

(ii) if the Shares being repurchased were issued at a premium, payment shall be made out of the book balance of distributable profits of the Company or the proceeds of a new issue of Shares made for that purpose, provided that the amount paid out of the proceeds of the new issue may not exceed the aggregate of premiums received by the Company on the issue of the Shares repurchased or the current balance of the Company's premium account (or capital reserve account) (inclusive of the premiums from the new issue);

(3) Payment by the Company in consideration for:

- (i) the acquisition of rights to repurchase its Shares;
- (ii) the variation of any contract to repurchase its Shares;
- (iii) the release of any obligation under any contract to repurchase its Shares.

shall be made out of the Company's distributable profits;

(4) To the extent that Shares are repurchased out of an amount deducted from the distributable profits of the Company, the amount of the Company's registered capital reduced under the relevant requirements shall be transferred to the Company's premium account (or capital reserve account).

Chapter 5 Financial Assistance for the Acquisition of Shares in the Company

Article 33 The Company and its subsidiaries shall not, by any other means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire Shares. The said acquirer of Shares includes a person who directly or indirectly incurs any obligations due to the acquisition of Shares.

Article 29
Mandatory Provisions

The Company and its subsidiaries shall not, by any other means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article 35 of these Articles of Association.

Article 34

The financial assistance referred to in this Chapter includes, but is not limited to the following meanings:

Article 30
Mandatory Provisions

- (1) gift, advances or compensation;
- (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;
- (3) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;
- (4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

Article 20
Guide to AoA

The expression "Incurring an obligation" referred to in this Chapter includes the incurring of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

- Article 35** The following activities shall not be deemed to be activities as prohibited in Article 33: Article 31
Mandatory Provisions
- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of Shares, or the giving of the financial assistance is an incidental part of a master plan of the Company;
 - (2) the lawful distribution of the Company's assets by way of dividend;
 - (3) the allotment of Shares as dividends;
 - (4) a reduction of registered capital, a repurchase of Shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association;
 - (5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company); and
 - (6) the provision of money by the Company for contributions to staff and workers' share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

Chapter 6 Share Transfer

- Article 36** The Shares may be transferred in accordance with law. Article 26
Guide to AoA
- Article 37** The Company shall not accept any Shares being pledged to it as the subject matter of a pledge. Article 142
Company Law

Article 27
Guide to AoA

Article 38 Shares held by the Promoters shall not be transferred within one (1) year from the date of establishment of the Company. Domestic Shares issued prior to the initial public offering of Domestic Shares shall not be transferred within one (1) year from the date of the listing of Domestic Shares on the PRC domestic stock exchange.

Article 141
Company Law

Article 28
Guide to AoA

The Company's Directors, Supervisors, and senior management members shall report to the Company their holdings of Shares and any change thereto; and they may not transfer, during each year of their term of office, more than 25% of the total number of Shares held by them in the Company, nor shall they transfer, within one year from the date when the Shares are listed and traded, those Shares held by them in the Company. The aforesaid persons are barred from transferring Shares held by them within six (6) months of cessation of their term of office. To the extent any H Shares are covered by the share transfer restrictions set out in this paragraph, approval shall be obtained from the Hong Kong Stock Exchange.

Article 39 If any of the Company's Directors, Supervisors or senior management members or Shareholders holding 5% or more of the Company's A Shares sells, within six months of purchase, or purchases, within six months of sale, their such holdings of A Shares, the resulting gain shall belong to the Company and shall be recovered by the Board of Directors, provided that such 6-month period restriction shall not apply to the sale of such shares by a securities firm holding 5% or more of such Shares as a result of its acquisition of unsold offered shares under a firm commitment underwriting arrangement.

Article 47
Securities Law

Article 29
Guide to AoA

If the Board fails to implement the measures as set out in the foregoing paragraph, the Shareholder(s) shall be entitled to request the Board of Directors to so act within thirty (30) days. If the Board fails to act within the aforesaid period, the Shareholder(s) shall be entitled to bring a lawsuit before the people's court in their own name in the interest of the Company.

To the extent the Board fails to implement the measures as set out in the first paragraph above, the Shareholder(s) responsible for such failure shall be jointly and severally liable pursuant to law.

Chapter 7 Share Certificates and Register of Shareholders

Article 40 Share certificates of the Company shall be in registered form. Article 32
Mandatory Provisions

In addition to provisions provided in the Company Law and Special Regulations, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the Shares are listed. Article 1(1), Appendix 3 to the Listing Rules
Article 19A.52
Listing Rules

During the period of H Shares listing on the Hong Kong Stock Exchange, the Company shall ensure that all of its documents relating to the title of all of its Shares listing on the Hong Kong Stock Exchange (including H Shares), include the statements stipulated below and shall instruct and procure each of its share registrars not to register the subscription, purchase or transfer of any of its Shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such Shares bearing statements to the following effect:

- (1) The acquirer of Shares agrees with the Company and each Shareholder, and the Company agrees with each Shareholder, to observe and comply with the Company Law, the Special Regulations and other requirements related to the laws, administrative regulations and the Articles of Association.

- (2) The acquirer of Shares agrees with the Company, each Shareholder, Director, Supervisor, president and other senior management members of the Company and the Company acting for itself and for each Director, supervisor, president and other senior management members agrees with each Shareholder to refer all disputes and claims arising from the Articles of Association or any right or obligation conferred or imposed by the Company Law and other relevant laws of the PRC and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.
- (3) The acquirer of Shares agrees with the Company and each Shareholder that Shares in the Company are freely transferable by the holder thereof.
- (4) The acquirer authorizes the Company to enter into a contract on his behalf with each Director, president and other senior management members whereby such Directors, president and other senior management members undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association.

Article 41

The Share certificates shall be signed by the Chairman. Where the stock exchange on which the Shares are listed requires the Share certificates to be signed by other senior management members, the Share certificates shall also be signed by such senior management members. The Share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The Share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman or other relevant senior management members on the share certificates may also be in printed form.

Article 33
Mandatory Provisions

Article 1
Letter of Opinions
on Supplementary
Amendment

Article 2(1) Appendix
3 to the Listing Rules

To the extent paperless issuance and trading is implemented with respect to the Shares, separate requirements of the securities regulatory authorities and stock exchange of the place where the Shares are listed shall apply.

Article 42

The Company shall keep a register of Shareholders, which shall contain the following particulars:

Article 34
Mandatory Provisions

- (1) the name, address (residence), occupation or nature of each Shareholder;
- (2) the class and number of Shares held by each Shareholder;
- (3) the amount paid-up or payable in respect of Shares held by each Shareholder;
- (4) the serial numbers of the Shares held by each Shareholder;
- (5) the date on which a person registers as a Shareholder; and
- (6) the date on which a person ceases to be a Shareholder.

Sec. 1(3), Appendix 3
to the Listing Rules

The register of Shareholders shall be the sufficient evidence for the Shareholders' shareholding in the Company, except in cases with contrary evidence.

All acts or transfer of Overseas Listed Foreign Shares will be recorded in the register of Shareholders of Overseas Listed Foreign Shares which is kept in the place where such Shares are listed.

When two or more persons are registered as joint Shareholders of any Share, they shall be deemed to be joint owners of such Shares and subject to constraints of the following terms:

- (1) the Company are not bound to register more than four persons as joint holders for any Share;
- (2) all the joint holders of any Share shall jointly and severally assume the liability to pay for all amounts payable for the relevant Shares;

- (3) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant Shares. But the Board shall have the right, for the purpose of making amendments to the register of Shareholders, to demand a death certificate of such Shareholder where it deems it appropriate to do so; and
- (4) for joint holding of any Shares, only the joint holder whose name appears first in the register of Shareholders is entitled to receive the certificate for the relevant Shares, receive the Company's notices. Any notice served on the above persons shall be deemed to have been served on all joint holders of the relevant Shares. Any one of such joint holders may sign the proxy form. Only if there is more than one joint holder who attends the meeting either in person or by proxy, the vote made by higher priority joint holder either in person or by proxy shall be accepted as the sole vote which represents the rest of joint holders. In this regard, the order of the priority of the Shareholders shall be determined by the seniority of the Shareholders who is related to relevant Shares within the register of Shareholders.

Article 43

The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its original register of holders of Overseas Listed Foreign Shares outside the PRC and appoint overseas agent(s) to manage such register. Otherwise, the original register of holders of Overseas Listed Foreign Shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of holders of Overseas Listed Foreign Shares at the Company's residence; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of Overseas Listed Foreign Shares at all times.

If there is any inconsistency between the original and the duplicate of the register of holders of Overseas Listed Foreign Shares, the original version shall prevail.

Article 35
Mandatory Provisions

Article 2
Letter of Opinions
on Supplementary
Amendment

Sec. 1(b), Appendix
13D to the Listing
Rules

- Article 44** The Company shall maintain a complete register of Shareholders. The register of Shareholders shall include the following:
- Article 36
Mandatory Provisions
- (1) the register of Shareholders maintained at the Company's residence (other than those parts as described in sub-clauses (2) and (3) of this Article;
 - (2) the register of Shareholders in respect of the holders of Overseas Listed Foreign Shares of the Company maintained at the place where the overseas stock exchange on which the Shares are listed is located; and
 - (3) the register of Shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Shares.
- Article 45** Different parts of the register of Shareholders shall not overlap with one another. No transfer of the Shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of Shareholders.
- Article 37
Mandatory Provisions
- Alteration or rectification of each part of the register of Shareholders shall be made in accordance with the laws of the place where that part of the register of Shareholders is maintained.
- Article 46** All fully paid-up Overseas Listed Foreign Shares which are listed in Hong Kong are freely transferable pursuant to the Articles of Association. However, the Board may refuse to recognize any instrument of transfer without giving any reason unless such transfer fulfils the following conditions:
- Article 12
Letter of Opinions
on Supplementary
Amendment
- Article 1(1), 1(2),
Appendix 3 to the
Listing Rules
- (1) a fee (for each instrument of transfer) of HK\$2.5 or any maximum fees as stipulated by the Hong Kong Stock Exchange then has been paid to the Company for registration of any instrument of transfer or any other document which is related to or will affect the ownership of the Shares;
 - (2) the instrument of transfer involves only the Overseas Listed Foreign Shares listed in Hong Kong;

- (3) the stamp duty payable on the instrument of transfer has been paid;
- (4) the relevant Share certificates and any evidence in relation to the right of the transferor to transfer the Shares reasonably requested by the Board has been submitted;
- (5) if the Shares are intended to be transferred to joint holders, the number of such joint holders shall not exceed four;
- (6) the Company does not have any lien over the relevant Shares; and
- (7) no transfer shall be made to minors or persons of unsound mind or under other legal disability.

If the Company refuses to register the transfer of Shares, the Company shall deliver a notification related to the refusal of Shares transfer to the transferor and transferee within 2 months from the date of the application for transferring the Shares.

Article 47

All transfers of H Shares shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time); the instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the Company's seal. Where the transferor or transferee is a recognized clearing house ("**Recognized Clearing House**") (as defined by relevant regulations in Hong Kong laws in effect from time to time) or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format.

Article 1(3) Appendix
3 to the Listing Rules

All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board may specify from time to time.

- Article 48** Transfers may not be entered in the register of Shareholders within thirty (30) days prior to the date of a General Meeting or within five (5) days before the record date set by the Company for the purpose of distribution of dividends. This provision does not apply to the registration of change of register of Shareholders during the issuance of new share capital in accordance with Article 23. The foregoing shall apply to holders of H Shares.
- Requirements otherwise stipulated by the securities regulatory authorities of the place where the Shares are listed shall apply.
- Article 49** When the Company intends to convene a General Meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board or the convener of the General Meeting shall designate a day to be the record date. Shareholders whose names appear in the register of Shareholders at the end of the record date are Shareholders entitled to relevant rights and interests.
- Article 50** Any person who objects to the register of Shareholders and requests to have his/her name entered in or removed from the register of Shareholders may apply to a court of competent jurisdiction for rectification of the register.
- Article 51** Any Shareholder who is registered in, or any person who requests to have his/her name entered in, the register of Shareholders may, if its Share certificates (the “**Original Certificates**”) are lost, apply to the Company for a replacement share certificate in respect of such Shares.
- If a holder of the Domestic Shares loses its Original Certificates and applies for their replacement, it shall be dealt with in accordance with the provisions of the Company Law.
- If a holder of H Shares loses its Original Certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of Overseas Listed Foreign Shares is maintained.

Article 38
Mandatory Provisions

Article 39
Mandatory Provisions

Article 31
Guide to AoA

Article 40
Mandatory Provisions

Article 41
Mandatory Provisions

In the case that the Company goes public in Hong Kong, the issue of replacement certificates to holders of Overseas Listed Foreign Shares shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the Original Certificates as well as declaring that no other person shall be entitled to request to be registered as the Shareholder in respect of the relevant Shares.
- (2) no statement has been received by the Company from a person other than the applicant for having its name registered as a holder of the relevant Shares before the Company came to a decision to issue the replacement certificate.
- (3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; the announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.
- (4) the Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its Shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the relevant Shares, the Company shall send by post to such registered Shareholder a copy of the announcement to be published.

- (5) if, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to its application.
- (6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issue in the register of Shareholders accordingly.
- (7) all expenses relating to the cancellation of an Original Certificate and the issue of a replacement Share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 52

Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new Share certificate or a Shareholder who thereafter registers as the owner of such Shares (in the case that he is a bona fide purchaser) shall not be removed from the register of Shareholders.

Article 42
Mandatory Provisions

Article 53

The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the Original Certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

Article 43
Mandatory Provisions

Chapter 8 Rights and Obligations of Shareholders

Article 54	<p>A Shareholder of the Company is a person who lawfully holds Shares of the Company and whose name is entered in the register of Shareholders.</p> <p>A Shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of Shares it holds. Shareholders holding the same class of Shares shall be entitled to the same rights and assume the same obligations. Shareholders holding Shares of different classes shall be entitled to the same rights during the dividend distribution or any other type of distribution.</p> <p>When the Shareholder of the Company is a legal person, its legal representative or proxy of legal representative shall exercise the rights on its behalf.</p> <p>The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attached to any Shares by reason only that a person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p>	<p>Article 44 Mandatory Provisions</p> <p>Sec. 9, Appendix 3 to the Listing Rules</p> <p>Article 12, Appendix 3 to the Listing Rules</p> <p>Article 30 Guide to AoA</p>
Article 55	<p>The ordinary Shareholders shall be entitled to the following rights:</p> <ol style="list-style-type: none"> (1) the right to dividends and other distributions in proportion to the number of Shares held; (2) the right to demand, convene, chair, attend or appoint a proxy to attend General Meetings and to exercise corresponding voting rights thereat pursuant to law; (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries; (4) the right to transfer, gift or pledge the Shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association; 	<p>Article 45 Mandatory Provisions</p> <p>Article 19A.50, Appendix 3 to the Listing Rules</p> <p>Article 32, 33 Guide to AoA</p>

- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 - (ii) the right to inspect and, subject to payment of a reasonable charge, copy
 - 1 the register of all Shareholders;
 - 2 personal particulars of each of the Company's Directors, Supervisors, president and other senior management members including:
 - (a) present name and alias and any former name and alias;
 - (b) principal address (residence);
 - (c) nationality;
 - (d) primary and all other part-time occupations;
 - (e) identification document and its number.
 - (iii) the state of the Company's share capital;
 - (iv) the latest audited financial statements and the reports of the Board, auditors and the Board of Supervisors;
 - (v) the special resolution of the General Meeting;
 - (vi) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;

- (vii) a copy of the latest annual report, which shall be submitted to the State Administration for Industry and Commerce of the PRC or other authorities for inspection;
- (viii) minutes of General Meetings, resolutions of Board Meetings and of the Board of Supervisors; and
- (ix) counterfoils of the bonds of the Company.

The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the listing rules, for the purpose of inspection by the public and holders of Overseas Listed Foreign Shares free of charge.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of Shares they hold. Upon verification of the Shareholder's identity, the Company shall provide such information at the Shareholder's request.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held;
- (7) to demand the Company, in the case of such Shareholders dissenting from the resolutions adopted by the General Meeting for the merger or division of the Company, to repurchase their Shares; and
- (8) other rights conferred by laws, administrative regulations and departmental rules and the Articles of Association.

Article 56 If a resolution passed at the Company's General Meeting or Board meeting violates the laws or regulations, the Shareholders shall have the right to submit a petition to the court to render the same as invalid.

Article 22
Company Law
Article 34
Guide to AoA

If the procedures for convening, or the method of voting at, a General Meeting or Board meeting violate the laws, regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, Shareholders shall be entitled to submit a petition to the court to rescind such resolutions within sixty (60) days from the date on which such resolution is adopted.

Article 57 Where the Company incurs losses as a result of Directors' and senior management members' violation of the laws, regulations or the Articles of Association in the course of performing their duties with the Company, Shareholders individually or jointly holding 1% or more of the Shares for more than 180 consecutive days shall be entitled to request in writing the Board of Supervisors to initiate proceedings in the court. Where the Company incurs losses as a result of the Board of Supervisors' violation of any provision of laws, regulations or the Articles of Association in the course of performing its duties with the Company, the Shareholders individually or jointly holding 1% or more of the Company's Shares for more than 180 consecutive days shall be entitled to make a request in writing to the Board to initiate proceedings in the court.

Article 151
Company Law
Article 35
Guide to AoA

In the event that the Board of Supervisors or the Board refuses to initiate proceedings after receiving the written request of Shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within thirty (30) days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, Shareholders described in the preceding paragraph shall have the right to initiate proceedings in the court directly in their own names in the interest of the Company.

Shareholders described in the first paragraph of this Article may also initiate proceedings in the court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company are infringed upon by any third parties.

- | | | |
|-------------------|--|--|
| Article 58 | Any Shareholder may initiate proceedings in the court in the event that a Director or a senior management member has violated the laws, regulations or the Articles of Association, thereby infringing the interests of Shareholders. | Article 152
Company Law

Article 36
Guide to AoA |
| Article 59 | The ordinary Shareholders of the Company shall assume the following obligations: | Article 46
Mandatory Provisions |
| | (1) to abide by the laws, administrative regulations and the Articles of Association; | Article 20
Company Law |
| | (2) to pay subscription monies according to the number of Shares subscribed and the method of subscription; | Article 37
Guide to AoA |
| | (3) to be responsible for the Company to the extent of the Shares they have subscribed for; | |
| | (4) not to divest the Shares unless required by the laws and regulations; | |
| | (5) not to abuse their Shareholders' rights to harm the interests of the Company or other Shareholders; and not to abuse the independent legal person status of the Company and the limited liability of Shareholders to harm the interests of any creditor of the Company; Shareholders of the Company who abuse their Shareholder's rights and thereby cause loss on the Company or other Shareholders shall be liable for indemnity according to the law. Where Shareholders abuse the Company's position as an independent legal person and the limited liability of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company. | |

- (6) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of the relevant Shares on subscription.

Article 60

Where a holder of A Shares holding 5% or more of the Shares carrying voting power of the Company pledges its Shares, such Shareholder shall report to the Company in writing on the same day of the occurrence of such event. Any pledge of H Shares is subject to relevant requirements prescribed by the Hong Kong Stock Exchange.

Article 38
Guide to AoA

Article 61

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which Shares are listed, a Controlling Shareholder (as defined in the following provision) shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the Shareholders:

Article 47
Mandatory Provisions

Article 21
Company Law

Article 39
Guide to AoA

- (1) to relieve a Director or Supervisor of his/her duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;

- (3) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person) of the individual rights of other Shareholders, including (without limitation) rights to distributions and voting rights save for a company restructuring submitted to the General Meeting for approval in accordance with the Articles of Association.

The Controlling Shareholder and the Actual Controller shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages.

The Controlling Shareholder and the Actual Controller owe fiduciary duty to the Company and to the public Shareholders of the Company. The Controlling Shareholder shall exercise its rights as an investor in strict compliance with law; the Controlling Shareholder shall not use profit distribution, asset restructuring, external investment, funds retention, provision of guarantee for borrowings and other schemes to act in detriment to the lawful rights and interests of the Company and the public Shareholders, nor shall it exploit its controlling position in a manner detrimental to the interests of the Company and the public Shareholders of the Company.

Article 62

The term “Controlling Shareholder” referred to in the preceding article means a person who satisfies any one of the following conditions:

- (1) he/she alone, or acting in concert with others, has the power to elect more than half of the Board members;
- (2) he/she alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) he/she alone, or acting in concert with others, holds 30% or more of the issued and outstanding Shares;

Article 48
Mandatory Provisions

Article 192
Guide to AoA

Article 83
Administrative
Measures for Takeover
of Listed Companies

- (4) he/she alone, or acting in concert with others, in any other manner controls the Company in fact.

For the purposes hereof, the term “Acting in Concert” means the act or fact whereby an investor, by agreement or other arrangement, acts together with other investors to jointly maximize the voting power of the Shares at their disposal.

The “Actual Controller” referred to in the preceding article means a person who, while not a Shareholder of the Company, has, through an investment relationship, agreement, or other arrangement, the ability to actually control the acts of the Company.

Chapter 9 General Meeting

Article 63 The General Meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law. Article 49
Mandatory Provisions

Article 64 The General Meeting may exercise the following functions and powers: Article 50
Mandatory Provisions

- (1) to decide on the operating policies and investment plans of the Company; Article 40
Guide to AoA
- (2) to elect and replace Directors (not being staff representatives) and to fix the remuneration of the relevant Directors;
- (3) to elect and replace Supervisors (not being staff representatives), and to fix the remuneration of the relevant Supervisors;
- (4) to consider and approve the reports of the Board;
- (5) to consider and approve the reports of the Board of Supervisors;
- (6) to consider and approve the annual financial budgets and final accounts of the Company;
- (7) to consider and approve the profit distribution plans and loss recovery plans of the Company;

- (8) to adopt resolutions on any increase or reduction of registered capital of the Company;
- (9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;
- (10) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company;
- (11) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to consider the ad hoc proposals submitted by Shareholders holding 3% or more of the voting Shares;
- (14) to consider and approve guarantee matters required by the Articles of Association to be considered and approved by the General Meeting;
- (15) to consider matters in relation to purchases or sales within one year of material assets in excess of 30% of the most recent audited total assets of the Company;
- (16) to consider and approve changes to the use of the proceeds raised;
- (17) to consider any share incentive scheme;
- (18) other matters required by laws, administrative regulations, departmental rules, listing rules of the stock exchange(s) on which the Shares are listed and the Articles of Association to be resolved by the General Meeting.

General Meeting may authorize or engage the Board to attend to matters authorized or engaged by the General Meeting under the condition that the laws, regulations and mandatory provisions of the listing rules of the places of listing of the Company will not be contravened.

- Article 65** The provision by the Company of the following external guarantees shall be considered and approved by the General Meeting:
- Article 41
Guide to AoA
- (1) any additional external guarantee to be provided subsequent to the aggregate amount of the external guarantees provided by the Company and its controlled subsidiaries having reached or exceeded 50% of its most recent audited net assets;
 - (2) any additional external guarantee to be provided subsequent to the aggregate amount of the external guarantees provided by the Company having reached or exceeded 30% of its most recent audited total assets ;
 - (3) any guarantee to any obligor whose asset-liability ratio is greater than 70%;
 - (4) any guarantee the individual guarantee amount of which exceeds 10% of the most recent audited net assets;
 - (5) guarantees to the Shareholders, the Actual Controller or their related parties;
 - (6) other external guarantees required by laws, regulations, normative documents and the listing rules of the stock exchange(s) on which the Shares are listed to be considered by the General Meeting.
- Article 66** Except where the Company is the subject of a crisis or in similar extraordinary circumstances, subject to the listing rules of the stock exchange(s) on which the Shares are listed, unless an approval by way of special resolution is obtained in a General Meeting, the Company shall not enter into any contract with any party other than the Directors, Supervisors, the president and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.
- Article 51
Mandatory Provisions

Article 81
Guide to AoA

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| Article 67 | <p>General Meetings shall be divided into Annual General Meetings and extraordinary General Meetings. The Annual General Meeting shall be held once every year within six months after the end of the previous accounting year.</p> <p>The Board shall convene an extraordinary General Meeting within two months upon the occurrence of one of the following circumstances:</p> <ol style="list-style-type: none"> (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association; (2) the uncovered losses reach one third of the Company's total share capital; (3) Shareholders individually or jointly holding 10% or more of the Company's issued Shares with voting rights request in writing to hold an extraordinary General Meeting; (4) the Board considers it necessary or the Board of Supervisors proposes to hold such a meeting; (5) such a meeting is proposed by an independent Director with the consent of one half or more of all independent Directors; (6) other circumstances as provided by laws, administrative regulations, departmental rules, other normative documents or the Articles of Association. | <p>Article 52
Mandatory Provisions</p> <p>Article 42
Guide to AoA</p> <p>Article 100
Company Law</p> |
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Article 68 The location of the General Meetings shall be the domicile of the Company or other places specified in the notice of the General Meetings. Article 44, 80
Guide to AoA

A General Meeting will have a meeting venue and will take place in the form of an on-site meeting. Provided that the legality and validity of the General Meeting are ensured, the Company shall utilize various means and schemes to facilitate Shareholders' attendance of the General Meeting by providing for, on a priority basis, online voting platforms and similar modern information technologies, or other means. A Shareholder shall be deemed to have attended the meeting if he participates in the meeting by means of such method. The online voting platform shall not apply to holders of H Shares.

Where a General Meeting is to take the form of an online meeting or other means, the notice of such General Meeting shall expressly provide for the voting time and the voting procedures for such online platform or other means of meeting.

Article 69 When convening a General Meeting, the Company shall engage a lawyer to issue legal opinions on the following issues and shall publish an announcement on the same: Article 45
Guide to AoA

- (1) whether the procedures of calling and convening the meeting are consistent with laws, administrative regulations and the Articles of Association;
- (2) whether the qualifications of the meeting attendees and the meeting convener are lawful and valid;
- (3) whether the voting procedures and the voting results of the meeting are lawful and valid;
- (4) legal opinions issued at the request of the Company in respect of other relevant issues.

- Article 70** A forty-five (45) days' prior written notice for convening the General Meeting shall be given to notify Shareholders whose names appear in the register of Shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty (20) days prior to the date of the meeting.
- When calculating the time limit, the date of meeting and the issuance date shall not be included.
- For the purpose of the notice to be issued to the holders of H Shares under this article, the issuance date thereof shall be the date on which the notice has been delivered to the postal office for posting by Company or the share registrar appointed by the Company.
- Article 71** The content of a proposal shall fall within the scope of the duties and functions of the General Meeting, shall be clear in terms of the subject and specific in terms of the matter for deliberation, and shall comply with relevant requirements of laws, administrative regulations and the Articles of Association.
- Article 72** In the event the Company convenes a General Meeting, the Board, the Board of Supervisors, and the Shareholders individually or jointly holding 3% or more of the Company's Shares are entitled to propose ad hoc motions in writing to the Company.
- Shareholders individually or jointly holding 3% or more of the Shares may introduce ad hoc motions and submit the same in writing to the convener ten days prior to the holding of the General Meeting. The convener shall incorporate any matters under such motions which fall within the scope of the duties and functions of the General Meeting into the agenda of the meeting, issue a supplementary notice of the General Meeting and publish an announcement setting out the content of such ad hoc motions within two days from receipt thereof.
- Except as provided under the preceding paragraph, the convener shall neither modify the proposals in the notice of the General Meeting nor add new proposals after the issue of the meeting notice and publication of the announcement.

Article 53
Mandatory Provisions

Article 52
Guide to AoA

Article 54
Mandatory Provisions

Article 102
Company Law

Article 53
Guide to AoA

Proposals not listed on the notice of the General Meeting or inconsistent with the first paragraph of this Article shall not be voted or resolved upon by the General Meeting.

- Article 73** The Company shall, based on the written replies received twenty (20) days before the date of the General Meeting from the Shareholders, calculate the number of voting Shares represented by Shareholders who intend to attend the meeting. If the number of voting Shares represented by the Shareholders who intend to attend the meeting reaches not less than one half of the Company's total voting Shares, the Company may hold the meeting. If not, the Company shall within five (5) days notify the Shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after such publication of such notice.
- Article 55
Mandatory Provisions

Annual and extraordinary General Meetings shall not resolve matters not stated in the notice.

- Article 74** A notice of General Meeting shall meet the following requirements:
- Article 56
Mandatory Provisions
- (1) it shall be in written form;
 - (2) it shall specify the place, date and time of the meeting;
 - (3) it shall state the matters to be discussed at the meeting;
 - (4) it shall state the date of registration of equity entitlements for Shareholders having the right to attend the General Meeting;
- Article 55
Guide to AoA

- (5) it shall provide Shareholders with such materials and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its Shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the same must be properly explained;
- (6) if any Director, Supervisor, president and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, Supervisor, president and other senior management members in their capacity as Shareholders is different from that of other Shareholders of the same class, the differences shall also be specified;
- (7) it shall set out the full text of any special resolutions proposed for approval at the meeting;
- (8) it shall contain a clear statement that the Shareholders holding ordinary Shares shall each have the right to attend the General Meeting and the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and that such proxies need not be Shareholders;
- (9) it shall state the date and place for the service of the proxy forms for the meeting; and
- (10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting.

Notices and supplementary notices of General Meetings shall fully and completely disclose the specific content of each proposal. To the extent the opinions of the independent Directors are required for a matter proposed for deliberation, such opinions and grounds thereof shall be disclosed concurrently with the issuance of the notice or supplementary notice of the General Meeting.

Article 75

Where the General Meeting proposes to discuss the election of Directors and Supervisors, the notice of such meeting shall fully disclose the detailed information of the Director or Supervisor candidates, including at least the following:

Article 56
Guide to AoA

- (1) education background, work experience, concurrent position(s) and other personal information;
- (2) whether such candidate is related with the Company, its Controlling Shareholder or its Actual Controller;
- (3) disclosure on the number of the Shares held by such candidate in the Company;
- (4) whether such candidate has been subject to sanction by the CSRC and other relevant authorities or to disciplinary action by stock exchanges;
- (5) other information prescribed by the listing rules of the stock exchange(s) on which the Shares are listed.

For the purpose of electing the Directors and Supervisors, each Director and Supervisor candidate shall be proposed by a separate proposal.

Article 76

A notice of the General Meeting shall be dispatched to Shareholders (regardless of their voting rights at the General Meeting) by hand or by prepaid registered mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of A Shares, a notice of the General Meeting may be made by way of announcement.

Article 57
Mandatory Provisions

The announcement referred in the preceding paragraph shall be published within a period of 45 to 50 days prior to the date of the General Meeting in one or more newspapers and journals designated by securities governing authorities of the State Council. Once an announcement is made, all holders of the A Shares are deemed to have received the relevant notice of the General Meeting.

- Article 77** After the issue of the notice of General Meeting, such meeting shall not be postponed or cancelled without any proper reason nor shall any proposal listed in the notice be removed. In case of any postponement or cancellation, the convener of the meeting shall publish a notice at least two working days before the original date of the General Meeting and state the relevant reasons therein.
- Article 57
Guide to AoA
- Article 78** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.
- Article 58
Mandatory Provisions
Article 169
Guide to AoA
- Article 79** The Board and other conveners shall take necessary measures to ensure the normal order of the General Meeting and shall take actions to stop and report to the relevant departments for investigation and prosecution in a timely manner any acts which disturb the General Meeting, cause troubles or infringe Shareholders' legitimate rights and interests.
- Article 58
Guide to AoA
- Article 80** The holders of ordinary Shares whose names appear on the register of members of the Company on the record date (or their proxies, as applicable) shall all be entitled to attend the General Meeting and to exercise their voting rights in accordance with relevant laws and regulations and the Articles of Association. A Shareholder may attend the General Meeting in person or may appoint a proxy to attend and vote at the meeting on his behalf.
- Article 59
Mandatory Provisions
Article 59
Guide to AoA

Any Shareholders entitled to attend and vote at a General Meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the Shareholders shall exercise the following rights:

- (1) have the same right as the Shareholder to speak at the meeting;
- (2) have authority to demand or, jointly with others, in demanding a poll; and
- (3) have the right to vote by hands or on a poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. Where more than one proxy is appointed, the proxies may only exercise the voting right on a poll.

Where such Shareholder is a Recognized Clearing House (or its nominee), such Shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any General Meetings or any other class Shareholders' General Meetings; where not less than one person is authorized, the letter of authorization shall specify the number and class of Shares involving each person so authorized. The authorization documents should be signed by the authorized officer of the Recognized Clearing House. Such persons so authorized shall be entitled to attend the General meeting (which are not required to provide ownership documents, the notarized power of attorney and/or further evidence of his duly authorization) exercise their rights on behalf of the Recognized Clearing House (or its nominee) as if they were individual Shareholders.

Article 81

The instrument appointing a proxy shall be in writing and executed by the appointing Shareholder or his/her attorney duly authorized in writing; where the appointing Shareholder is a legal person, such instrument shall be under its seal or executed by any of its legal representative or attorney duly authorized. The instrument appointing a proxy shall state:

Article 60
Mandatory Provisions

Article 61
Guide to AoA

- (1) the name of the proxy;

- (2) the number of shares represented;
- (3) whether such proxy has voting rights;
- (4) instruction for voting for or against or abstaining on each proposal included in the agenda of the General Meeting for deliberation;
- (5) issuance date and term of the instrument;
- (6) signature (or seal) of the appointer.

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| Article 82 | Proxy forms shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the holding of the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting; where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting. | Article 61
Mandatory Provisions

Article 63
Guide to AoA |
| Article 83 | Any form issued to a Shareholder by the Board for use by it for appointing a proxy shall allow the Shareholder to freely instruct the proxy to cast an affirmative or negative vote, and give respective instruction to the proxies on the voting of each meeting item to be resolved. Such letter of authorization shall contain a statement that in the absence of instructions by the Shareholder, its proxy may vote as it thinks fit. | Article 62
Mandatory Provisions

Article 62
Guide to AoA |
| Article 84 | Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant Shares have been transferred prior to the voting, a vote given by the proxy in accordance with the letter of authorization shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting. | Article 63
Mandatory Provisions |

- Article 85** An individual Shareholder attending the meeting in person shall present his identity card (or other valid document or certificate capable of showing his identity) and his stock account card. If a proxy is appointed to attend the meeting on his behalf, the proxy shall present his valid proof of identity and the proxy form of the appointing Shareholder.
- Article 60
Guide to AoA
- In the case of a legal person Shareholder, its legal representative or a person authorised by its legal representative or authorised by a resolution of its board of directors or other decision-making organ shall attend the meeting. If the legal representative attends the meeting, he shall present his identity card as well as a valid certificate capable of showing his such legal representative capacity; if a proxy is appointed to attend the meeting, the proxy shall present his identity card and the written power of attorney lawfully issued by the appointing legal person Shareholder.
- Article 86** The Company shall be responsible to prepare an attendance register for the meeting attendees. Such attendance register shall set out, among others, the names (or entity names), identity card numbers and residential addresses of the meeting attendees, the number of the Shares with voting rights they hold or represent and the names (or entity names) of their appointers.
- Article 64
Guide to AoA
- Article 87** The convener and the lawyer engaged by the Company shall jointly verify the legality of the qualifications of the Shareholders based on the register of members furnished by the securities registration and clearing institution and other valid documents and shall record the names (or entity names) of the Shareholders and the number of the Shares with voting rights they hold. Prior to the announcement by the chairman of the meeting of the total number of the voting Shares held by the attending Shareholders and proxies, the meeting registration shall be concluded.
- Article 65
Guide to AoA
- Article 88** When it is convened, a General Meeting shall be attended by all Directors of the Company, all Supervisors of the Company and the Secretary of the Board, and shall be observed by the president and other senior management members.
- Article 66
Guide to AoA

- Article 89** The Company shall formulate the procedural rules of the General Meeting detailing the convening and voting procedures of the General Meeting, including, among other, the particulars on meeting notice, registration, motion deliberation, vote casting, vote counting, poll result announcement, adoption of meeting resolutions, minutes and their signing and public announcement, as well as the principles governing the authorization by the General Meeting to the Board (the scope of such authorization shall be explicit and specific). The procedural rules of the General Meeting (to be attached as an exhibit to the Articles of Association) shall be prepared by the Board of Directors for approval by the General Meeting.
- Article 68
Guide to AoA
- Article 90** At the Annual General Meeting, the Board and the Board of Supervisors shall each report their work of the preceding year to the General Meeting. Each independent Director shall also report his or her work.
- Article 69
Guide to AoA
- Article 91** At the General Meeting, the Directors, Supervisors and senior management members shall provide explanations and clarifications in response to the enquiries and recommendations of the Shareholders.
- Article 70
Guide to AoA
- Article 92** The chairman of the General Meeting shall announce before the casting of votes the number of the attending Shareholders and proxies and the total number of the Shares with voting power they hold; both figures shall be as recorded in the meeting register.
- Article 71
Guide to AoA
- Article 93** The convener shall ensure that the General Meeting shall be held smoothly without being interrupted until final resolutions are adopted. If, due to force majeure or any other extraordinary reasons, the General Meeting is adjourned or is prevented from making resolutions, the convener shall take necessary measures to resume the General Meeting as soon as practicable or directly terminate the General Meeting, and shall issue announcements without delay. Concurrently, the convener shall report to the local CSRC of the Company and the stock exchange(s).
- Article 74
Guide to AoA

- Article 94** Resolutions of General Meetings are divided into ordinary resolutions and special resolutions.
- Article 64
Mandatory Provisions
- An ordinary resolution of a General Meeting shall be approved by not less than half of the voting rights represented by the Shareholders (including proxies) present at the meeting.
- Article 75
Guide to AoA
- A special resolution of a General Meeting shall be approved by not less than two-thirds of the voting rights represented by the Shareholders (including proxies) present at the meeting.
- Article 95** Shareholders (including proxies) shall exercise their voting rights at a General Meeting according to the number of voting Shares they represent, with one vote for each Share.
- Article 65
Mandatory Provisions
- Sec. 14, Appendix 3 to the Listing Rules
- Shares in the Company which are 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 General Meeting.
- Article 78, 79
Guide to AoA
- Where the General Meeting considers a material matter bearing on the interest of small and medium investors, the votes cast by small and medium investors shall be counted separately. The result of such separate vote counting shall be publicly disclosed in a timely manner.
- The Board, independent Directors and Shareholders satisfying relevant stipulated conditions may conduct public proxy solicitation. Where such proxy solicitation is conducted, particulars on the voting intention and similar information shall be fully disclosed to the solicited persons. Proxy solicitation on a fee basis or on a disguised fee basis shall be prohibited. The Company shall impose no minimum shareholding restriction for proxy solicitation. The soliciting person shall conduct public proxy solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the Shares are listed.

When connected transactions are being considered at a General Meeting, the connected Shareholders shall abstain from voting, and the number of voting Shares held by them shall not be counted in the total number of valid votes; the announcement pertaining to the resolutions of the General Meeting shall fully disclose the voting particulars of non-connected Shareholders.

Pursuant to applicable laws and regulations as well as the listing rules of the stock exchange on which the Shares are listed, where any Shareholder 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 or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

- Article 96** Any vote of the Shareholders at a General Meeting shall be cast by open ballot. Article 86
Guide to AoA
- Article 97** A poll demanded on such matters as the election of chairman of the meeting or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting. Article 67
Mandatory Provisions
- Article 98** The Shareholders present at the General Meeting shall express their opinions on the resolutions put to vote by one of the following: for, against or abstain. The securities registration and clearing institution, being the nominee of the Shares under the “stock connect” scheme between the mainland China and Hong Kong stock markets shall be excused from this requirement so long as its declarations are made consistent with the intention of the actual holders. Article 89
Guide to AoA
- Any ballot paper containing uncompleted parts, false information or illegible writing and any uncast paper shall result in the relevant voter being deemed to have abstained and the voting result for the Shares held by him shall be recorded as “abstention”.

- Article 99** On a poll taken at a meeting, a Shareholder (including proxy) entitled to two or more votes need not exercise all his/her voting rights with affirmative votes or negative votes. Article 68
Mandatory Provisions
- Article 100** The name list of the Director and Supervisor candidates shall be submitted to the General Meeting for vote in the form of a proposal. Article 105
Company Law
Article 82
Guide to AoA
- When voting on the election of Directors and Supervisors, the General Meeting may apply the cumulative voting method in accordance with the Articles of Associations or the resolution of the General Meeting. If the Controlling Shareholder holds 30% or more of the Shares, and if the General Meeting is to vote on the election of two or more Directors or non-employee representative Supervisors, then the cumulative voting method shall necessarily apply.
- For the purpose of the preceding paragraph, the term “cumulative voting method” shall refer to the scheme whereby in the election by the General Meeting of the Directors and Supervisors, each Share shall be granted the same number of votes as the number of Directors or Supervisors to be elected and each Shareholder may cast the votes held by him in a concentrated manner. The Board shall inform the Shareholders of the biographies and basic information of the Director and Supervisor candidates through the public announcement.
- Article 101** Where the General Meeting has adopted resolutions on the election of Directors and Supervisors, the date of approval of such resolutions at the General Meeting shall be the date on which such newly elected Directors and Supervisors shall take office. Article 93
Guide to AoA
- Article 102** The General Meeting shall vote on all the proposals one by one. If different proposals are put forward for the same matter, such proposals shall be voted on in the order according to the time they are being put forward. Unless the General Meeting is adjourned or is prevented from making resolutions due to force majeure or other extraordinary reasons, the General Meeting shall not delay in voting on, or fail to vote on any proposal. Article 83
Guide to AoA

- Article 103** Proposals shall not be modified when being reviewed by the General Meeting. Otherwise, any modification shall be deemed to be a new proposal and shall not be put to vote at such General Meeting. Article 84
Guide to AoA
- Article 104** One single vote may be cast only once by using one single method of voting, being on-site voting, or online voting, or another method of voting. If one single vote has been cast multiple times, the vote of the first time shall govern. Article 85
Guide to AoA
- Article 105** The conclusion time of the on-site General Meeting shall not occur earlier than its counterpart in the online form or in another form; and the chairman of the meeting shall announce the particulars and result of the votes cast on each proposal and declare, on the basis of such voting results, if the relevant proposal(s) have been passed. Article 88
Guide to AoA
- Until the formal announcement of the voting results, the Company, vote counters, scrutineers, substantial Shareholders, internet service providers and other related parties involved in the on-site, online and other voting methods are obligated to maintain in confidence the particulars of the vote.
- Article 106** The following matters shall be resolved by ordinary resolutions at General Meetings: Article 70
Mandatory Provisions
- (1) work reports of the Board and the Board of Supervisors; Article 76
Guide to AoA
 - (2) plans formulated by the Board for distribution of profits and for making up losses;
 - (3) the election and removal of members of the Board and the Shareholder representative Supervisors and their remuneration and payment methods;
 - (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;

- (5) the Company's annual reports; and
- (6) other matters required by the laws, administrative regulations, the listing rules of the stock exchange on which the Shares are listed or by the Articles of Association to be adopted by special resolutions.

Article 107 The following matters shall be resolved by special resolutions at General Meetings: Article 71
Mandatory Provisions

- (1) increase or reduction of the share capital, repurchase of the Company's Shares and issue of Shares of any class, stock warrants or other similar securities; Article 77
Guide to AoA
- (2) issuance of corporate bonds;
- (3) the division, merger, dissolution, liquidation or change of corporate forms of the Company;
- (4) amendments to the Articles of Association;
- (5) matters in relation to purchases or sales within one year of material assets or guarantee amounts in excess of 30% of the most recent audited total assets of the Company;
- (6) share incentive schemes; and
- (7) any other matters required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange(s) where the Shares of the Company are listed or the Articles of Association, or those approved at a General Meeting, by way of an ordinary resolution, to have a substantial impact on the Company and subject to approval by a special resolution.

- Article 108** When an extraordinary General Meeting or a Class Shareholders' General Meeting is requested to be convened by no less than one half of the independent Directors, by the Board of Supervisors, or by Shareholders individually or jointly holding 10% or more of the Shares, the following procedures shall be applied:
- Article 73
Mandatory Provisions
- Article 46, 47, 48,
49, 50 and 51
Guide to AoA
- Article 101
Company Law
- (1) There shall be one (1) or more written requests of the same form stating the object of the meeting and demanding that the Board convene an extraordinary General Meeting or a Class Shareholders' General Meeting and signed by the requisitioner. The Board shall, within ten (10) days from the receipt of such written requests, provide, in accordance with laws, administrative regulations and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary General Meeting or Class Shareholders' General Meeting.
 - (2) If the Board approves the convening of an extraordinary General Meeting or a Class Shareholders' General Meeting, it shall issue a notice thereof within five (5) days of the adoption of the Board resolution. Any change to the original proposal in the notice shall be subject to the consent of its initiator.
 - (3) If the Board disapproves the proposal of convening an extraordinary General Meeting or a Class Shareholders' General Meeting, and if such proposal was made by the independent Directors, it shall specify the reasons and make a public announcement of the same.
 - (4) If the Board disapproves the proposal of convening an extraordinary General Meeting or a Class Shareholders' General Meeting or fails to provide feedbacks within 10 days from receipt thereof, and if such proposal was made by the Board of Supervisors, then the Board shall be deemed to be unable to or fail to fulfill its duty of convening the General Meeting, in which case the Board of Supervisors may convene and chair such meeting itself, and the procedures for the convening of such meeting should follow those provided for the convening by the Board of General Meetings as closely as practicable.

- (5) If the Board disapproves the proposal of convening an extraordinary General Meeting or a class Shareholders' General Meeting or fails to provide feedbacks within 10 days from receipt thereof, and if such proposal was made by Shareholders, then such Shareholders shall be entitled to propose to the Board of Supervisors in writing for the purpose of convening an extraordinary General Meeting or a Class Shareholders' General Meeting. If the Board of Supervisors approve the convening of an extraordinary General Meeting or a Class Shareholders' General Meeting, it shall issue a notice thereof within five (5) days of receipt of said request, provided that any changes made in such notice to the original proposal shall be subject to prior consent from its initiator. If no notice is issued by the Board of Supervisors of such extraordinary General Meeting or Class Shareholders' General Meeting within the stipulated period, the Board of Supervisors shall be deemed to have failed to convene and chair the extraordinary General Meeting or Class Shareholders' General Meeting, in which case the Shareholder(s) individually or jointly holding 10% or more of the Company's Shares for more than consecutive ninety (90) days may convene and chair such meeting on their own, and the procedures for convening such meeting should follow those provided for convening a General Meeting by the Board as closely as practicable. The convening Shareholders shall hold no less than 10% of Shares until the announcement of the meeting resolutions and shall supply relevant supporting materials to the local CSRC of the Company and the stock exchange(s) both at the time of their issue of the notice of the extraordinary General Meeting or Class Shareholders' General Meeting and at the time of their announcement of the meeting resolutions.

In the event that Shareholders or the Board of Supervisors convenes a meeting by themselves pursuant to the foregoing paragraph, they shall notify the Board in writing and lodge a filing with the local CSRC of the Company and the stock exchange(s). The Board and the Secretary to the Board shall cooperate with regard to such meeting and the Board shall provide the register of members as of the record day. All reasonable expenses incurred in respect of the meeting shall be borne by the Company, by deducting from such sums owed by the Company to the Director who is in breach of his duty.

Article 109

A General Meeting shall be convened by the Board and shall be presided over by the Chairman; where the Chairman is unable or fails to perform his/her duties, the Vice Chairman shall preside over the meeting; where the Vice Chairman is unable or fails to perform his/her duties, one Director elected by no less than one half of Directors shall chair the meeting; where no such chairing Director has been so elected by no less than one half of Directors, one person shall be elected by the Shareholders present to act as the chairman of the meeting; if for whatever reason the Shareholders fail to elect such person, the Shareholder (including his/her proxy) present and holding the largest number of the Shares carrying voting rights shall act as the chairman of the meeting.

Article 73
Mandatory Provisions

Article 102
Company Law

Article 67
Guide to AoA

A General Meeting convened by the Board of Supervisors on its own shall be presided over by the Chairman of the Board of Supervisors. Where the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, a Supervisor elected by no less than one half of the Supervisors shall chair the meeting.

A General Meeting convened and chaired by the Shareholders themselves shall be presided over by a representative nominated by the convener.

If, during the process of a General Meeting, a breach by the chairman of the meeting procedural rules results in the General Meeting's failure to proceed, then subject to the consent of the Shareholder(s) representing more than one half of the voting rights of the attending Shareholders, the General Meeting may elect one person to act as the chairman to continue the meeting.

- Article 110** Before the General Meeting votes on a proposal, two Shareholders shall be elected as representatives to join in the vote calculation and supervision. Where any matter to be reviewed is associated with any Shareholder, such Shareholder and its proxy shall not join in the vote calculation and supervision.
- Article 87
Guide to AoA
- When the General Meeting of Shareholders votes on a proposal, the lawyers, Shareholders' representatives and Supervisors' representatives shall jointly take charge of vote calculation and supervision and announce the voting results on site. The voting results of the resolutions shall be recorded in the minutes of the meeting.
- Shareholders or their proxies who vote online or by means of another method shall have the right to inspect and verify their own voting results through the relevant voting system.
- Article 111** The chairman of the meeting shall determine whether or not a resolution of the General Meeting shall be adopted. His/her decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes.
- Article 74
Mandatory Provisions
- Article 112** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward for voting, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any Shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.
- Article 75
Mandatory Provisions
- Article 90
Guide to AoA
- Article 113** The General Meeting shall cause the minutes to be made of the resolutions on the matters deliberated at the meeting. The Secretary to the Board shall be responsible for the meeting minutes and shall record the following contents:
- Article 76
Mandatory Provisions
- Article 72, 73
Guide to AoA
- (1) time, venue and agenda of the meeting and the name(s) of its convener(s);

- (2) names of the chairman and of the Directors, Supervisors, president and other senior management members attending or observing the meeting;
- (3) number of the Shareholders and proxies present at the meeting, total number of Shares carrying voting rights held by such Shareholders and proxies, and percentage of such Shares relative to the total number of Shares of the Company;
- (4) proceeding of deliberations, key points of remarks and voting results pertaining to each proposal;
- (5) inquiry opinions or recommendations of Shareholders and corresponding replies or explanations;
- (6) names of lawyer(s), vote counters and scrutineers;
- (7) other matters required to be included in the meeting minutes by the Articles of Association.

In the event that the votes are counted at the General Meeting, the counting results shall be recorded in the minutes of the meeting.

The convener shall ensure the truthfulness, accuracy and completeness of the content of the minutes of the meeting. The minutes of the meeting shall be signed by the attending Directors and Supervisors, the Secretary to the Board, the convener or his/her representative and the chairman of the meeting, and shall be kept at the domicile of the Company for a minimum of ten (10) years, together with the attendance book signed by the attending Shareholders, the proxy forms for proxies attending the meeting and valid materials pertaining to the vote particulars of online voting and other methods of voting.

Article 114

Copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any Shareholder without charge. If a Shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him/her within 7 days after receipt of reasonable charges.

Article 77
Mandatory Provisions

- Article 115** The resolutions of the General Meetings shall be announced promptly. Such announcement shall set out the number of the Shareholders and proxies present at the meeting, total number of Shares carrying voting rights held by such Shareholders and proxies, percentage of such Shares relative to the total number of Shares carrying voting rights of the Company, the method(s) of voting, the voting result of each proposal, and the full particulars of the adopted resolutions. Article 91
Guide to AoA
- Article 116** To the extent any resolution has failed to be adopted or any changes have been made by the latest General Meeting to the resolutions of the previous General Meeting, special notes shall be provided for in the announcement on the resolutions of such General Meeting. Article 92
Guide to AoA
- Article 117** Where the General Meeting has adopted a resolution on cash dividend, bonus issue or capitalization of the capital reserve funds, the Company will implement the specific scheme within two (2) months from the conclusion of the General Meeting. Article 94
Guide to AoA
- Chapter 10 Special Procedures for Voting by Class Shareholders**
- Article 118** Shareholders holding different classes of Shares shall be Class Shareholders. Article 78
Mandatory Provisions
- Class Shareholders shall be entitled to the rights and assume obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association. Sec. 10, Appendix 3 to the Listing Rule
- Where the capital of the Company includes Shares which do not carry voting rights, the words “non-voting rights” shall appear in the designation of such Shares.
- Where the capital of the Company includes Shares with different voting rights, the designation of each class of Shares, other than those with the most favourable voting rights, shall include the words “restricted voting” or “limited voting”.

- Article 119** Any variation or abrogation of the rights of any class of Shareholders proposed by the Company may only be carried out after the adoption of a special resolution at a General Meeting and approval by the affected Shareholders of that class at a separate General Meeting of Shareholders held in accordance with Articles 121 to 125 of these Articles of Association. Article 79
Mandatory Provisions
- Article 120** The following circumstances shall be deemed to be a variation or abrogation of the rights of Shareholders of a certain class: Article 80
Mandatory Provisions
- (1) to increase or decrease the number of Shares of a particular class, or increase or decrease the number of Shares of other class(s) having rights on voting, distribution or other privileges equal or superior to those of the Shares of such class;
 - (2) to effect an exchange of all or part of Shares of such class into Shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the Shares of other classes into shares of such class;
 - (3) to remove or reduce rights to receive accrued dividends or cumulative dividends attached to Shares of such class;
 - (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to Shares of such class;
 - (5) to add, remove or reduce the rights to conversion, options, voting, transfer, pre-emptive rights to placement and acquire securities of the Company attached to Shares of such class;
 - (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to Shares of such class;
 - (7) to create a new class of Shares having rights on voting, distribution or other privileges equal or superior to those of the Shares of such class;

- (8) to restrict the transfer or ownership of the Shares of such class or increase such restrictions;
- (9) to issue subscription rights or Share conversion rights for Shares of such class or other classes;
- (10) to increase the rights and privileges of Shares of other classes;
- (11) to restructure the Company where the proposed restructuring scheme will result in different classes of Shareholders bearing a disproportionate burden of obligations of such restructuring;
- (12) to vary or abrogate the terms provided in this chapter.

Article 121

Shareholders of the affected class, whether or not having the right to vote at the General Meeting, shall nevertheless have the right to vote at Class Shareholders' Meetings on matters referred to in clause (2) to (8) and (11) to (12) of Article 120 of the Articles of Association, but interested Shareholders shall not be entitled to vote at Class Shareholders' Meetings.

Article 81
Mandatory Provisions

The interested Shareholders mentioned in the preceding paragraph shall have the following meanings:

- (1) in the case of a repurchase of its own Shares by the Company by making offers to all Shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 28 of the Articles of Association, "interested Shareholder" shall refer to the Controlling Shareholders as defined in Article 62 of the Articles of Association;
- (2) in the case of a repurchase of its own Shares by the Company through an off-market agreement in accordance with the provisions of Article 28 of the Articles of Association, "interested Shareholders" shall refer to the Shareholders to which the proposed agreement relates;

- (3) in the case of a restructuring of the Company, “interested Shareholder” shall refer to a Shareholder within a class who bears liabilities less than the proportion burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.

Article 122 A resolution of the Class Shareholders’ General Meeting shall be passed in accordance with Article 121 of the Articles of Association by Shareholders representing not less than two-thirds of voting rights present in the meeting.

Article 82
Mandatory Provisions

Article 123 Written notice of a Class Shareholders’ General Meeting convened by the Company shall be dispatched forty-five (45) days prior to the date of the Class Shareholders’ General Meeting to all Shareholders of such class whose names appear on the register of members, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting.

Article 83
Mandatory Provisions

Sec. 6(2), Appendix 3
to the Listing Rules

If the number of voting Shares at such meeting held by Shareholders who intend to attend such meeting reaches not less than one-half of the total number of voting Shares at such meeting, the Company may hold such Class Shareholders’ General Meeting; if this cannot be attained, the Company shall further notify the Shareholders by way of announcement within five days thereof specifying the matters to be considered and the date and place of the meeting. After such announcement has been given, the Company may then hold the Class Shareholders’ General Meeting.

Article 124 Notices of the Class Shareholders’ General Meeting only need to be served on Shareholders entitled to vote thereat.

Article 84
Mandatory Provisions

The procedures for holding the Class Shareholders’ General Meeting shall be similar to those for holding the General Meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a General Meeting shall apply to the Class Shareholders’ General Meeting.

Article 125 Save for Shareholders of Shares of other classes, the holders of Domestic Shares and holders of Overseas Listed Foreign Shares are deemed to be different classes of Shareholders.

Article 85
Mandatory Provisions

Sec. 1(f), Appendix
13D to the Listing
Rules

The special procedures for voting by class Shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon approval by a special resolution at a General Meeting, Domestic Shares and Overseas Listed Foreign Shares once every twelve (12) months, either separately or concurrently, and the respective numbers of Domestic Shares and Overseas Listed Foreign Shares proposed to be issued do not exceed 20% of the respective numbers of the issued Domestic Shares and Overseas Listed Foreign Shares; or
- (2) where the Company's plan to issue Domestic Shares and Overseas Listed Foreign Shares at the time of incorporation is carried out within 15 months from the date of approval by the securities regulatory authorities of the State Council.

Chapter 11 Board

Section 1 Directors

Article 126 The Company shall establish a Board. The Board consists of 12 (twelve) Directors, among which there shall be 1 (one) Chairman, 1 (one) Vice Chairman and 4 (four) independent Directors.

Article 86
Mandatory Provisions

Article 106
Guide to AoA

Article 127 Directors shall be elected at the General Meeting. The term of office of the Directors shall be three (3) years. Upon expiration of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment. Prior to the expiration of their terms of office, Directors may not be dismissed from office without cause by the General Meeting.

Article 87
Mandatory Provisions

Article 96
Guide to AoA

The term of office of a Director begins from the day he/she takes office and ends when the term of office of the current Board expires. If the term of office of a Director has expired but a re-election has not been held in time, then the incumbent Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and takes office.

The president or other senior management members may concurrently serve as Directors, provided that the number of such Directors who concurrently act as president or other senior management members, combined with the number of Directors who concurrently act as employee representatives, shall not exceed one half of the total number of Directors of the Company.

The Chairman and Vice Chairman shall be elected and removed by resolution approved by more than one-half of all Directors. The term of office of the Chairman shall be three (3) years, renewable upon re-election. The term of office of Vice Chairman shall be three (3) years, renewable upon re-election.

The Directors shall not be required to hold Shares of the Company.

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| Article 128 | The intention to nominate a candidate as a Director and the written notice of such candidate regarding his/her willingness to accept the nomination shall be given to the Company on or no earlier than the day after the despatch of notice of the relevant General Meeting but not later than seven(7) days prior to the date selected for holding such General Meeting. | Article 4
Letter of Opinions
on Supplementary
Amendment

Article 4(4), (5),
Appendix 3 to the
Listing Rules |
| Article 129 | Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The Board will disclose relevant information in accordance the requirements of the stock exchanges on which the Company's Shares are listed. | Article 45
Company Law

Article 100
Guide to AoA |

If the number of Directors falls below the statutory limit when a Director resigns, then the incumbent Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and takes office. The notice of resignation of the resigning Director will only become effective until such new Director is appointed to fill the vacancy. The remaining members of the Board should convene an extraordinary General Meeting to elect a new Director to fill the vacancy as soon as possible.

Save for the circumstances referred to in the preceding paragraph, the resignation of a Director becomes effective upon submission of his/her resignation report to the Board.

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| Article 130 | When his/her resignation becomes effective or his/her term of office expires, a Director shall complete his hand-over procedures with the Board. The duty of loyalty of a Director to the Company and the Shareholders is not necessarily released upon the cessation of his/her term of office, and shall remain valid within a reasonable period as provided in the Articles of Association. | Article 101
Guide to AoA |
| Article 131 | In the absence of express stipulations herein or lawful authorization of the Board, no Director shall act on behalf of the Company or the Board in his/her personal capacity. When acting in his/her personal capacity, a Director shall state in advance his/her standing and capacity if a third party is likely to reasonably believe that he/she is acting on behalf of the Company or the Board. | Article 102
Guide to AoA |
| Article 132 | Any Director who violates any laws, regulations or the Articles of Association during the course of performing his/her duties and causes losses to the Company shall be liable for compensation to any loss caused to the Company. | Article 149
Company Law

Article 103
Guide to AoA |

- Article 133** Any Director who has withdrawn from his/her office without authorization prior to the expiration of his/her term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss.
- The General Meeting may, dismiss by way of an ordinary resolution any Director whose term of office has not yet expired, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract.
- Any Director who has been absent from two consecutive Board meetings and failed to designate other Directors as proxies shall be regarded as having failed to fulfill his/her duty. The Board shall propose to the General Meeting to dismiss and replace such Director.
- Article 134** The Company shall establish an independent director system. Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders a connection which may possibly hamper their independent and objective judgments.
- An independent Director shall serve a term of office of three years and is eligible for reelection but shall not serve for more than six (6) years in aggregate, except required by relevant laws, regulations and the listing rules of the stock exchange with which the Company is listed.
- The qualifications, nomination, resignation and other matters related to an independent Director are subject to relevant requirements prescribed by laws, administrative regulations, and departmental rules.
- Article 4
Letter of Opinions
on Supplementary
Amendment
- Article 4(3), Appendix
3 to the Listing Rules
- Article 99
Guide to AoA
- Article 4.3, Appendix
14A to the Listing
Rules
- Article 104
Guide to AoA

Section 2 The Board

- Article 135** The Board shall report to the General Meeting and exercises the following powers: Article 88
Mandatory Provisions
- (1) to be responsible for the convening of General Meetings and report its work to the General Meeting; Articles 105, 107
Guide to AoA
 - (2) to implement the resolutions of General Meetings;
 - (3) to decide on the Company's business plans and investment plans;
 - (4) to formulate the Company's plans on annual financial budgets and final accounts;
 - (5) to formulate the Company's profit distribution plans and plans on making up losses;
 - (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue and listing of bonds or other securities of the Company and listing thereof;
 - (7) to formulate plans for substantial acquisition, repurchase of Shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;
 - (8) to decide on the establishment of an internal management organization of the Company; decide the establishment or revocation of the subsidiaries or branches of the Company;
 - (9) to elect the Chairman and the Vice Chairman, nominate, appoint or dismiss the president of the Company;
 - (10) appoint or dismiss the Secretary to the Board, appoint or dismiss the head of each special committee of the Board;

- (11) upon the nomination of the president, appoint or dismiss the vice president(s), the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer of the Company, and decide their remunerations, incentives and punishments;
- (12) to formulate the basic management system of the Company;
- (13) to formulate proposals for amendment to the Articles of Association;
- (14) to propose to the General Meeting to appoint or change accounting firm in charge of the audition of the Company;
- (15) to decide on (among others) external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management and related party transactions of the Company within the scope of the authorization granted by the General Meeting;
- (16) to manage information disclosure matters of the Company;
- (17) to receive the president's work report and inspect the work of the president;
- (18) other authorities provided by laws and regulations, and listing rules of the stock exchange where the stock of the Company is listed, and by General Meeting of the Shareholder and the Articles of Association.

The Board resolutions in respect of the matters specified in sub-clauses (6), (7) and (13) of the preceding subsection shall be passed by not less than two-thirds of the Directors; the Board resolutions in respect of guarantee matters within the scope of authority of the Board shall, in addition to being passed by more than one half of the Directors, require the affirmative vote of not less than two-thirds of all the Directors attending the Board meeting; the Board resolutions in respect of other matters may be passed by more than one half of the Directors. The Board shall perform its duties in accordance with laws, administrative regulations, the Articles of Association and Shareholder's resolution.

- Article 136** The Board shall provide explanations in the General Meeting on any non-standard audit opinion issued by certified public accountants on the Company's financial reports. Article 108
Guide to AoA
- Article 137** The Board shall formulate the Procedural Rules for the Board of Directors of the Company to ensure that the Board will implement the resolutions passed at the General Meeting, enhance its work efficiency and assure the scientific soundness of its decision making. Article 109
Guide to AoA
- Article 138** The Board shall determine the scope of authority for (among others) external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management and related party transactions, and shall establish strict examination and decision-making procedures; in the case of material investment projects, it shall arrange for them to be appraised by relevant experts and professionals and shall submit them to the General Meeting for approval. Article 110
Guide to AoA
- Article 139** In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four month before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the General Meetings, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the General Meeting. Article 89
Mandatory Provisions
- The term "fixed assets disposal" referred to in this Article represents (among other things) transferring certain interests in assets, but does not include provision of guarantees by way of fixed assets.
- The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.
- Article 140** The Chairman is entitled to the following powers: Article 90
Mandatory Provisions
- (1) to preside over General Meetings and to convene and preside over Board meetings; Articles 112 and 113
Guide to AoA
 - (2) to check on the implementation of resolutions of the Board;

- (3) to sign the securities certificates issued by the Company;
- (4) to exercise other powers conferred by the laws and regulation, the Articles of Association and the Board.

The Vice Chairman shall assist the Chairman in his/her work. Should the Chairman be unable to or fail to exercise his/her functions or duties, the Vice Chairman shall exercise such functions or duties. Should the Vice Chairman be unable to or fail to exercise his/her functions or duties, a Director elected jointly by not less than one half of all Directors shall exercise such functions or duties.

Article 141

At least two (2) meetings of the Board shall be convened every year by the Chairman, notice of the meeting shall be served, on all of the Directors and of the Supervisors and the president, at least fourteen (14) days before the date of the meeting.

Article 91
Mandatory Provisions

Articles 114 and 115
Guide to AoA

In the event of any one of the following circumstances, the Chairman shall convene extraordinary meetings within ten (10) days after a proposal is received:

- (1) when proposed by Shareholders representing not less than ten percent (10%) of the voting rights;
- (2) when jointly proposed by not less than one-third of the Directors;
- (3) when proposed by the Board of Supervisors;
- (4) when proposed by the Company's president;
- (5) when proposed by not less than one half of the independent non-executive Directors;
- (6) when the Chairman considers it necessary;
- (7) when it is requested by securities regulatory authorities to be convened;

- (8) as prescribed by laws, regulations and listing rules of stock exchanges on which the Company's Shares are listed or any circumstances required under these Articles of Association.

- Article 142** Notices of the Board and extraordinary Board meetings should be served by facsimile or email. Time limit for notice: for convening of a regular Board meeting, no later than fourteen (14) days prior to the date of the meeting. However, the obligation of such notification within the prescribed time may be exempted with the written consent of all the Directors and Supervisors. Article 92
Mandatory Provisions
- Article 143** The notice of Board meetings shall include the following: Article 117
Guide to AoA
- (1) the venue, date and time of the meeting;
 - (2) the duration of the meeting;
 - (3) reasons for calling the meeting and topics for discussion;
 - (4) the issue date of the notice.
- Article 144** Except where the Board has to consider connected transaction, the Board meeting may not be held unless more than half of the Directors are present. Article 93
Mandatory Provisions
- Article 118
Guide to AoA
- Each Director shall have one vote. However, any Director appointed by other Director to attend the Board meeting on his/her behalf, in addition to his/her own vote, shall be entitled to another vote on behalf of the director appointing him/her.
- Article 145** Directors shall attend a meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they may authorise other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of the proxy, entrusted matter, scope of authorization and its term of validity and shall be signed or sealed by the appointer. Article 94
Mandatory Provisions
- Article 121
Guide to AoA

The Board of Directors may conduct meetings by means of meetings in person, teleconference, videoconference or any other means allowing for communication in real time among the directors.

The authorized Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a meeting of the Board in person, and does not authorize any representatives to attend the meeting, he/she cannot exercise any voting right in such meeting.

Article 146

In the event that a Director is connected (as defined in the listing rules (as amended from time to time) of the stock exchange(s) on which the Company's Shares are listed) to companies associated with matters to be resolved at the Board meeting, such Director shall not exercise his/her voting rights on such resolution, nor shall he/she votes on behalf of other Directors. In such an event, the Board meeting must be held with a majority of the non-connected Directors. Resolutions shall be approved by a majority of non-connected Directors. When there are less than three (3) non-connected Directors present at the Board meeting, such matter shall be submitted to the General Meeting for consideration.

Article 124
Company Law

Article 119
Guide to AoA

Where a Director abstains from voting at a Board meeting, such Board meeting can be duly convened so long as more than a half of the non-connected Directors are present. Resolutions at such meeting shall be adopted by the affirmative vote of more than a half of all non-connected Directors. Resolutions concerning matters which shall be approved by not less than two-thirds of the Directors, shall be adopted by the affirmative vote of not less than two-thirds of all non-connected Directors. If the number of non-connected Directors present at such meeting is less than three, relevant proposals shall not be voted on at such meeting and shall be submitted to the General Meeting for consideration.

- Article 147** The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the Directors and by secretary to the Board present at the meeting (person who recorded the minutes). The minutes shall be kept as part of the Company's documents and the custody period shall be ten (10) years. The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in the Company sustaining serious losses, the Directors participating in the resolution shall be liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.
- Article 95
Mandatory Provisions

Article 122
Guide to AoA
- Article 148** Minutes of the Board meetings shall include the following information:
- Article 123
Guide to AoA
- (1) the date and venue of the meeting, and the name of the convener;
 - (2) the names of the Directors attending in person, and the names of the Directors (proxies) attending through proxy;
 - (3) the agenda of the meeting;
 - (4) the key points of the speeches of Directors;
 - (5) the voting method and results of each matter to be voted on (the voting results shall specify the number of votes in favor, against, and abstained).
- Article 149** The Board may, in light of its needs, set up an audit committee, a remuneration committee and other professional committees.
- Chapter 12 Secretary to the Board**
- Article 150** The Company shall have one (1) Secretary to the Board. The secretary shall be a senior management member of the Company.
- Article 96
Mandatory Provisions

- Article 151** The Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:
- Article 97
Mandatory Provisions
- Working Guidelines
for Secretary of
Board of Directors
of Overseas Listing
Companies
- Article 133
Guide to AoA
- (1) to be responsible for communication and coordination between the Company and the related parties, stock exchange and the securities regulatory authority, to ensure that the Company legally prepares and submits reports and documents as required by the regulatory authorities;
 - (2) to be responsible for information disclosure of the Company, to procure the Company to formulate and implement the information disclosure system and material information internal reporting system, to procure the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and to submit regular reports and temporary reports to the stock exchange;
 - (3) to coordinate the relationship between the Company and its investors, to handle visits of the investors, to answer questions raised by the investors, and to provide the investors with information disclosed by the Company;
 - (4) to prepare for General Meetings and Board meetings following the specific procedure and to prepare and submit relevant documents of the meetings;
 - (5) to attend Board meetings and prepare and sign the minutes of the meetings;
 - (6) to be responsible for confidentiality issues relating to information disclosure of the Company, formulate confidentiality measures, procure the Directors, Supervisors, the president and other senior management members and related informed persons to keep confidential all information before disclosure thereof, make prompt responsive remedies in the event of divulgence of inside information and report to the stock exchange;

- (7) to be responsible for keeping Shareholders' register, Directors' register, data about shareholdings of major Shareholders, Directors, Supervisors, the president and other senior management members, and documents and minutes of the General Meeting and Board meetings, to ensure the Company has complete organizational documents and records, and to ensure the persons with right of access to relevant records and documents of the Company can have the said records and documents in time;
- (8) to help Directors, Supervisors, the president and other senior management members learn about information disclosure related laws, regulations, rules, listing rules and other rules of the stock exchange, and the Articles of Association, and the provisions in the listing agreements concerning their legal liabilities;
- (9) to procure the Board to exercise functions and powers in accordance with law; to remind the attending Directors where the resolutions to be made by the Board do not comply with the relevant laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association, and request the Supervisors present at meeting to express their opinions; to record the opinions of relevant Supervisors and persons in the minutes if the Board insists on making the aforesaid resolutions, and report to the stock exchange;
- (10) to fulfill other duties specified in the applicable laws, regulations, rules, listing rules of the stock exchange, and the Articles of Association.

Article 152

Directors or senior management members may also act as the Secretary to the Board. The accountant(s) of the certified public accountants' firm appointed by the Company shall not act as the Secretary to the Board.

Article 98
Mandatory Provisions

Provided that where the office of the Secretary to the Board is held concurrently by a Director, and an act is required to be made by a Director and the Secretary to the Board separately, the person who concurrently holds the offices of Director and Secretary to the Board shall not perform the act in dual capacity.

Chapter 13 President and Other Senior Management Members of the Company

Article 153 The Company shall have 1 (one) president, 3 (three) vice presidents who shall assist the president in his/her work, 1 (one) CFO, 1 (one) chief technology officer, 1 (one) chief sales officer, 1 (one) chief marketing and strategy officer and 1 (one) chief human resources officer. The president, the vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer shall be appointed and dismissed by the Board.

Article 99
Mandatory Provisions

Articles 126 and 127
Guide to AoA

The term of office of the president and other senior management members shall be 3 years and they shall be eligible to offer themselves for reappointment.

Persons holding positions at the Controlling Shareholder or Actual Controller of the Company (other than being a director) may not concurrently serve as the Company's senior management members.

Article 154 The president of the Company shall be accountable to the Board and exercise the following powers:

Article 100
Mandatory Provisions

- (1) to lead the Company's production, operation and organize resources to carry out the Board's resolutions and to report his/her work to the Board;
- (2) to organize the implementation of the Company's annual business plan, invest plan and financing plan formulated by the Board;
- (3) to draft plans for the establishment of the Company's internal management structure;

Article 128
Guide to AoA

- (4) to draft plans for the establishment of subsidiaries and other branches of the Company;
- (5) to draft the Company's basic management system;
- (6) to formulate detailed rules and regulations of the Company;
- (7) to propose the appointment or dismissal of the Company's vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer to the Board;
- (8) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;
- (9) to exercise other powers conferred by the Articles of Association or the Board.

Article 155

The president of the Company shall attend Board meetings; the president and other non-director managers, who the Board may invite to attend the meeting, shall not have the right to vote at Board meetings.

Article 101
Mandatory Provisions

Article 156

The president shall formulate the Working Rules for the President and shall submit the same to the Board of Directors for approval before it comes into effect. The Working Rules for the President shall include the following contents:

Articles 129 and 130
Guide to AoA

- (1) conditions and procedures for convening the meetings of the president and their participants;
- (2) specific duties of each of the president and other senior management members and their division of work;
- (3) the scope of the authorities to use the capital and assets of the Company and to enter into material contracts; and the system of reporting to the Board of Directors and the Board of Supervisors;
- (4) other matters deemed necessary by the Board.

- Article 157** The president may tender his/her resignation before the expiry of his/her term of office. Specific procedures and rules for the resignation of the president shall be provided for in the employment contract between the president and the Company. Article 131
Guide to AoA
- Article 158** In performing his/her job duties, the president of the Company shall act honestly and diligently in accordance with the laws, administrative regulations and requirements under the Articles of Association. Article 102
Mandatory Provisions
Article 134
Guide to AoA
- Any senior management member who breaches laws, administrative regulations, departmental rules or the requirements in these Articles of Association when performing his/her duties for the Company shall be liable to indemnify against the losses suffered by the Company.
- Chapter 14 Board of Supervisors**
- Article 159** The Company shall establish a Board of Supervisors. Article 103
Mandatory Provisions
- Article 160** The Board of Supervisors shall be composed of three Supervisors. The term of office of a Supervisor shall be three years, renewable upon re-election and re-appointment. Article 104
Mandatory Provisions
Sec. 1(d)(i), Appendix 13D to the Listing Rules
Article 5
Letter of Opinions on Supplementary Amendment
Article 137
Guide to AoA
- The Board of Supervisors shall have one chairman, the appointment and dismissal of the chairman of the Board of Supervisors shall be passed by at least two-thirds (including two-thirds) of its members.
- Article 161** Appointment and removal of non-employee representative Supervisors shall be subject to election at the General Meeting, while appointment and removal of employee representative Supervisors shall be subject to democratic election by the staff, the number of employee representative Supervisors of the Company shall not be less than one-third of the Supervisors. Article 105
Mandatory Provisions
Article 51
Company Law

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|--------------------|---|--|
| Article 162 | If the term of office of a Supervisor has expired but a re-election has not been held in time, or if the number of Board of Supervisors members will fall below the statutory limit if an incumbent Supervisor resigns, then the incumbent Supervisor shall continue to perform his/her duties as a Supervisor in accordance with laws, administrative regulations and the Articles of Association until a new Supervisor is elected and takes office. | Article 138
Guide to AoA |
| Article 163 | The Directors, president and other senior management members of the Company shall not assume the position of Supervisors. | Article 106
Mandatory Provisions

Article 135
Guide to AoA |
| Article 164 | The Board of Supervisors shall hold at least two meetings each year, with at least one meeting held every six months, which are convened and presided over by the chairman of the Board of Supervisors. Any of the Supervisors may propose to convene extraordinary meetings of the Board of Supervisors. Where the chairman of the Board of Supervisors is incapable of performing or fails to perform his/her duties, a Supervisor elected by not less than half of the Supervisors shall convene and preside over the meeting of the Board of Supervisors. | Article 107
Mandatory Provisions

Articles 143 and 145
Guide to AoA

Article 51
Company Law |
| Article 165 | The Board of Supervisors shall be accountable to the General Meeting and exercise the following powers in accordance with the laws: | Article 108
Mandatory Provisions

Articles 140 and 144
Guide to AoA |
| | (1) to examine the Company's financial affairs, to review the periodic reports of the Company prepared by the Board and to provide written review comments thereon; | |
| | (2) to supervise the conduct of Directors and other senior management members in performing their duties to the Company and to recommend the removal of Directors and senior management members who violated any laws, administrative regulations, the Articles of Association or resolutions of General Meeting; | |

- (3) to demand rectification from a Director, the president and any other senior management members when the acts of such persons are harmful to the Company's interest;
- (4) to examine the financial information such as the financial report, business report and plans for profits distribution to be submitted by the Board to the General Meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;
- (5) to propose the convening of an extraordinary General Meeting and to convene and chair a General Meeting when the Board fails to perform its duties of convening and chairing General Meetings as stipulated by these Articles of Association;
- (6) to submit proposals to the General Meetings;
- (7) to deal with Directors or take legal actions against Directors and senior management members on behalf of the Company;
- (8) to conduct investigations upon the discovery of irregularities in the operation of the Company; and to engage, if necessary, accounting firms, law firms and other professional institutions to assist with its work at the expense of the Company;
- (9) to exercise other powers specified in the Articles of Association.

Supervisors shall attend Board meetings and make enquiries or recommendations on the matters to be resolved by the Board.

- Article 166** Given for proper reasons, any of the Supervisors is entitled to demand the chairman of the Board of Supervisors for convening the extraordinary meeting of the Board of Supervisors. A notice, which includes the date, venue, time, agenda of meeting, together with the issue date of notice, shall be given at least 10 days prior to the convening of each meeting of the Board of Supervisors by way of facsimile or email. However, the obligation of such notification within the prescribed time may be exempted with the written consent of all the Supervisors.
- Article 109
Mandatory Provisions
- Article 6
Letter of Opinions
on Supplementary
Amendment
- Sec. 1(d)(ii), Appendix
13D to the Listing
Rules
- A meeting of the Board of Supervisors shall not be conducted unless it is attended by more than two-thirds of the Supervisors. Voting at the meeting of the Board of Supervisors shall be carried out by poll and each Supervisor shall have one vote. A Supervisor shall attend meetings of the Board of Supervisors in person, or appoint in writing another Supervisor to attend the meeting on his/her behalf due to his/her absence. The letter of authorization shall specify the extent of authorization.
- Both resolution at regular meetings and extraordinary meetings of the Board of Supervisors are resolution of meeting of the Board of Supervisors, which shall be approved by the votes of at least two-thirds (including two-thirds) of members of the Board of Supervisors.
- Article 167** Notice of a meeting of the Board of Supervisors shall include the following information:
- Article 148
Guide to AoA
- (1) date, venue and duration of the meeting;
 - (2) reasons for calling the meeting and topics of discussion;
 - (3) the issue date of the notice.
- Article 168** All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the Board of Supervisors in discharging its duties shall be borne by the Company.
- Article 110
Mandatory Provisions

- Article 169** The Board of Supervisors shall keep minutes of its decisions on the matters under its consideration. The Supervisors present at the meeting shall sign on the minutes of the meeting.
- Article 147
Guide to AoA
- A Supervisor shall be entitled to demand that an explanatory note be entered onto the minutes of his/her remarks at the meeting. Minutes of the meetings of the Board of Supervisors shall be kept as part of the Company's documents for at least ten (10) years.
- Article 170** The Board of Supervisors shall formulate the Procedural Rules for the Board of Supervisors specifying its deliberation method and voting procedures so as to ensure the efficiency of its work and the scientific soundness of its decision making.
- Article 146
Guide to AoA
- Article 171** A Supervisor shall carry out his/her duties honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association. They owe the Company the duty of loyalty and the duty of diligence and shall neither exploit their positions to accept bribes or other illegal income nor embezzle the property of the Company.
- Article 111
Mandatory Provisions

Article 136, 139, 141,
and 142
Guide to AoA
- Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.
- Supervisors shall not use their relationships with related parties to the detriment of the interests of the Company and shall be liable to compensate for any damages caused to the Company.
- Where a Supervisor breaches laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties for the Company, he/she shall be liable to indemnify against the losses suffered by the Company.

**Chapter 15 Qualifications and Duties of the Directors,
Supervisors, President and Other Senior Management
Members of the Company**

Article 172 A person may not serve as a Director, Supervisor, Article 112
president or any other senior management members Mandatory Provisions
of the Company if any of the following circumstances Article 95
applies: Guide to AoA

- (1) a person without legal or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;

- (6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;
- (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a non-natural person;
- (9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;
- (10) a person sanctioned by the CSRC by a ban on entering the securities market, where such ban is yet to expire;
- (11) as prescribed in laws, administrative regulations, departmental rules, and listing rules of stock exchange(s) on which the Company's Shares are listed.

If a Director is elected or appointed in breach of this Article, such election, appointment or employment shall be null and void. Any Director becoming the subject of any circumstances set out in this Article shall be removed from office by the Company.

Article 173

The validity of an act of a Director, president or any other senior management member on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his/her office, election or any defect in his/her qualification.

Article 113
Mandatory Provisions

- Article 174** In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which the Shares are listed, each of the Directors, Supervisors, president and other senior management members owes a duty to each Shareholder, in the exercise of the functions and powers of the Company entrusted to him/her:
- Article 114
Mandatory Provisions
- (1) not to cause the Company to exceed the scope of the business stipulated in its business license;
 - (2) to act honestly in the best interest of the Company;
 - (3) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;
 - (4) not to expropriate the individual rights of Shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to the General Meeting for approval in accordance with the Articles of Association.
- Article 175** Each of the Directors, Supervisors, president and other senior management members owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- Article 115
Mandatory Provisions
- Article 176** Each of the Company's Directors, Supervisors, president and other senior management members shall exercise his/her powers or carry on his/her duties in accordance with the principle of fiduciary and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle includes (without limitation) discharging the following obligations:
- Article 116
Mandatory Provisions

Article 97
Guide to AoA
- (1) to act honestly in the best interests of the Company;
 - (2) to exercise powers within the scope of his/her powers and not to exceed those powers;

- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of Shareholders given in a General Meeting, not to delegate the exercise of his/her discretion;
- (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association or with the informed consent of Shareholders given in General Meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of Shareholders given in General Meeting, not to use the Company's property for his/her own benefit by any means;
- (7) not to exploit his/her position to accept bribes or other illegal income, expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (8) without the informed consent of Shareholders given in General Meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles of Association, faithfully execute his/her official duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests;
- (10) without the informed consent of Shareholders given in General Meeting, not to abuse his/her position to seek for him/herself or other persons business opportunities which otherwise belong to the Company, or carry on, for the account of himself/herself or another person, the same type of business as the Company, or compete with the Company in any form;

- (11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for the debts of the Shareholder(s) of the Company or another person with the Company's assets;
- (12) must not use his/her connected relationship to act to the detriment of the Company's interests; and
- (13) unless otherwise permitted by informed Shareholders in General Meeting, to keep in confidence information relating to the Company acquired by him/her in the course of and during his/her tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - (i) disclosure is made under compulsion of law;
 - (ii) the interests of the public require disclosure;
 - (iii) the interests of the relevant Director, Supervisor, president or other senior management members require disclosure.

Any revenue derived by a Director from his/her breach of the provisions of this Article shall belong to the Company; and the Company shall be indemnified for its consequential losses.

Article 177

Each Director, Supervisor, president or other senior management member of the Company shall not instigate the following persons or institutions ("**Relevant Persons**") to do what he/she is prohibited from doing:

Article 117
Mandatory Provisions

- (1) the spouse or minor child of that Director, Supervisor, president and other senior management members;

- (2) a person acting in the capacity of trustee of that Director, Supervisor, president or other senior management members or any person referred to in paragraph (1) of this Article;
- (3) a person acting in the capacity of partner of that Director, Supervisor, president or other senior management members or any person referred to in paragraphs (1) and (2) of this Article;
- (4) a company in which that Director, Supervisor, president or other senior management member, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or other Directors, Supervisors, president and other senior management members of the Company have a Actual controlling interest; and
- (5) the Directors, Supervisors, president and other senior management members of the controlled company referred to in paragraph (4) of this Article.

- Article 178** The fiduciary duties of the Directors, Supervisors, president and other senior management members of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.
- Article 118
Mandatory Provisions

Article 101
Guide to AoA
- Article 179** Except for circumstances prescribed in Article 61 of the Articles of Association, a Director, Supervisor, president and other senior management members of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of Shareholders given at a General Meeting.
- Article 119
Mandatory Provisions

Article 180 Where a Director, Supervisor, president and other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his/her contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board.

Article 120
Mandatory Provisions

Article 4(1), Appendix
3 to the Listing Rules

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which he/she or any of his/her close associates as defined in the applicable listing rules in effect from time to time has any material interest or any other relevant proposals.

Unless the interested Director, Supervisor, president or other senior management member discloses his/her interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, Supervisor, president or other senior management member is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that Director, Supervisor, president or other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, Supervisor, president or other senior management member.

A Director, Supervisor, president or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which Relevant Persons of him/her are interested.

Article 181 Where a Director, Supervisor, president or other senior management member of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in contracts transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding paragraph of this Article to be a sufficient declaration of his/her interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 121
Mandatory Provisions

Article 182 The Company shall not in any manner pay taxes for or on behalf of its Directors, Supervisors, president or other senior management members.

Article 122
Mandatory Provisions

Article 183 The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, Supervisor, president or other senior management member of the Company or of the Company's parent company or any of their Relevant Persons.

Article 123
Mandatory Provisions

However, the following transactions are not subject to such prohibition:

- (1) the provision by the Company of a loan or a guarantee for a loan to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, Supervisors, president or other senior management members to meet expenditure incurred or to be incurred by him/her for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the Shareholders in General Meeting; and

- (3) the Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant Directors, Supervisors, president or other senior management members or their Relevant Persons in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

- Article 184** A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan. Article 124
Mandatory Provisions
- Article 185** A loan guarantee provided by the Company in breach of provision under paragraph (1) of Article 183 shall be unenforceable against the Company, provided that: Article 125
Mandatory Provisions
- (1) a loan was advanced to an Relevant Person of any of the Directors, Supervisors, president and other senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances; or
 - (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.
- Article 186** For the purposes of the foregoing provisions of this Chapter, guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor. Article 126
Mandatory Provisions
- Article 187** In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, Supervisor, president and other senior management members of the Company is in breach of his/her duties to the Company, the Company has a right to: Article 127
Mandatory Provisions
- (1) claim damages from the Director, Supervisor, president and other senior management members in compensation for losses sustained by the Company as a result of such breach;

- (2) rescind any contract or transaction entered into by the Company with the Director, Supervisor, president and other senior management members or with a third party (where such third party knows or should know that there is such a breach of duties by such Director, Supervisor, president and other senior management members);
- (3) demand the Director, Supervisor, president and other senior management members to surrender the profits made by him/her in breach of his/her duties;
- (4) recover any monies received by the Director, Supervisor, president and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions; and
- (5) demand payment of the interest earned or which may have been earned by the Director, Supervisor, president and other senior management members on the monies that should have been paid to the Company.

Article 188

The Company shall enter into a contract in writing with a Director, Supervisor and other senior management member, which shall at least include the following provisions:

Article 19A.54 and
19A.55
Listing Rules

- (1) a Director, Supervisor and senior management member shall undertake in favour of the Company to comply with the Company Law, the Special Regulations, the Articles of Association and other regulations as stipulated under the Hong Kong Stock Exchange, and agree that the Company is entitled to remedies provided by the Articles of Association, and such contract and his/her position were not transferable;
- (2) a Director, Supervisor and senior management member shall undertake in favour of the Company to perform the duties to Shareholders pursuant to and as required by the Articles of Association; and
- (3) an arbitration provision stipulated under Article 235 of the Articles of Association.

Article 189 The Company shall, with the prior approval of Shareholders in General Meeting, enter into a contract in writing with a Director or Supervisor wherein his/her emoluments are stipulated, including:

Article 128
Mandatory Provisions

- (1) emoluments in respect of his/her service as Director, Supervisor or senior management member of the Company;
- (2) emoluments in respect of his/her service as Director, Supervisor or senior management member of any subsidiary of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries; and
- (4) compensation for loss of office, or as consideration for or in connection with his/her retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a Director or Supervisor against the Company for any benefits in respect of the matters mentioned in this Article.

Article 190 The contract for emoluments entered into between the Company and its Directors or Supervisors should provide that in the event of a takeover of the Company, the Directors and Supervisors shall, subject to the prior approval of the Shareholders in General Meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company means:

Article 129
Mandatory Provisions

- (1) a takeover offer made by any person to all Shareholders; or
- (2) an offer made by any person with a view to the offer or becoming a "Controlling Shareholder" within the meaning of Article 62.

If the relevant Director or Supervisor does not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their Shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant Director or Supervisor and shall not be paid out of that sum.

Chapter 16 Financial and Accounting System and Profit Distribution

Article 191 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and requirements of the relevant authorities in the PRC.

Article 130
Mandatory Provisions

Article 149
Guide to AoA

Article 192 At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws.

Article 131
Mandatory Provisions

The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article 193 The Board shall place before the Shareholders at every Annual General Meeting such financial reports as are required to be prepared by the Company under any laws, administrative regulations or normative documents issued by local governments and competent authorities.

Article 132
Mandatory Provisions

Article 194 The Company's financial reports shall be made available for Shareholders' inspection at the Company twenty (20) days before the date of every annual General Meeting. Each Shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Article 133
Mandatory Provisions

Article 7
Letter of Opinions on Supplementary Amendment

The Company shall at least deliver or send to each holder of H Shares by prepaid mail the copy of the foresaid reports not later than twenty-one (21) days before the date of convening the Annual General Meeting, to the registered address of each Shareholder shown in the register of members.

Article 5, Appendix 3
to the Listing Rules

- Article 195** The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the Shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.
- Article 134
Mandatory Provisions
- Article 196** Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Shares are listed.
- Article 135
Mandatory Provisions
- Article 197** The Company shall submit its annual financial and accounting reports to the CSRC and stock exchange within four (4) months following the end of every fiscal year. It shall submit its semi-annual financial and accounting reports to the appropriate CSRC branch office and the stock exchange(s) within two (2) months from the end of the first six (6) months of every fiscal year. It shall submit its quarterly financial and accounting reports to the appropriate CSRC branch office and stock exchange(s) within one (1) month from the end of the first three (3) months and the first nine (9) months of every fiscal year.
- Article 136
Mandatory Provisions
- Article 150
Guide to AoA
- The foregoing financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations and departmental rules.
- Article 198** The Company shall not keep accounts other than those provided by law. Assets of the Company shall not be deposited in an account maintained in the name of any individual.
- Article 137
Mandatory Provisions
- Article 151
Guide to AoA

Article 199 Capital reserve fund includes the following items: Article 138
Mandatory Provisions

- (1) premium received when Shares are issued at a premium to their par value; and
- (2) any other income required to be included in the capital reserve fund by the governing finance department of the State Council.

Article 200 When distributing each year's after-tax profits, the Company shall set aside 10 per cent of its after-tax profits for the Company's statutory surplus reserve fund. When the aggregate balance in the statutory surplus reserve fund has reached 50 (fifty) per cent or more of the Company's registered capital, the Company need not make any further allocations to that fund. Article 166
Company Law
Article 152
Guide to AoA

Where the Company's statutory surplus reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory surplus reserve fund in accordance with the preceding paragraph.

After allocating after-tax profits for the surplus fund, a company may, upon resolution adopted by the General Meeting, allocate after-tax profits for its discretionary surplus fund.

The remaining profit after taxation, after recovery of losses and appropriation of statutory reserve fund, and other funds shall be distributed to Shareholders in proportion to their shareholdings except the part of profit that is not to be distributed in proportion to shareholdings as stipulated in the Articles of Association.

If a General Meeting violates the provisions in the preceding paragraph of this Article and profits are distributed to the Shareholders before the Company makes up losses or makes allocations to the statutory reserve fund and other funds, the profits distributed in violation of the provisions must be returned to the Company.

No profit shall be distributed in respect of the Shares which are held by the Company.

Article 201 The reserve funds of the Company will be applied towards making up the losses of the Company, expanding the production and operation of the Company or increasing the share capital of the Company, provided that the capital reserve fund shall not be applied towards making up the losses of the Company.

Article 168
Company Law

Article 153
Guide to AoA

Where the statutory reserve fund is to be capitalized, its balance may not fall below 25% of the registered capital of the Company prior to such capitalization.

Article 202 The Company's profit distribution policy shall be as follows:

Article 139
Mandatory Provisions

Article 94, 154, and 155
Guide to AoA

- (1) the Company will implement a sustained, stable, scientific, and proactive profit distribution policy, will attach importance to offering reasonable investment returns to its Shareholders, and will maintain the continuity and stability of its profit distribution policy. Subject to the then current laws, regulations and regulatory requirements, each year, the Company will make profit distributions in cash in an amount no less than 10% of the distributable profits realized that year.
- (2) the Company will generally distribute its profits in the form of annual dividends. The Board may also propose an interim profit distribution plan in light of, among others, the Company's profitability, funding needs.

- (3) the Company may distribute its profits in the form of cash, shares, a combination of cash and shares or any other form permitted by laws and regulations, its preferred form of profit distribution being cash dividend. Profit distributions shall be limited to the cumulative distributable profits and shall not undermine the Company's sustainability as a going concern. The Company will lawfully exercise its shareholder rights to cause its subsidiaries to distribute profits in cash and thus ensure that the Company will have the ability to implement its cash dividend distribution plan of the current year. If the Board takes the view that there is a mismatch between the share price of the Company and the size of its share capital and that distributing stock dividends is in the interest of the Company's Shareholders as a whole, it may, subject to compliance with the Company's cash dividend policy, formulate a stock dividend distribution plan.
- (4) the Board shall consider, in a comprehensive manner, factors ranging from the characteristics of the industry of the Company, to the stage of development of the Company, the business model and profitability of the Company, the existence or non-existence of major funding expenditure arrangements; and then put forward a differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association by distinguishing between the following circumstances:
 - i. if, in terms of development, the Company is in the mature stage and there are no major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 80% of the profit distribution;

- ii. if, in terms of development, the Company is in the mature stage but there are major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 40% of the profit distribution;
 - iii. if, in terms of development, the Company is in the growth stage and there are major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 20% of the profit distribution. To the extent the Board concludes that the development stage of the Company is not readily distinguishable but there are major funding expenditure arrangements, this subparagraph shall apply;
- (5) the Board shall be responsible for preparing the profit distribution plan. Such plan, if considered and adopted by the Board, shall then be submitted to the General Meeting for consideration and may be implemented only if it is so approved in General Meeting. When preparing the dividend distribution plan, the Board shall listen to the opinions of relevant parties, in particular, those of independent Directors and small and medium Shareholders. Independent Directors shall issue a clear opinion on the profit distribution plan; and the Board of Supervisors shall supervise the formulation of the distribution plan by the Board.
- (6) if the Company has been profitable in the relevant year and has distributable profits, but the Board has not formulated a cash dividend distribution plan or has prepared a cash profit distribution plan that does not conform to the Articles of Association, the Company shall provide a detailed disclosure of the relevant reasons in its periodic reports. The independent Directors shall express an independent opinion on the same.

- (7) in the course of formulating a detailed cash dividend distribution plan for the Company, the Board shall carefully evaluate and study the arguments for or against, the timing, conditions, minimum percentage, conditions for adjustment as well as other matters mandated by certain decision-making procedures. Independent Directors may solicit opinions from small and medium Shareholders, put forward a proposal on profit distribution and directly submit such proposal to the Board for consideration. Before deliberation on the specific profit distribution plan by the General Meeting, numerous channels (including but not limited to the activation of hotlines, the mail box of the secretary to the Board and inviting small and medium investors to attend the General Meeting) should be utilized to proactively communicate and interact with Shareholders, especially small and medium Shareholders; adequately listen to their views and opinions, and promptly respond to their issues of concern.
- (8) the Company shall strictly implement the cash dividend distribution policy prescribed by the Articles of Association and the detailed cash dividend distribution plan approved by the General Meeting. If major changes in the external operating environment or in the Company's operating conditions results in the need for adjustment of the profit distribution policy, the Board shall re-formulate the profit distribution policy and the independent Directors and external Supervisors shall express their opinion on the same. Such new profit distribution policy formulated by the Board shall be submitted to the General Meeting for consideration and may be carried out only when it is approved by an affirmative vote representing at least two-thirds of the voting rights held by the Shareholders present at the meeting.

Where the profit distribution and capital reserve capitalization plans have been adopted by the resolutions of the General Meeting, the Board shall implement the detailed plans within two (2) months from the date of the General Meeting.

- Article 203** Any amount paid up by Shareholders in advance of calls on any Shares may carry interest but the holder of such Shares shall not be entitled to participate in respect thereof in a dividend subsequently declared. Article 3(1), Appendix 3 to the Listing Rules
- Article 204** The Company shall appoint receiving agents on behalf of the holders of Overseas Listed Foreign Shares to receive on behalf of such Shareholders dividends declared and all other monies owing by the Company in respect of such Shares. Article 140
Mandatory Provisions
Article 8
Letter of Opinions on Supplementary Amendment
- The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's Shares are listed. Sec. 1(c), Appendix 13D to the Listing Rules
- The receiving agents appointed for the holders of H Shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong. Article 3(2), Appendix 3 to the Listing Rules
Article 13(1), Appendix 3 to the Listing Rules
- In relation to the receipt of dividends by Shareholders, the Company is entitled to collect the unclaimed dividends, provided that such power shall be exercised in accordance with the relevant PRC laws, regulations and requirements under the Hong Kong Stock Exchange and after the expiration of the applicable limitation period.
- The Company shall have the right to terminate delivery of dividend vouchers by mail to certain holders of Overseas Listed Foreign Shares, but the Company may exercise such right only after two vouchers have not been cashed consecutively. However, if the first voucher failed to reach the recipient and was returned, the Company may also exercise the said right.
- In the case of exercising general mandate to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the destroy loss of the original warrants.

- Article 205** The Company shall have the right to sell the Shares of holders of Overseas Listed Foreign Shares whom the Company has failed to contact by means regarded as appropriate by the Board, but the following provisions must be met: Article 13(2), Appendix 3 to the Listing Rules
- (1) dividends on the related Shares have been delivered at least 3 times within 12 years and have not been claimed; and
 - (2) the Company place advertisements in one or more newspapers of the Company listing location after the 12 years have elapsed, stating its intention to sell the Shares and informing the Stock Exchange of such intention.
- Article 206** The Company shall implement an internal audit system staffed with designated audit personnel to conduct the internal audit and supervision on the financial receipts and outlays and economic activities of the Company. The internal audit system and the duties and responsibilities of the audit personnel shall be put into effect upon approval by the Board. The person in charge of the audit work shall be accountable to and report to the Board. Article 156, 157 Guide to AoA
- Chapter 17 Appointment of Accountants' Firm**
- Article 207** The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the annual financial statements and to review other financial reports of the Company. Article 141 Mandatory Provisions Article 158 Guide to AoA
- Article 208** The certified public accountants' firm appointed by the Company shall hold office from the conclusion of the annual General Meeting at which the appointment is made until the conclusion of the next Annual General Meeting. Upon expiration of the current term of office, the certified public accountants' firm may be reappointed. Article 142 Mandatory Provisions

- Article 209** The certified public accountants' firm appointed by the Company shall have the following rights:
- Article 143
Mandatory Provisions
- Article 160
Guide to AoA
- (1) a right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, the president and other senior management members of the Company to provide any relevant information and explanation thereof;
 - (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm; and
 - (3) a right to attend General Meetings and to receive all notices of, and other communications relating to, any General Meeting which any Shareholder is entitled to receive, and to be heard at any General Meeting in relation to matters concerning its role as the accountants' firm of the Company.
- The Company undertakes to provide the engaged accounting firm with true and complete accounting invoices, accounting books, financial and accounting reports and other relevant accounting information, and shall not withhold, conceal or misrepresent the same.
- Article 210** Before the convening of the General Meeting, the Board may fill any casual vacancy in the office of the certified public accountants' firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.
- Article 144
Mandatory Provisions
- Article 211** The Shareholders in General Meeting may, by ordinary resolution, remove a certified public accountants' firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.
- Article 145
Mandatory Provisions

Article 212 The remuneration of a certified public accountants' firm or the manner in which such firm is to be remunerated shall be determined by the Shareholders in General Meeting. The remuneration of a certified public accountants' firm appointed to fill a vacancy by the Board shall be determined by the Board.

Article 146
Mandatory Provisions

Article 213 The Company's appointment of, removal of and non-reappointment of a certified public accountants' firm shall be resolved by Shareholders in General Meeting. The resolution of the General Meeting shall be filed with the securities regulating authority of the State Council.

Article 147
Mandatory Provisions

Article 9
Letter of Opinions
on Supplementary
Amendment

Where it is proposed that any resolution be passed at a General Meeting concerning the appointment of a certified public accountants' firm, which is not an incumbent firm, to fill a casual vacancy in the office of the certified public accountants' firm, or to reappoint a retiring certified public accountants' firm which was appointed by the Board to fill a casual vacancy, or to remove the certified public accountants' firm before the expiration of its term of office, the following provisions shall apply:

Sec. 1(e)(i), Appendix
13D to the Listing
Rules

- (1) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year before notice of meeting is given to the Shareholders.

Leaving includes leaving by removal, resignation and retirement.

- (2) If the leaving firm makes representations in writing and requests the Company to notify the Shareholders of such representations, the Company shall (unless the representations are received too late):
 - (i) in any notice given to Shareholders about a resolution to be made, state the representations that has been made by the accountants' firm which is about to leave; and
 - (ii) attach a copy of the representations to the notice and deliver it to the Shareholders in the manner stipulated in the Articles of Association.
- (3) If the firm's representations are not sent in accordance with paragraph (2) above, the relevant firm may require that the representations be read out at the General Meeting and may lodge further complaints.
- (4) A certified public accountants' firm which is leaving its post shall be entitled to attend:
 - (i) the General Meeting relating to the expiry of its term of office;
 - (ii) any General Meeting at which it is proposed to fill the vacancy caused by its removal; and
 - (iii) any General Meeting convened on its resignation.

and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former certified public accountants' firm of the Company.

- Article 214** A thirty (30) day prior notice shall be given to the accountant, if the Company wishes to remove or not to reappoint the certified public accountants' firm, and such firm shall be entitled to make representation at the General Meeting. Where the certified public accountants' firm resigns from its post, it shall make clear to the General Meeting whether there has been any impropriety on the part of the Company.
- Article 148
Mandatory Provisions
- Article 162
Guide to AoA
- Article 10
Letter of Opinions
on Supplementary
Amendment
- (1) Where any certified public accountants' firm intends to resign from its office, it may deposit at the Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:
- Sec. 1(e)(ii), Appendix
13D to the Listing
Rules
- Sec. 1(e)(iii), Appendix
13D to the Listing
Rules
- Sec. 1(e)(iv), Appendix
13D to the Listing
Rules
- (i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the Shareholders or creditors of the Company; or
- (ii) a statement of any matters of which an account should be given.
- (2) Where a notice is deposited under the paragraph (1) of this Article, the Company shall within fourteen (14) days send a copy of the notice to relevant competent authority. If the notice contains a statement referred to in subparagraph (ii) under paragraph (1) of this Article, a copy of such statement shall be placed at the Company's registered office for Shareholders' inspection. The Company shall also send a copy of such statement to Shareholders who are entitled to be informed of the financial conditions of the Company by prepaid post, to the registered addresses shown in the register of members.

- (3) Where the notice of resignation of a certified public accountants' firm contains a statement referred to in subparagraph (ii) under paragraph (1) of this Article, the certified public accountants' firm may require the Board to convene an extraordinary General Meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Chapter 18 Merger and Division of the Company

Article 215 In the event of the merger or division of the Company, a plan shall be proposed by the Board and shall be approved in accordance with the procedures stipulated in the Articles of Association and the relevant examining and approving formalities shall be processed as required by law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request that the Company or the Shareholders who consent to such plan purchase their Shares at a fair price. A special document of the Company's resolution on the merger or division should be prepared for inspection by the Shareholders.

Article 149
Mandatory Provisions

The aforesaid document should also be dispatched to the holders of H Shares by registered mail.

Article 216 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Article 150
Mandatory Provisions

Article 171, 172, and
173 Guide to AoA

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make newspaper announcement within thirty (30) days of the date of the Company's resolution on merger. The creditors may, within 30 days from the receipt of the aforesaid notice, or, if they have not received such notice, within 45 days from the date of the aforesaid announcement, demand the Company to discharge the Company's debts or provide appropriate guarantees.

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

- Article 217** When the Company is divided, its assets shall be split up accordingly.
- Article 151
Mandatory Provisions
- In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make an announcement on a newspaper within thirty (30) days of the date of the Company's resolution on division.
- Article 174, 175
Guide to AoA
- Companies after the division shall be jointly and severally liable for the debts incurred by the Company before its division, unless otherwise agreed in a written agreement in relation to discharge of debts concluded before the division by the Company with its creditors.
- Article 218** When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.
- Article 152
Mandatory Provisions
- Article 177
Guide to AoA
- Chapter 19** **Dissolution and Liquidation of the Company**
- Article 219** The Company shall be dissolved and liquidated upon the occurrence of any of the following events:
- Article 153
Mandatory Provisions
- (1) expiration of the Company's business term stipulated in the Articles of Association or the occurrence of any other cause of dissolution stipulated in the Articles of Association;
- Article 178
Guide to AoA
- (2) a resolution on dissolution is passed by Shareholders at a General Meeting;
- Article 182
Company Law
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company is legally declared bankrupt due to its failure to repay debts due;

- (5) the Company's business license is revoked or the Company is ordered to close or to be cancelled for violation of laws or administrative regulations;
- (6) the Company has encountered grave difficulties in its operation and management and its continued existence would result in material losses to the Shareholders, and there is no other way to resolve the issue, in which case Shareholders holding shares representing more than 10% of the total voting rights of the Shareholders of the Company may make petition to the people's court requesting to dissolve the Company.

Article 220 Under the circumstances mentioned in subparagraph (1) of the preceding Article, the Company may survive by amending these Articles of Association.

Article 179
Guide to AoA

Any amendment to the Articles of Association pursuant to the preceding paragraph shall be approved by way of a special resolution by the General Meeting.

Article 221 Where the Company is dissolved under subparagraph (1), (2), (5), and (6) of Article 219, a liquidation committee shall be set up within fifteen (15) days, and its members shall be determined by Shareholders at a General Meeting by way of ordinary resolution. Where a liquidation committee is not formed in time to carry out liquidation procedures, creditors may make petition to the people's court requesting to designate relevant personnel to form a liquidation committee to carry out liquidation procedures.

Article 154
Mandatory Provisions

Article 180, 187
Guide to AoA

Where the Company is dissolved under subparagraph (4) of Article 219, bankruptcy procedures shall be carried out in accordance with relevant laws in relation to corporate bankruptcy.

- Article 222** Where the Board proposes to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the Board shall include a statement in its notice convening a General Meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.
- Upon the passing of the resolution by the Shareholders in General Meeting for the liquidation of the Company, all functions and powers of the Board shall cease.
- The liquidation committee shall act in accordance with the instructions of the General Meeting to make a report at least once every year to the General Meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to present a final report to the General Meeting on completion of the liquidation.
- Article 223** The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make newspaper announcement within sixty (60) days of that date. Creditors shall, within thirty (30) days of receipt of the notice, or in case they have not personally received such written notice, within forty five (45) days of the date of the announcement, declare their creditor rights to the liquidation committee. Any failure to declare creditor rights within the prescribed period shall be deemed a waiver thereof. When declaring their creditor rights, the creditors shall detail matters pertaining to their rights and supply supporting materials. The liquidation committee shall register the creditor's rights. During the claims declaration period, the liquidation committee shall not settle any debt of the creditors.

Article 155
Mandatory Provisions

Article 156
Mandatory Provisions

Article 182
Guide to AoA

- Article 224** During the liquidation period, the liquidation committee shall exercise the following functions and duties:
- Article 157
Mandatory Provisions
- Article 181
Guide to AoA
- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
 - (2) to notify creditors by sending notice and making announcement;
 - (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
 - (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
 - (5) to ascertain all claims and debts;
 - (6) to dispose of the remaining assets of the Company after the repayment of debts; and
 - (7) to represent the Company in any civil proceedings.
- Article 225** After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a General Meeting or relevant competent authorities for confirmation.
- Article 158
Mandatory Provisions
- Article 183
Guide to AoA
- The assets of the Company shall be applied for liquidation in the following order of priority: payment of liquidation costs, staff salaries, social insurance premiums and statutory compensation, payment of outstanding taxes and settlement of debts of the Company.
- The remaining assets of the Company after repayment of its debts in accordance with the provisions above shall be distributed to the Shareholders of the Company according to the class of Shares held by them and in proportion to their respective shareholdings.

During the liquidation, the Company continues in existence but shall not carry out any business activities which are not related to liquidation. No assets of the Company shall be distributed to any Shareholders prior to the repayment with the Company's assets in accordance with the preceding paragraphs.

- Article 226** In the event of Company's liquidation owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the people's court for a declaration of bankruptcy.
- Article 159
Mandatory Provisions
- Article 184
Guide to AoA

After the Company is declared bankrupt by a ruling of the people's court, the liquidation committee shall transfer the liquidation matters to the people's court.

- Article 227** Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the General Meeting or relevant competent authorities for confirmation.
- Article 160
Mandatory Provisions
- Article 185
Guide to AoA

The liquidation committee shall also within thirty (30) days after such confirmation, submit the documents referred to in the preceding paragraph to the company registration authority and apply for cancellation of registration of the Company, and announce the termination of the Company.

- Article 228** Members of the liquidation committee shall be loyal to their responsibilities and shall perform their liquidation duties according to law.
- Article 186
Guide to AoA

Members of the liquidation committee shall not abuse their authority to accept bribes or other illegal income or embezzle the property of the Company.

Any member of the liquidation committee shall be liable to indemnify against any losses suffered by the Company or the creditors as a result of his/her deliberate action or gross negligence.

Chapter 20 Procedures for Amendments to the Articles of Association

- Article 229** The Company may amend the Articles of Association under the requirements of laws, administrative regulations and the Articles of Association. The Company shall amend the Articles of Association under any of the following circumstances:
- Article 161
Mandatory Provisions
- Article 188
Guide to AoA
- (1) the Company Law or relevant laws or administrative regulations have been amended and the Articles of Association are in conflict with such amended laws or administrative regulations;
 - (2) the circumstances of the Company have changed such that they have become inconsistent with the contents of the Articles of Association;
 - (3) the General Meeting has resolved to amend the Articles of Association.
- Article 230** Any amendment to the Articles of Association involving anything set out in the Mandatory Provisions shall become effective upon approval by the department in charge of company approval affairs authorized by the State Council and by CSRC. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes. The Board shall amend these Articles of Association in accordance with the resolution passed at the General Meeting on the amendment of the Articles of Association and the review opinions of relevant competent authorities. Amendments to the Articles of Association are disclosable information under laws and regulations and shall be duly published by an announcement.
- Article 162
Mandatory Provisions
- Article 189, 190, and
191 Guide to AoA

Chapter 21 Notice

Article 231 Notices of the Company shall be given through the following methods: Article 163
Guide to AoA

1. delivery by hand;
2. by post;
3. by announcement;
4. other methods prescribed in the Articles of Association.

Article 232 Unless otherwise provided for in Articles of Association, notices issued by the Company to holders of Overseas Listed Foreign Shares in the form of announcement shall be published on the website of Stock Exchange of Hong Kong through the Electronic Publication System of the Hong Kong Stock Exchange on the same date as required by the relevant listing rules. Such announcement shall also be published on the website of the Company. In addition, such announcement shall be lodged with the registered address of each Shareholder on the register of holders of Overseas Listed Foreign Shares by way of hands or pre-paid postage. As such, Shareholders will be given full notice and adequate time to exercise their rights or act as instructed by the notice. Article 7(1), (2) and
(3), Appendix 3 to the
Listing Rules

Holders of Overseas Listed Foreign Shares may opt in writing for receiving corporate communications that shall be dispatched to Shareholders by electronic means or by post and opt for the Chinese or English version or both. Such Shareholders may also give the Company a prior notice in writing within a reasonable time frame to alter the ways of receiving the abovementioned information and language versions subject to proper procedures.

Article 233 Where a notice is to be sent by post, it shall be placed in an envelope properly addressed with postage prepaid, and any such notice is deemed to be served forty-eight (48) hours after the date of dispatch when it is deposited at the post box.

Article 164, 168
Guide to AoA

Where a Company notice is delivered by hand, the recipient shall affix his/her signature (seal) onto the return receipt and the date on which such recipient so acknowledges his receipt by signature shall be the date of service.

Where a Company notice is given by way of an announcement, all relevant persons shall be deemed to have received the notice upon the publication of the announcement and the first publication date of such announcement shall be the date of service.

Article 234 As specified in the preceding provision, corporate communications shall be provided and/or delivered to Shareholders in writing. However, for the ways of provision and/or delivery of corporate communications to Shareholders by the Company under the requirements of the Hong Kong Listing Rules, the Company may, upon obtaining the prior written consent of Shareholders, deliver or provide corporate communications to the Shareholders of the Company by electronic means or by publication of such information on the website of the Company, subject to the requirements of relevant laws and regulations as well as the Hong Kong Listing Rules as amended from time to time. Corporate communications include but are not limited to, among others, circulars, annual reports, interim reports, quarterly reports, notices of General Meetings and other types of corporate communications as set out in the Hong Kong Listing Rules.

Chapter 22 Settlement of Disputes

- Article 235** The Company shall act according to the following principles to settle disputes:
- Article 11
Letter of Opinions
on Supplementary
Amendment
- Article 163
Mandatory Provisions
- (1) Whenever any disputes or claims arise between holders of the Overseas Listed Foreign Shares and the Company, holders of the Overseas Listed Foreign Shares and the Company's Directors, Supervisors, the president or other senior management members, or holders of the Overseas Listed Foreign Shares and holders of Domestic Shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights abovementioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a Shareholder, Director, Supervisor, the president or other senior management members of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of Shareholders and disputes in relation to the register of Shareholders need not be referred to arbitration.

- (2) A claimant may elect arbitration at either 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 a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (3) If any disputes or claims of rights prescribed in subparagraph (1) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

Chapter 23 Miscellaneous

- Article 236** In these Articles of Association, the terms “at least” “not less than”, “within” and “not more than” include the figure itself, while “less than”, “more than”, “other than”, “lower than”, “more than” do not include the figure itself. Article 195
Guide to AoA
- Article 237** In these Articles of Association, “senior management members” refer to the Company’s president, vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer, the chief human resources officer and Secretary to the Board and other personnel as prescribed by these Articles. “President”, “vice president” and “CFO” herein refer to “manager”, “deputy manager” and “financial controller” as defined in the Company Law. Article 11
Guide to AoA
- Article 238** In these Articles of Association, “accounting firm” shall have the same meaning as “auditor”. Article 165
Mandatory Provisions
- Article 239** These Articles of Association are written in Chinese. In case of any discrepancies among the various versions in different languages, the latest Chinese version approved by and registered with the registered management department of the Company shall prevail. In case of any discrepancies between other language versions and the Chinese version, the Chinese version shall prevail. Article 196
Guide to AoA

These Articles of Association shall be interpreted by the Board of the Company.

Assuming that the proposed amendments set out in Appendix I have been approved by the Shareholders at the AGM, the table below shows further proposed amendments to the Articles of Association to ensure the Company's compliance with relevant laws and regulations of the PRC and the listing rules of the Shanghai Stock Exchange upon the listing and trading of the A Shares on the Shanghai Stock Exchange. Appropriate consequential changes to the numbering and sequence of the relevant chapter, article, paragraph and subparagraph will be made, if required, but are not specifically described herein.

The English version of the Articles of Association in this Appendix IX is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

Articles of Association
(Assuming that the proposed
amendments set out in Appendix I
have been approved at the AGM)

Amended Articles of Association
(Applicable upon the listing of
the A Shares)

Article 1

Yangtze Optical Fibre and Cable Joint Stock Limited Company (the "**Company**") is a joint stock limited company incorporated pursuant to the Company Law of the People's Republic of China, the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Company (the "**Special Regulations**") and other relevant laws in the People's Republic of China (the "**PRC**") and administrative regulations.

The Company was established with the approval of Wuhan Municipal Bureau of Commerce, as evidenced by the approval document, namely, the approval of the conversion of Yangtze Optical Fibre and Cable Company Ltd. issued by Municipal Bureau of Commerce; the Company was registered with the Wuhan Administration for Industry and Commerce and was granted the corporate legal person's business license on December 27, 2013. The number of its corporate legal person's business license is: 420100400008486.

Article 1

In order to safeguard the lawful rights and interests of the Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the "**Company**") is a joint stock limited company incorporated pursuant to and its Shareholders and creditors and regulate its organization and activities, these Articles of Association are hereby formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China (hereinafter referred to as the "**Securities Law**"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "**Special Regulations**") and other relevant regulations.

Article 2

The Company is a joint stock limited company incorporated pursuant to the Company Law, the Securities Law, the

The promoters of the Company include China Huaxin Post and Telecommunications Economy Development Center, Draka Comteq B.V. and Wuhan Changjiang Communications Industry Group Shares Company Ltd.

Special Regulations and other relevant laws in the People's Republic of China (the "PRC") and administrative regulations.

The Company was established with the approval of Wuhan Municipal Bureau of Commerce, as evidenced by the approval document, namely, the approval of the conversion of Yangtze Optical Fibre and Cable Company Ltd. issued by Municipal Bureau of Commerce; the Company was registered with the Wuhan Administration for Industry and Commerce and was granted the corporate legal person's business license on December 27, 2013. ~~The number of its corporate legal person's business license is: 420100400008486. Its unified social credit code is: 91420100616400352X.~~

The promoters of the Company include China Huaxin Post and Telecommunications Economy Development Center, Draka Comteq B.V. and Wuhan Changjiang Communications Industry Group Shares Company Ltd.

Article 2

Unless otherwise specified in these Articles of Association, the following terms shall have the meanings set out below:

Acting in Concert: shall have the meaning set out in Article 58 of the Articles of Association.

Articles of Association: mean these Articles of Association.

Board or Board of Directors: mean the board of directors of the Company.

Chairman: means the chairman of the Board (as defined above).

~~Article 2~~

~~Unless otherwise specified in these Articles of Association, the following terms shall have the meanings set out below:~~

~~Acting in Concert: shall have the meaning set out in Article 58 of the Articles of Association.~~

~~Articles of Association: mean these Articles of Association.~~

~~Board or Board of Directors: mean the board of directors of the Company.~~

~~Chairman: means the chairman of the Board (as defined above).~~

Class Shareholders: shall have the meaning set out in Article 89 of the Articles of Association.

Class Shareholders' Meeting: means the meeting of the Class Shareholders (as defined above).

Company: means Yangtze Optical Fibre and Cable Joint Stock Limited Company.

Company Law: means the Company Law of the People's Republic of China as amended from time to time.

Controlling Shareholder: shall have the meaning set out in Article 58 of the Articles of Association.

Director: means any member of the Board (as defined above).

Domestic Investors: shall have the meaning set out in Article 16 of the Articles of Association.

Domestic Shares: shall have the meaning set out in Article 17 of the Articles of Association.

Foreign Investors: shall have the meaning set out in Article 16 of the Articles of Association.

Foreign Shares: shall have the meaning set out in Article 17 of the Articles of Association.

General Meeting: means the general meeting of the Shareholders.

H Shares: shall have the meaning set out in Article 17 of the Articles of Association.

~~Class Shareholders: shall have the meaning set out in Article 89 of the Articles of Association.~~

~~Class Shareholders' Meeting: means the meeting of the Class Shareholders (as defined above).~~

~~Company: means Yangtze Optical Fibre and Cable Joint Stock Limited Company.~~

~~Company Law: means the Company Law of the People's Republic of China as amended from time to time.~~

~~Controlling Shareholder: shall have the meaning set out in Article 58 of the Articles of Association.~~

~~Director: means any member of the Board (as defined above).~~

~~Domestic Investors: shall have the meaning set out in Article 16 of the Articles of Association.~~

~~Domestic Shares: shall have the meaning set out in Article 17 of the Articles of Association.~~

~~Foreign Investors: shall have the meaning set out in Article 16 of the Articles of Association.~~

~~Foreign Shares: shall have the meaning set out in Article 17 of the Articles of Association.~~

~~General Meeting: means the general meeting of the Shareholders.~~

~~H Shares: shall have the meaning set out in Article 17 of the Articles of Association.~~

Hong Kong Stock Exchange: shall have the meaning set out in Article 7 of the Articles of Association.

~~Hong Kong Stock Exchange: shall have the meaning set out in Article 7 of the Articles of Association.~~

Independent Directors: shall have the meaning set out in Article 103 of the Articles of Association.

~~Independent Directors: shall have the meaning set out in Article 103 of the Articles of Association.~~

Interested Shareholders: shall have the meaning set out in Article 92 of the Articles of Association.

~~Interested Shareholders: shall have the meaning set out in Article 92 of the Articles of Association.~~

Original Certificates: shall have the meaning set out in Article 48 of the Articles of Association.

~~Original Certificates: shall have the meaning set out in Article 48 of the Articles of Association.~~

Overseas Listed Foreign Shares: shall have the meaning set out in Article 17 of the Articles of Association.

~~Overseas Listed Foreign Shares: shall have the meaning set out in Article 17 of the Articles of Association.~~

PRC: means the People's Republic of China.

~~PRC: means the People's Republic of China.~~

Recognized Clearing House: shall have the meaning set out in Article 44 of the Articles of Association.

~~Recognized Clearing House: shall have the meaning set out in Article 44 of the Articles of Association.~~

Requisitionist Shareholder(-s): shall have the meaning set out in Article 83 of the Articles of Association.

~~Requisitionist Shareholder(-s): shall have the meaning set out in Article 83 of the Articles of Association.~~

RMB: means the legal currency of the PRC.

~~RMB: means the legal currency of the PRC.~~

Secretary of the Board: means the secretary of the Board (as defined above).

~~Secretary of the Board: means the secretary of the Board (as defined above).~~

Senior Management Members: shall have the meaning set out in Article 189 of the Articles of Association.

~~Senior Management Members: shall have the meaning set out in Article 189 of the Articles of Association.~~

Shareholder: means any of the shareholders of the Company.

~~Shareholder: means any of the shareholders of the Company.~~

Shares: means the shares of the Company.

~~Shares: means the shares of the Company.~~

Special Regulations: shall have the meaning set out in Article 1 of the Articles of Association.

~~Special Regulations: shall have the meaning set out in Article 1 of the Articles of Association.~~

Supervisor: means any member of the Board of Supervisors (as defined below).

~~Supervisor: means any member of the Board of Supervisors (as defined below).~~

Board of Supervisors: means the board of supervisors of the Company.

~~Board of Supervisors: means the board of supervisors of the Company.~~

Territory: means the geographical territory of the PRC (as defined above).

~~Territory: means the geographical territory of the PRC (as defined above).~~

Vice Chairman: means the vice chairman of the Board (as defined above).

~~Vice Chairman: means the vice chairman of the Board (as defined above).~~

Article 6

Article 6

The Company is a joint stock limited company in perpetual existence, and the nature of the Company is a foreign investment joint stock company.

The Company is a joint stock limited company in perpetual existence, and the nature of the Company is a foreign investment joint stock company.

The assets of the Company are fully divided into equal shares. The Shareholders are liable to the Company to the extent of their subscriptions of the Shares. The Company is liable for its debts to the extent of all of its assets.

Article 7

Article 7

Upon approval at the General Meeting by way of special resolution and approval by the relevant authorities in the PRC, the Articles of Association came into effect from the date on which the Overseas Listed Foreign Shares were listed and traded on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), and replaced the original articles of association of the Company registered and filed with the industry and commerce administration authorities.

Upon approval at the General Meeting by way of special resolution and approval by the relevant authorities in the PRC, the Articles of Association came into effect from the date on which the ~~Overseas Listed Foreign~~A Shares were listed and traded on ~~The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"),~~the PRC domestic stock exchange and replaced the original articles of association of the Company registered and filed with the industry and commerce administration authorities.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders.

Article 8

The Articles of Association are binding on the Company and its Shareholders, Directors, Supervisors, president and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Subject to Article 187 of the Articles of Association, the Articles of Association are actionable by a Shareholder against the Company and vice versa, by the Company against Shareholders, by Shareholders against each other and by a Shareholder against the Directors, Supervisors, president and other senior management members of the Company.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders.

Article 8

The Articles of Association are binding on the Company and its Shareholders, Directors, Supervisors, president and other senior management members, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Subject to Article ~~187~~235 of the Articles of Association, the Articles of Association are actionable by a Shareholder against the Company and vice versa, by the Company against Shareholders, Directors, Supervisors, the president and other senior management members, by Shareholders against each other and by a Shareholder against the Directors, Supervisors, president and other senior management members of the Company.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

**Chapter 3 Shares, Share Transfer and
Registered Capital****Article 14**

The Shares are evidenced by share certificates, with a par value of RMB1 yuan each.

The RMB referred to in the preceding paragraph is the legal currency of the PRC.

Article 17

Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as Domestic Shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as Foreign Shares. Foreign Shares which are listed outside the PRC shall be referred to as Overseas Listed Foreign Shares.

The foreign currency referred to in the preceding paragraph is a legal currency (other than RMB) of other countries or regions which are recognized by the foreign exchange administration authority of the PRC and can be used for payment of the Shares.

Overseas Listed Foreign Shares listed in Hong Kong shall be referred to as H Shares for short. H Shares refer to the Shares approved to be listed on Hong Kong Stock Exchange, the par value of which are denominated in RMB, and are subscribed for and traded in Hong Kong dollars.

**Chapter 3 Shares, ~~Share Transfer~~ and
Registered Capital****Article 14**

The Shares are evidenced by share certificates and are all issued as par value share by the Company, with a par value of RMB1 yuan each.

The RMB referred to in the preceding paragraph is the legal currency of the PRC.

Article 17

Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as Domestic Shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as Foreign Shares. Domestic Shares which are listed on a PRC domestic stock exchange shall be referred to as Domestically Listed Domestic Shares. Foreign Shares which are listed outside the PRC shall be referred to as Overseas Listed Foreign Shares.

The foreign currency referred to in the preceding paragraph is a legal currency (other than RMB) of other countries or regions which are recognized by the foreign exchange administration authority of the PRC and can be used for payment of the Shares.

Overseas Listed Foreign Shares listed in Hong Kong shall be referred to as H Shares for short. H Shares refer to the Shares approved to be listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Stock Exchange"), the par value of which are denominated in RMB, and are subscribed for and traded in Hong Kong dollars.

Domestically Listed Domestic Shares shall be referred to as A Shares for short. A Shares refer to the Shares approved by China Securities Regulatory Commission (hereinafter referred to as "CSRC") to be offered and listed on a PRC domestic stock exchange, the par value of which are denominated in Renminbi, and are subscribed for and traded in RMB.

The A Shares of the Company are centrally deposited with the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

Article 19

Upon establishment, the Company issued 159,870,000 Overseas Listed Foreign Shares upon approval of the securities regulatory authority of the State Council.

As at 30 September 2015, the shareholding structure of the Company was as follows: total share capital of 639,462,598 shares, including 299,764,804 domestic shares, representing 46.88% of the total number of ordinary shares issued by the Company, 339,697,794 H shares, representing 53.12% of the total number of ordinary shares issued by the Company.

On 18 December 2015, the Company issued 11,869,000 Overseas Listed Foreign Shares after approval of the securities regulatory authority of the State Council. Meanwhile, the Company issued 307,830,000 Domestic Shares upon approval by the Company.

Article 19

Upon establishment, the Company issued 159,870,000 Overseas Listed Foreign Shares upon approval of the securities regulatory authority of the State Council.

As at 30 September 2015, the shareholding structure of the Company was as follows: total share capital of 639,462,598 shares, including 299,764,804 domestic shares, representing 46.88% of the total number of ordinary shares issued by the Company, 339,697,794 H shares, representing 53.12% of the total number of ordinary shares issued by the Company.

On 18 December 2015, the Company issued 11,869,000 Overseas Listed Foreign Shares after approval of the securities regulatory authority of the State Council. Meanwhile, the Company issued 307,830,000 Domestic Shares upon approval by the Company.

Upon the issuance of Overseas Listed Foreign Shares and domestic shares as aforementioned, the shareholding structure of the Company shall be as follows: total share capital of 682,114,598 shares, including 330,547,804 Domestic Shares, representing 48.46% of the total number of ordinary shares, details as follows: 179,827,794 are held by China Huaxin Post and Telecommunication Economy Development Center, representing 26.37% of the total ordinary share capital, 119,937,010 are held by Wuhan Changjiang Communications Industry Group Company Ltd., representing 17.58% of the total ordinary share capital 15,900,000 Shares are held by Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership), representing 2.33% of the total ordinary share capital, 9,095,000 Shares are held by Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) representing 1.33% of the total ordinary share capital, 3,413,000 Shares are held by Wuhan Ruihong Management Consulting Partnership Enterprise (Limited Partnership), representing 0.50% of the total ordinary share capital, 2,375,000 Shares are held by Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership), representing 0.35% of the total ordinary share capital. 351,566,794 H shares, representing 51.54% of the total number of ordinary shares issued by the Company, details as follows: 179,827,794 Shares are held by Draka Comteq B.V., representing 26.37% of the total ordinary share capital, 171,739,000 Shares are held by H Shareholders, representing 25.17% of the total ordinary share capital.

Upon the issuance of Overseas Listed Foreign Shares and domestic shares as aforementioned, the shareholding structure of the Company shall be as follows: total share capital of 682,114,598 shares, including 330,547,804 Domestic Shares, representing 48.46% of the total number of ordinary shares, details as follows: 179,827,794 are held by China Huaxin Post and Telecommunication Economy Development Center, representing 26.37% of the total ordinary share capital, 119,937,010 are held by Wuhan Changjiang Communications Industry Group Company Ltd., representing 17.58% of the total ordinary share capital 15,900,000 Shares are held by Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership), representing 2.33% of the total ordinary share capital, 9,095,000 Shares are held by Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) representing 1.33% of the total ordinary share capital, 3,413,000 Shares are held by Wuhan Ruihong Management Consulting Partnership Enterprise (Limited Partnership), representing 0.50% of the total ordinary share capital, 2,375,000 Shares are held by Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership), representing 0.35% of the total ordinary share capital. 351,566,794 H shares, representing 51.54% of the total number of ordinary shares issued by the Company, details as follows: 179,827,794 Shares are held by Draka Comteq B.V., representing 26.37% of the total ordinary share capital, 171,739,000 Shares are held by H Shareholders, representing 25.17% of the total ordinary share capital.

On [•••], upon approval by the securities regulatory authority of the State Council, the Company made an initial public offering of its Domestic Shares. On [•••], such publicly offered Domestic Shares were listed together with the Domestic Shares previously issued by the Company. The shareholding structure of the Company is as follows: total share capital of [•••] shares, including [•••] A Shares, representing [•••]% of the total number of ordinary shares of the Company; and [•••] H Shares, representing [•••]% of the total number of ordinary shares issued by the Company.

Article 22

The registered capital of the Company is 682,114,598 RMB Yuan.

Article 23

The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.

The Company may increase its capital in the following manners:

- (1) offering new Shares to non-specific investors;
- (2) placing new Shares to specific investors and/or specific existing Shareholders;
- (3) distributing new Shares to its existing Shareholders;
- (4) capitalizing its capital reserve; or

Article 22

The registered capital of the Company is 682,114,598[•••] RMB Yuan.

Article 23

The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.

The Company may increase its capital in the following manners:

- (1) public offering of Shares ~~offering of new Shares to non-specific investors;~~
- (2) ~~placing new Shares to specific investors and/or specific existing Shareholders~~ private placement of Shares;
- (3) ~~distributing new Shares~~ bonus issue to its existing Shareholders;
- (4) capitalizing its capital reserve; or

(5) other methods as permitted by laws and administrative regulations and those approved by the securities regulatory authority of the State Council.

The Company's increase of capital by issuing new Shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

Upon capital increase or reduction, the Company shall register changes with its original industry and commerce administration authorities and make announcement thereof.

Article 25

The Company shall not accept any Shares as the subject of a pledge.

Article 26

The Directors, Supervisors, and senior management personnel of the Company shall declare, to the Company, information on their holdings of the Shares and the changes thereto. The Shares transferable by them during each year of their term of office shall not exceed 25% of their total holdings of the Shares. The Shares that they held shall not be transferred within one year of the date on which the stocks of the Company are listed and traded. The aforesaid persons shall not transfer their Shares within six months of their departure from the Company. Where the aforementioned restrictions on transfer involve H Shares, approval by Hong Kong Stock Exchange is required.

(5) other methods as permitted by laws and administrative regulations and those approved by the securities regulatory authority of the State Council.

The Company's increase of capital by issuing new Shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

Upon capital increase or reduction, the Company shall register changes with its original industry and commerce administration authorities and make announcement thereof.

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Article 28

The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of capital and shall publish an announcement at least three (3) times in newspapers within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within ninety (90) days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

The registered share capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Article 29

The Company may, according to the procedures laid down in the Articles of Association, and subject to the approval of the relevant governing authority of the PRC, repurchase its issued Shares pursuant to legal procedures under the following circumstances:

- (1) to cancel Shares for the purpose of capital reduction;
- (2) to merge with another company that holds Shares;
- (3) other circumstances as permitted by laws and administrative regulations.

Article ~~28~~26

The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of capital and shall publish an announcement ~~at least three (3) times~~ in newspapers within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within ~~ninety~~ninety-fourty-five (9045) days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

The registered share capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Article ~~29~~27

Subject to the requirements of laws, administrative regulations, departmental rules and other normative documents and the Articles of Association, ~~The~~ Company may, ~~according to the procedures laid down in the Articles of Association, and subject to the approval of the relevant governing authority of the PRC,~~ repurchase its issued Shares pursuant to legal procedures under the following circumstances:

- (1) to cancel Shares for the purpose of capital reduction;
- (2) to merge with another company that holds Shares;

- (3) to grant awards of Shares to its employees;
- (4) to repurchase, at their request, Shares from Shareholders dissenting from the resolutions adopted by the General Meeting for the merger or division of the Company; or
- (35) other circumstances as permitted by laws and administrative regulations.

Except under the foregoing circumstances, the Company shall not engage in the purchase or sale of its own Shares.

New Article 30

Any Share repurchase by the Company due to the circumstances set out in subparagraphs (1) to (3) of Article 27 shall be resolved upon by the General Meeting of the Shareholders and by the general meeting of class Shareholders. Where a holder of H Shares requests the Company to buy back its Shares pursuant to subparagraph (4) of Article 27, such repurchases by the Company shall comply with the requirements of relevant stock exchange rules and other normative documents. Upon repurchase of the Shares pursuant to Article 27, the Company shall cancel such repurchased Shares within ten (10) days from the repurchase, if such repurchase constituted the circumstance set out in subparagraph (1); or shall transfer or cancel such repurchased Shares within six (6) months of the repurchase, if such repurchase constituted the circumstances set out in subparagraphs (2) or (4).

Shares repurchased by the Company pursuant to subparagraph (3) of Article 27 shall not exceed 5% of the total issued Shares of the Company. Such repurchases shall be funded by the profits (after all taxes have been deducted) of the Company and the repurchased Shares shall be transferred to the employees within one (1) year.

Article 34

The Company and its subsidiaries shall not, by any other means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire Shares. The said acquirer of Shares includes a person who directly or indirectly incurs any obligations due to the acquisition of Shares.

The Company and its subsidiaries shall not, by any other means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article 36 of these Articles of Association.

Article 35

The financial assistance referred to in this Chapter includes, but not limited to the following meanings:

- (1) gift;
- (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;

Article ~~34~~33

The Company and its subsidiaries shall not, by any other means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire Shares. The said acquirer of Shares includes a person who directly or indirectly incurs any obligations due to the acquisition of Shares.

The Company and its subsidiaries shall not, by any other means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article ~~36~~35 of these Articles of Association.

Article ~~35~~34

The financial assistance referred to in this Chapter includes, but is not limited to the following meanings:

- (1) gift, advances or compensation;
- (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;

- | | |
|---|---|
| <p>(3) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;</p> <p>(4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.</p> | <p>(3) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;</p> <p>(4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.</p> |
|---|---|

The expression "Incurring an obligation" referred to in this Chapter includes the incurring of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Article 36

The following activities shall not be deemed to be activities as prohibited in Article 34:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of Shares, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (2) the lawful distribution of the Company's assets by way of dividend;

The expression "Incurring an obligation" referred to in this Chapter includes the incurring of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Article ~~36~~35

The following activities shall not be deemed to be activities as prohibited in Article ~~34~~33:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of Shares, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (2) the lawful distribution of the Company's assets by way of dividend;

- | | |
|---|---|
| (3) the allotment of Shares as dividends; | (3) the allotment of Shares as dividends; |
| (4) a reduction of registered capital, a repurchase of Shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association; | (4) a reduction of registered capital, a repurchase of Shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association; |
| (5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company); and | (5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company); and |
| (6) the provision of money by the Company for contributions to staff and workers' share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company). | (6) the provision of money by the Company for contributions to staff and workers' share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company). |

New Chapter 6 Share Transfer

New Article 36

The Shares may be transferred in accordance with law.

New Article 37

The Company shall not accept any Shares being pledged to it as the subject matter of a pledge.

New Article 38

Shares held by the Promoters shall not be transferred within one (1) year from the date of establishment of the Company. Domestic Shares issued prior to the initial public offering of Domestic Shares shall not be transferred within one (1) year from the date of the listing of Domestic Shares on the PRC domestic stock exchange.

The Company's Directors, Supervisors, and senior management members shall report to the Company their holdings of Shares and any change thereto; and they may not transfer, during each year of their term of office, more than 25% of the total number of Shares held by them in the Company, nor shall they transfer, within one year from the date when the Shares are listed and traded, those Shares held by them in the Company. The aforesaid persons are barred from transferring Shares held by them within six (6) months of cessation of their term of office. To the extent any H Shares are covered by the share transfer restrictions set out in this paragraph, approval shall be obtained from the Hong Kong Stock Exchange.

New Article 39

If any of the Company's Directors, Supervisors or senior management members or Shareholders holding 5% or more of the Company's A Shares sells, within six months of purchase, or purchases, within six months of sale, their such holdings of A Shares, the resulting gain shall belong to the Company and shall be recovered by the Board of Directors, provided that such 6-month period restriction shall not apply to the sale of such Shares by a securities firm holding 5% or more of such shares

as a result of its acquisition of unsold offered shares under a firm commitment underwriting arrangement.

If the Board fails to implement the measures as set out in the foregoing paragraph, the Shareholder(s) shall be entitled to request the Board of Directors to so act within thirty (30) days. If the Board fails to act within the aforesaid period, the Shareholder(s) shall be entitled to bring a lawsuit before the people's court in their own name in the interest of the Company.

To the extent the Board fails to implement the measures as set out in the first paragraph above, the Shareholder(s) responsible for such failure shall be jointly and severally liable pursuant to law.

**Chapter 6 Share Certificates and
Register of Shareholders**

Article 38

The Share certificates shall be signed by the Chairman. Where the stock exchange on which the Shares are listed requires the Share certificates to be signed by other senior management members, the Share certificates shall also be signed by such senior management members. The Share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The Share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman or other relevant senior management members on the share certificates may also be in printed form.

**Chapter ~~6~~7 Share Certificates and
Register of Shareholders**

Article ~~38~~41

The Share certificates shall be signed by the Chairman. Where the stock exchange on which the Shares are listed requires the Share certificates to be signed by other senior management members, the Share certificates shall also be signed by such senior management members. The Share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The Share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman or other relevant senior management members on the share certificates may also be in printed form.

To the extent paperless issuance and trading is implemented with respect to the Shares, separate requirements of the securities regulatory authorities and stock exchange of the place where the Shares are listed shall apply.

Article 44

All transfers of Overseas Listed Foreign Shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time); the instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the Company's seal. Where the transferor or transferee is a recognized clearing house ("**Recognized Clearing House**") (as defined by relevant regulations in Hong Kong laws in effect from time to time) or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board may specify from time to time.

Article 45

Transfers may not be entered in the register of Shareholders within thirty (30) days prior to the date of a General Meeting or within five (5) days before the record date set by the Company for the purpose of distribution of dividends. This provision does not apply to the registration of change of register of Shareholders during the issuance of new share capital in accordance with Article 23.

Article ~~44~~7

All transfers of ~~Overseas Listed Foreign~~H Shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time); the instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the Company's seal. Where the transferor or transferee is a recognized clearing house ("**Recognized Clearing House**") (as defined by relevant regulations in Hong Kong laws in effect from time to time) or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board may specify from time to time.

Article ~~45~~8

Transfers may not be entered in the register of Shareholders within thirty (30) days prior to the date of a General Meeting or within five (5) days before the record date set by the Company for the purpose of distribution of dividends. This provision does not apply to the registration of change of register of Shareholders during the issuance of new share capital in accordance with Article 23. The foregoing shall apply to holders of H Shares.

Requirements otherwise stipulated by the securities regulatory authorities of the place where the Shares are listed shall apply.

Article 46

When the Company intends to convene a General Meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall designate a day to be the record date. Shareholders whose names appear in the register of Shareholders at the end of the record date are Shareholders.

Article 48

Any Shareholder who is registered in, or any person who requests to have his/her name entered in, the register of Shareholders may, if its Share certificates (the “**Original Certificates**”) are lost, apply to the Company for a replacement share certificate in respect of such Shares.

If a holder of the Domestic Shares loses its Original Certificates and applies for their replacement, it shall be dealt with in accordance with the provisions of the Company Law.

If a holder of Overseas Listed Foreign Shares loses its Original Certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of Overseas Listed Foreign Shares is maintained.

Article 4649

When the Company intends to convene a General Meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board or the convener of the General Meeting shall designate a day to be the record date. Shareholders whose names appear in the register of Shareholders at the end of the record date are Shareholders entitled to relevant rights and interests.

Article 4851

Any Shareholder who is registered in, or any person who requests to have his/her name entered in, the register of Shareholders may, if its Share certificates (the “**Original Certificates**”) are lost, apply to the Company for a replacement share certificate in respect of such Shares.

If a holder of the Domestic Shares loses its Original Certificates and applies for their replacement, it shall be dealt with in accordance with the provisions of the Company Law.

If a holder of ~~Overseas Listed Foreign~~H Shares loses its Original Certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of Overseas Listed Foreign Shares is maintained.

In the case that the Company goes public in Hong Kong, the issue of replacement certificates to holders of Overseas Listed Foreign Shares shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the Original Certificates as well as declaring that no other person shall be entitled to request to be registered as the Shareholder in respect of the relevant Shares.
- (2) no statement has been received by the Company from a person other than the applicant for having its name registered as a holder of the relevant Shares before the Company came to a decision to issue the replacement certificate.
- (3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; the announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.
- (4) the Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its Shares are listed a copy of the announcement to be published. The Company may publish the announcement

In the case that the Company goes public in Hong Kong, the issue of replacement certificates to holders of Overseas Listed Foreign Shares shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the Original Certificates as well as declaring that no other person shall be entitled to request to be registered as the Shareholder in respect of the relevant Shares.
- (2) no statement has been received by the Company from a person other than the applicant for having its name registered as a holder of the relevant Shares before the Company came to a decision to issue the replacement certificate.
- (3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; the announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.
- (4) the Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its Shares are listed a copy of the announcement to be published. The Company may publish the announcement

upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the relevant Shares, the Company shall send by post to such registered Shareholder a copy of the announcement to be published.

- (5) if, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to its application.
- (6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issue in the register of Shareholders accordingly.
- (7) all expenses relating to the cancellation of an Original Certificate and the issue of a replacement Share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the relevant Shares, the Company shall send by post to such registered Shareholder a copy of the announcement to be published.

- (5) if, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to its application.
- (6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issue in the register of Shareholders accordingly.
- (7) all expenses relating to the cancellation of an Original Certificate and the issue of a replacement Share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

APPENDIX IX	COMPARISON OF THE DRAFT AMENDED ARTICLES OF ASSOCIATION TO BE EFFECTIVE FROM THE EFFECTIVE DATE AGAINST THE DRAFT AMENDED ARTICLES OF ASSOCIATION
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Chapter 7 **Rights and Obligations of Shareholders**

Chapter 78 **Rights and Obligations of Shareholders**

Article 52

Article 5255

The ordinary Shareholders shall be entitled to the following rights:

The ordinary Shareholders shall be entitled to the following rights:

- (1) the right to dividends and other distributions in proportion to the number of Shares held;
- (2) the right to attend or appoint a proxy to attend General Meetings and to exercise the voting right thereat;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer Shares in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 - (ii) the right to inspect and, subject to payment of a reasonable charge, copy:
 1. the register of all Shareholders;

- (1) the right to dividends and other distributions in proportion to the number of Shares held;
- (2) the right to demand, convene, chair, attend or appoint a proxy to attend General Meetings and to exercise ~~the~~corresponding voting rights thereat pursuant to law;
- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, gift or pledge the Shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 - (ii) the right to inspect and, subject to payment of a reasonable charge, copy:
 1. the register of all Shareholders;

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| <p>2. personal particulars of each of the Company's Directors, Supervisors, president and other senior management members including:</p> <p>(a) present name and alias and any former name and alias;</p> <p>(b) principal address (residence);</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations;</p> <p>(e) identification document and its number.</p> <p>(iii) the state of the Company's share capital;</p> <p>(iv) the latest audited financial statements and the reports of the Board, auditors and the Board of Supervisors;</p> <p>(v) the special resolution of the General Meeting;</p> <p>(vi) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;</p> | <p>2. personal particulars of each of the Company's Directors, Supervisors, president and other senior management members including:</p> <p>(a) present name and alias and any former name and alias;</p> <p>(b) principal address (residence);</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations;</p> <p>(e) identification document and its number.</p> <p>(iii) the state of the Company's share capital;</p> <p>(iv) the latest audited financial statements and the reports of the Board, auditors and the Board of Supervisors;</p> <p>(v) the special resolution of the General Meeting;</p> <p>(vi) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;</p> |
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(vii) a copy of the latest annual review report, which shall be submitted to the State Administration for Industry and Commerce of the PRC or other authorities for inspection; and

(viii) minutes of General Meetings.

The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the listing rules, for the purpose of inspection by the public and holders of Overseas Listed Foreign Shares free of charge.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of Shares they hold. Upon verification of the Shareholder's identity, the Company shall provide such information at the Shareholder's request.

(vii) a copy of the latest annual ~~review~~ report, which shall be submitted to the State Administration for Industry and Commerce of the PRC or other authorities for inspection; ~~and~~

(viii) minutes of General Meetings, resolutions of Board Meetings and of the Board of Supervisors; and

(ix) counterfoils of the bonds of the Company.

The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the listing rules, for the purpose of inspection by the public and holders of Overseas Listed Foreign Shares free of charge.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of Shares they hold. Upon verification of the Shareholder's identity, the Company shall provide such information at the Shareholder's request.

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| <p>(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held; and</p> <p>(7) other rights conferred by laws, administrative regulations and the Articles of Association.</p> | <p>(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held; and</p> <p>(7) <u>to demand the Company, in the case of such Shareholders dissenting from the resolutions adopted by the General Meeting for the merger or division of the Company, to repurchase their Shares; and</u></p> <p>(78) other rights conferred by laws, administrative regulations and <u>departmental rules and</u> the Articles of Association.</p> |
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Article 56

The ordinary Shareholders of the Company shall assume the following obligations:

- (1) to abide by the Articles of Association;
- (2) to pay subscription monies according to the number of Shares subscribed and the method of subscription;
- (3) to be responsible for the Company to the extent of the Shares they have subscribed for;
- (4) not to divest the Shares unless required by the laws and regulations;

Article 5659

The ordinary Shareholders of the Company shall assume the following obligations:

- (1) to abide by the laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of Shares subscribed and the method of subscription;
- (3) to be responsible for the Company to the extent of the Shares they have subscribed for;
- (4) not to divest the Shares unless required by the laws and regulations;

- (5) not to abuse their Shareholders' rights to harm the interests of the Company or other Shareholders; and not to abuse the independent legal person status of the Company and the limited liability of Shareholders to harm the interests of any creditor of the Company; Shareholders of the Company who abuse their Shareholder's rights and thereby cause loss on the Company or other Shareholders shall be liable for indemnity according to the law. Where Shareholders abuse the Company's position as an independent legal person and the limited liability of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.
- (6) other obligations imposed by laws, administrative regulations and the Articles of Association.
- (5) not to abuse their Shareholders' rights to harm the interests of the Company or other Shareholders; and not to abuse the independent legal person status of the Company and the limited liability of Shareholders to harm the interests of any creditor of the Company; Shareholders of the Company who abuse their Shareholder's rights and thereby cause loss on the Company or other Shareholders shall be liable for indemnity according to the law. Where Shareholders abuse the Company's position as an independent legal person and the limited liability of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.
- (6) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of the relevant Shares on subscription.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of the relevant Shares on subscription.

New Article 60

Where a holder of A Shares holding 5% or more of the Shares carrying voting power of the Company pledges its Shares, such Shareholder shall report to the Company in writing on the same day of the occurrence of such event. Any pledge of H Shares is subject to relevant requirements prescribed by the Hong Kong Stock Exchange.

Article 57

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which Shares are listed, a Controlling Shareholder (as defined in the following provision) shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the Shareholders:

- (1) to relieve a Director or Supervisor of his/her duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;
- (3) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person) of the individual rights of other Shareholders, including (without limitation) rights to distributions and voting rights save for a company restructuring submitted to the General Meeting for approval in accordance with the Articles of Association.

The Controlling Shareholder shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages.

Article 5761

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which Shares are listed, a Controlling Shareholder (as defined in the following provision) shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the Shareholders:

- (1) to relieve a Director or Supervisor of his/her duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;
- (3) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person) of the individual rights of other Shareholders, including (without limitation) rights to distributions and voting rights save for a company restructuring submitted to the General Meeting for approval in accordance with the Articles of Association.

The Controlling Shareholder and the Actual Controller shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages.

The Controlling Shareholder and the Actual Controller owe fiduciary duty to the Company and to the public Shareholders of the Company. The Controlling Shareholder shall exercise its rights as an investor in strict compliance with law; the Controlling Shareholder shall not use profit distribution, asset restructuring, external investment, funds retention, provision of guarantee for borrowings and other schemes to act in a detriment to the lawful rights and interests of the Company and the public Shareholders, nor shall it exploit its controlling position in a manner detrimental to the interests of the Company and the public Shareholders of the Company.

Article 58

The term "Controlling Shareholder" referred to in the preceding article means a person who satisfies any one of the following conditions:

- (1) he/she alone, or acting in concert with others, has the power to elect more than half of the Board members;
- (2) he/she alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) he/she alone, or acting in concert with others, holds 30% or more of the issued and outstanding Shares;
- (4) he/she alone, or acting in concert with others, in any other manner controls the Company in fact.

Article 5862

The term "Controlling Shareholder" referred to in the preceding article means a person who satisfies any one of the following conditions:

- (1) he/she alone, or acting in concert with others, has the power to elect more than half of the Board members;
- (2) he/she alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) he/she alone, or acting in concert with others, holds 30% or more of the issued and outstanding Shares;
- (4) he/she alone, or acting in concert with others, in any other manner controls the Company in fact.

For the purposes hereof, the term “Acting in Concert” means two or more persons, pursuant to an agreement (whether verbal or written), agreed to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company.

For the purposes hereof, the term “Acting in Concert” means ~~two or more persons, pursuant to an agreement (whether verbal or written), agreed to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company.~~ the act or fact whereby an investor, by agreement or other arrangement, acts together with other investors to jointly maximize the voting power of the Shares at their disposal.

The “Actual Controller” referred to in the preceding article means a person who, while not a Shareholder of the Company, has, through an investment relationship, agreement, or other arrangement, the ability to actually control the acts of the Company.

Chapter 8 General Meeting

Article 60

The General Meeting may exercise the following functions and powers:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace Directors (not being staff representatives) and to fix the remuneration of the relevant Directors;
- (3) to elect and replace Supervisors (not being staff representatives), and to fix the remuneration of the relevant Supervisors;
- (4) to consider and approve the reports of the Board;

Chapter 89 General Meeting

Article ~~60~~64

The General Meeting may exercise the following functions and powers:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace Directors (not being staff representatives) and to fix the remuneration of the relevant Directors;
- (3) to elect and replace Supervisors (not being staff representatives), and to fix the remuneration of the relevant Supervisors;
- (4) to consider and approve the reports of the Board;

APPENDIX IX

COMPARISON OF THE DRAFT AMENDED ARTICLES OF ASSOCIATION TO BE EFFECTIVE FROM THE EFFECTIVE DATE AGAINST THE DRAFT AMENDED ARTICLES OF ASSOCIATION

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| (5) to consider and approve the reports of the Board of Supervisors; | (5) to consider and approve the reports of the Board of Supervisors; |
| (6) to consider and approve the annual financial budgets and final accounts of the Company; | (6) to consider and approve the annual financial budgets and final accounts of the Company; |
| (7) to consider and approve the profit distribution plans and loss recovery plans of the Company; | (7) to consider and approve the profit distribution plans and loss recovery plans of the Company; |
| (8) to adopt resolutions on any increase or reduction of registered capital of the Company; | (8) to adopt resolutions on any increase or reduction of registered capital of the Company; |
| (9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company; | (9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company; |
| (10) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company; | (10) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company; |
| (11) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms by the Company; | (11) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms by the Company; |
| (12) to amend the Articles of Association; | (12) to amend the Articles of Association; |
| (13) to consider the ad hoc proposals submitted by Shareholders holding 3% or more of the voting Shares; | (13) to consider the ad hoc proposals submitted by Shareholders holding 3% or more of the voting Shares; |
| (14) other matters required by laws, administrative regulations, and the Articles of Association to be resolved by the General Meeting. | (14) <u>to consider and approve guarantee matters required by the Articles of Association to be considered and approved by the General Meeting;</u> |

General Meeting may authorize or engage the Board to attend to matters authorized or engaged by the General Meeting under the condition that the laws, regulations and mandatory provisions of the listing rules of the places of listing of the Company will not be contravened.

(15) to consider matters in relation to purchases or sales within one year of material assets in excess of 30% of the most recent audited total assets of the Company;

(16) to consider and approve changes to the use of the proceeds raised;

(17) to consider any share incentive scheme;

(1418) other matters required by laws, administrative regulations, departmental rules, listing rules of the stock exchange(s) on which the Shares are listed and the Articles of Association to be resolved by the General Meeting.

General Meeting may authorize or engage the Board to attend to matters authorized or engaged by the General Meeting under the condition that the laws, regulations and mandatory provisions of the listing rules of the places of listing of the Company will not be contravened.

New Article 65

The provision by the Company of the following external guarantees shall be considered and approved by the General Meeting:

(1) any additional external guarantee to be provided subsequent to the aggregate amount of the external guarantees provided by the Company and its controlled subsidiaries having reached or exceeded 50% of its most recent audited net assets;

(2) any additional external guarantee

to be provided subsequent to the aggregate amount of the external guarantees provided by the Company having reached or exceeded 30% of its most recent audited total assets;

- (3) any guarantee to any obligor whose asset-liability ratio is greater than 70%;
- (4) any guarantee the individual guarantee amount of which exceeds 10% of the most recent audited net assets;
- (5) guarantees to the Shareholders, the Actual Controller or their related parties;
- (6) other external guarantees required by laws, regulations, normative documents and the listing rules of the stock exchange(s) on which the Shares are listed to be considered by the General Meeting.

Article 61

Unless a prior approval by way of special resolution is obtained in a General Meeting, the Company shall not enter into any contract with any party other than the Directors, Supervisors, president and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 6166

Except where the Company is the subject of a crisis or in similar extraordinary circumstances, subject to the listing rules of the stock exchange(s) on which the Shares are listed, Unless an prior approval by way of special resolution is obtained in a General Meeting, the Company shall not enter into any contract with any party other than the Directors, Supervisors, president and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 62

General Meetings shall be divided into annual General Meetings and extraordinary General Meetings. A General Meeting shall be convened by the Board. The annual General Meeting shall be held once every year within six months after the end of the previous accounting year.

The Board shall convene an extraordinary General Meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses reach one third of the Company's total share capital;
- (3) Shareholders individually or jointly holding 10% or more of the Company's issued Shares with voting rights request in writing to hold an extraordinary General Meeting;
- (4) the Board considers it necessary or the Board of Supervisors proposes to hold such a meeting.

Article ~~62~~67

General Meetings shall be divided into ~~a~~Annual General Meetings and extraordinary General Meetings. ~~A General Meeting shall be convened by the Board.~~ The ~~a~~Annual General Meeting shall be held once every year within six months after the end of the previous accounting year.

The Board shall convene an extraordinary General Meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses reach one third of the Company's total share capital;
- (3) Shareholders individually or jointly holding 10% or more of the Company's issued Shares with voting rights request in writing to hold an extraordinary General Meeting;
- (4) the Board considers it necessary or the Board of Supervisors proposes to hold such a meeting;
- (5) such a meeting is proposed by an independent Director with the consent of one half or more of all independent Directors;
- (6) other circumstances as provided by laws, administrative regulations, departmental rules, other normative documents or the Articles of Association.

New Article 68

The location of the General Meetings shall be the domicile of the Company or other places specified in the notice of the General Meetings.

A General Meeting will have a meeting venue and will take place in the form of an on-site meeting. Provided that the legality and validity of the General Meeting are ensured, the Company shall utilize various means and schemes to facilitate Shareholders' attendance of the General Meeting by providing for, on a priority basis, online voting platforms and similar modern information technologies, or other means. A Shareholder shall be deemed to have attended the meeting if he participates in the meeting by means of such method. The online voting platform shall not apply to holders of H Shares.

Where a General Meeting is to take the form of an online meeting or other means, the notice of such General Meeting shall expressly provide for the voting time and the voting procedures for such online platform or other means of meeting.

New Article 69

When convening a General Meeting, the Company shall engage a lawyer to issue legal opinions on the following issues and shall publish an announcement on the same:

- (1) whether the procedures of calling and convening the meeting are consistent with laws, administrative regulations and the Articles of Association;
- (2) whether the qualifications of the meeting attendees and the meeting convener are lawful and valid;

(3) whether the voting procedures and the voting results of the meeting are lawful and valid;

(4) legal opinions issued at the request of the Company in respect of other relevant issues.

Article 63

A forty-five (45) days' prior written notice for convening the General Meeting shall be given to notify Shareholders whose names appear in the register of Shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty (20) days prior to the date of the meeting.

When calculating the time limit, the date of meeting and the issuance date shall not be included.

For the purpose of the notice to be issued under this article, the issuance date thereof shall be the date on which the notice has been delivered to the postal office for posting by Company or the share registrar appointed by the Company.

Article ~~63~~70

A forty-five (45) days' prior written notice for convening the General Meeting shall be given to notify Shareholders whose names appear in the register of Shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty (20) days prior to the date of the meeting.

When calculating the time limit, the date of meeting and the issuance date shall not be included.

For the purpose of the notice to be issued to the holders of H Shares under this article, the issuance date thereof shall be the date on which the notice has been delivered to the postal office for posting by Company or the share registrar appointed by the Company.

New Article 71

The content of a proposal shall fall within the scope of the duties and functions of the General Meeting, shall be clear in terms of the subject and specific in terms of the matter for deliberation, and shall comply with relevant requirements of laws, administrative regulations and the Articles of Association.

Article 64

In the event the Company convenes an annual General Meeting, the Shareholders holding an aggregate of 3% or more of the Company's Shares with voting rights are entitled to propose ad hoc motions in writing to the Company. The Company shall incorporate any matters under such motions which fall within the scopes of the duties and functions of the General Meeting into the agenda of the meeting.

The ad hoc motions by Shareholders shall be subject to the following requirements:

- (1) the contents shall not contravene with the requirements of the laws and regulations and shall fall within the business scope of the Company and the duties and functions of General Meetings;
- (2) with definite topics to discuss and specific matters to resolve; and
- (3) shall be proposed ten (10) days prior to the holding of the General Meeting and be submitted or delivered in writing to the Board.

Article ~~64~~72

In the event the Company convenes a General Meeting, the Board, the Board of Supervisors, and the Shareholders individually or jointly holding ~~an aggregate of 3% or more of the Company's Shares with voting rights~~ are entitled to propose ad hoc motions in writing to the Company.

~~The Company~~ Shareholders individually or jointly holding 3% or more of the Shares may introduce ad hoc motions and submit the same in writing to the convener ten days prior to the holding of the General Meeting. The convener shall incorporate any matters under such motions which fall within the scopes of the duties and functions of the General Meeting into the agenda of the meeting, issue a supplementary notice of the General Meeting and publish an announcement setting out the content of such ad hoc motions within two days from receipt thereof.

Except as provided under the preceding paragraph, the convener shall neither modify the proposals in the notice of the General Meeting nor add new proposals after the issue of the meeting notice and publication of the announcement.

Proposals not listed on the notice of the General Meeting or inconsistent with the first paragraph of this Article shall not be voted or resolved upon by the General Meeting.

~~The ad hoc motions by Shareholders shall be subject to the following requirements:~~

- ~~(1) the contents shall not contravene with the requirements of the laws and regulations and shall fall within the business scope of the Company and the duties and functions of General Meetings;~~
- ~~(2) with definite topics to discuss and specific matters to resolve; and~~
- ~~(3) shall be proposed ten (10) days prior to the holding of the General Meeting and be submitted or delivered in writing to the Board.~~

Article 65

The Company shall, based on the written replies received twenty (20) days before the date of the General Meeting from the Shareholders, calculate the number of voting Shares represented by Shareholders who intend to attend the meeting. If the number of voting Shares represented by the Shareholders who intend to attend the meeting reaches not less than one half of the Company's total voting Shares, the Company may hold the meeting. If not, the Company shall within five (5) days notify the Shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after such publication of such notice.

Annual and extraordinary General Meetings shall not resolve matters not stated in the notice.

Article ~~65~~73

The Company shall, based on the written replies received twenty (20) days before the date of the General Meeting from the Shareholders, calculate the number of voting Shares represented by Shareholders who intend to attend the meeting. If the number of voting Shares represented by the Shareholders who intend to attend the meeting reaches not less than one half of the Company's total voting Shares, the Company may hold the meeting. If not, the Company shall within five (5) days notify the Shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after such publication of such notice.

Annual and extraordinary General Meetings shall not resolve matters not stated in the notice.

Article 66

A notice of General Meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the matters to be discussed at the meeting;
- (4) it shall state the date of registration of equity entitlements for Shareholders having the right to attend the General Meeting;
- (5) it shall provide Shareholders with such materials and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its Shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the same must be properly explained;
- (6) if any Director, Supervisor, president and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, Supervisor, president and other senior management members in their capacity as Shareholders

Article 6674

A notice of General Meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the matters to be discussed at the meeting;
- (4) it shall state the date of registration of equity entitlements for Shareholders having the right to attend the General Meeting;
- (5) it shall provide Shareholders with such materials and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its Shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the same must be properly explained;
- (6) if any Director, Supervisor, president and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, Supervisor, president and other senior management members in their capacity as Shareholders

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| <p>is different from that of other Shareholders of the same class, the differences shall also be specified;</p> <p>(7) it shall set out the full text of any special resolutions proposed for approval at the meeting;</p> <p>(8) it shall contain a clear statement that a Shareholder who has the right to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and that such proxies need not be Shareholders;</p> <p>(9) it shall state the date and place for the service of the proxy forms for the meeting; and</p> <p>(10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting.</p> | <p>is different from that of other Shareholders of the same class, the differences shall also be specified;</p> <p>(7) it shall set out the full text of any special resolutions proposed for approval at the meeting;</p> <p>(8) it shall contain a clear statement that <u>a the Shareholders who holding ordinary Shares shall each has have the right to attend and vote at the meeting shall the General Meeting and the right</u> to appoint one or more proxies to attend and vote at the meeting on his/her behalf and that such proxies need not be Shareholders;</p> <p>(9) it shall state the date and place for the service of the proxy forms for the meeting; and</p> <p>(10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting.</p> |
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Notices and supplementary notices of General Meetings shall fully and completely disclose the specific content of each proposal. To the extent the opinions of the independent Directors are required for a matter proposed for deliberation, such opinions and grounds thereof shall be disclosed concurrently with the issuance of the notice or supplementary notice of the General Meeting.

New Article 75

Where the General Meeting proposes to discuss the election of Directors and Supervisors, the notice of such meeting shall fully disclose the detailed information of the Director or Supervisor candidates, including at least the following:

- (1) education background, work experience, concurrent position(s) and other personal information;
- (2) whether such candidate is related with the Company, its Controlling Shareholder or its Actual Controller;
- (3) disclosure on the number of the Shares held by such candidate in the Company;
- (4) whether such candidate has been subject to sanction by the CSRC and other relevant authorities or to disciplinary action by stock exchanges;
- (5) other information prescribed by the listing rules of the stock exchange(s) on which the Shares are listed.

For the purpose of electing the Directors and Supervisors, each Director and Supervisor candidate shall be proposed by a separate proposal.

Article 67

A notice of the General Meeting shall be dispatched to Shareholders (regardless of their voting rights at the General Meeting) by hand or by prepaid registered mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of Domestic Shares, a notice of the General Meeting may also be made by way of announcement.

The announcement referred in the preceding paragraph shall be published within a period of 45 to 50 days prior to the date of the General Meeting in one or more newspapers and journals designated by securities governing authorities of the State Council. Once an announcement is made, all holders of the Domestic Shares are deemed to have received the relevant notice of the General Meeting.

Article ~~67~~76

A notice of the General Meeting shall be dispatched to Shareholders (regardless of their voting rights at the General Meeting) by hand or by prepaid registered mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of ~~Domestic~~A Shares, a notice of the General Meeting may ~~also~~ be made by way of announcement.

The announcement referred in the preceding paragraph shall be published within a period of 45 to 50 days prior to the date of the General Meeting in one or more newspapers and journals designated by securities governing authorities of the State Council. Once an announcement is made, all holders of the ~~Domestic~~A Shares are deemed to have received the relevant notice of the General Meeting.

New Article 77

After the issue of the notice of General Meeting, such meeting shall not be postponed or cancelled without any proper reason nor shall any proposal listed in the notice be removed. In case of any postponement or cancellation, the convener of the meeting shall publish a notice at least two working days before the original date of the General Meeting and state the relevant reasons therein.

New Article 79

The Board and other conveners shall take necessary measures to ensure the normal order of the General Meeting and shall take actions to stop and report to the relevant departments for investigation and prosecution in a timely manner any acts which disturb the General Meeting, cause troubles or infringe Shareholders' legitimate rights and interests.

Article 69

Any Shareholders entitled to attend and vote at a General Meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the Shareholders shall exercise the following rights:

- (1) have the same right as the Shareholder to speak at the meeting;
- (2) have authority to demand or, jointly with others, in demanding a poll; and
- (3) have the right to vote by hands or on a poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. Where more than one proxy is appointed, the proxies may only exercise the voting right on a poll.

Article 6980

The holders of ordinary Shares whose names appear on the register of members of the Company on the record date (or their proxies, as applicable) shall all be entitled to attend the General Meeting and to exercise their voting rights in accordance with relevant laws and regulations and the Articles of Association. A Shareholder may attend the General Meeting in person or may appoint a proxy to attend and vote at the meeting on his behalf.

Any Shareholders entitled to attend and vote at a General Meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the Shareholders shall exercise the following rights:

- (1) have the same right as the Shareholder to speak at the meeting;
- (2) have authority to demand or, jointly with others, in demanding a poll; and

Where such Shareholder is a Recognized Clearing House (or its nominee), such Shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any General Meetings or any other class Meetings; where not less than one person is authorized, the letter of authorization shall specify the number and class of Shares involving each person so authorized. The authorization documents should be signed by the authorized officer of the Recognized Clearing House. Such persons so authorized shall be entitled to attend the General meeting (which are not required to provide ownership documents, the notarized power of attorney and/or further evidence of his duly authorization) exercise their rights on behalf of the Recognized Clearing House (or its nominee) as if they were individual Shareholders.

Article 70

The instrument appointing a proxy shall be in writing and executed by the appointing Shareholder or his/her attorney duly authorized in writing; where the appointing Shareholder is a legal person, such instrument shall be under its seal or executed by any of its Director or attorney duly authorized. The instrument appointing a proxy shall state the number of Shares in respect of which the proxy is given. If

- (3) have the right to vote by hands or on a poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. Where more than one proxy is appointed, the proxies may only exercise the voting right on a poll.

Where such Shareholder is a Recognized Clearing House (or its nominee), such Shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any General Meetings or any other class Shareholders' General Meetings; where not less than one person is authorized, the letter of authorization shall specify the number and class of Shares involving each person so authorized. The authorization documents should be signed by the authorized officer of the Recognized Clearing House. Such persons so authorized shall be entitled to attend the General meeting (which are not required to provide ownership documents, the notarized power of attorney and/or further evidence of his duly authorization) exercise their rights on behalf of the Recognized Clearing House (or its nominee) as if they were individual Shareholders.

Article ~~70~~81

The instrument appointing a proxy shall be in writing and executed by the appointing Shareholder or his/her attorney duly authorized in writing; where the appointing Shareholder is a legal person, such instrument shall be under its seal or executed by any of its ~~Director~~legal representative or attorney duly authorized. The instrument appointing a proxy shall state;

more than one (1) person are appointed as proxies, the instrument shall state the number of Shares in respect of which the proxy is given to each such person.

- (1) ~~the name of the number of Shares in respect of which the proxy is given. If more than one (1) person are appointed as proxies, the instrument shall state;~~
- (2) ~~the number of Shares in respect of which the proxy is given to each such person represented;~~
- (3) ~~whether such proxy has voting rights;~~
- (4) ~~instruction for voting for or against or abstaining on each proposal included in the agenda of the General Meeting for deliberation;~~
- (5) ~~issuance date and term of the instrument;~~
- (6) ~~signature (or seal) of the appointer.~~

Article 71

Proxy forms shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the holding of the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting; where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Article ~~71~~82

Proxy forms shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the holding of the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting; where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organ to act as its representatives may attend the General Meeting of the Company as a representative of the appointer.

The Company has the right to request a proxy who attends the General Meeting on behalf of a Shareholder to present proof of identity.

Where a legal entity Shareholder appoints its representative to attend the meeting, the Company has the right to request such representative to present proof of identity and a copy of the resolution (which is certified by a notary public) or the letter of authorization of the Board of the legal entity Shareholder or other decision-making authorities under which he/she is appointed (except for the Recognized Clearing House or its nominees).

~~Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organ to act as its representatives may attend the General Meeting of the Company as a representative of the appointer.~~

~~The Company has the right to request a proxy who attends the General Meeting on behalf of a Shareholder to present proof of identity.~~

~~Where a legal entity Shareholder appoints its representative to attend the meeting, the Company has the right to request such representative to present proof of identity and a copy of the resolution (which is certified by a notary public) or the letter of authorization of the Board of the legal entity Shareholder or other decision-making authorities under which he/she is appointed (except for the Recognized Clearing House or its nominees).~~

New Article 85

An individual Shareholder attending the meeting in person shall present his identity card (or other valid document or certificate capable of showing his identity) and his stock account card. If a proxy is appointed to attend the meeting on his behalf, the proxy shall present his valid proof of identity and the proxy form of the appointing Shareholder.

In the case of a legal person Shareholder, its legal representative or a person authorised by its legal representative or authorised by a resolution of its board of directors or other decision-making organ shall attend the meeting. If the legal representative attends the meeting, he shall present his identity card as well as a valid certificate capable

of showing his such legal representative capacity; if a proxy is appointed to attend the meeting, the proxy shall present his identity card and the written power of attorney lawfully issued by the appointing legal person Shareholder.

New Article 86

The Company shall be responsible to prepare an attendance register for the meeting attendees. Such attendance register shall set out, among others, the names (or entity names), identity card numbers and residential addresses of the meeting attendees, the number of the Shares with voting rights they hold or represent and the names (or entity names) of their appointers.

New Article 87

The convener and the lawyer engaged by the Company shall jointly verify the legality of the qualifications of the Shareholders based on the register of members furnished by the securities registration and clearing institution and other valid documents and shall record the names (or entity names) of the Shareholders and the number of the Shares with voting rights they hold. Prior to the announcement by the chairman of the meeting of the total number of the voting Shares held by the attending Shareholders and proxies, the meeting registration shall be concluded.

New Article 88

When it is convened, a General Meeting shall be attended by all Directors of the Company, all Supervisors of the Company and the Secretary of the Board, and shall be observed by the president and other senior management members.

New Article 89

The Company shall formulate the procedural rules of the General Meeting detailing the convening and voting procedures of the General Meeting, including, among others, the particulars on meeting notice, registration, motion deliberation, vote casting, vote counting, poll result announcement, adoption of meeting resolutions, minutes and their signing and public announcement, as well as the principles governing the authorization by the General Meeting to the Board (the scope of such authorization shall be explicit and specific). The procedural rules of the General Meeting (to be attached as an exhibit to the Articles of Association) shall be prepared by the Board of Directors for approval by the General Meeting.

New Article 90

At the Annual General Meeting, the Board and the Board of Supervisors shall each report their work of the preceding year to the General Meeting. Each independent Director shall also report his or her work.

New Article 91

At the General Meeting, the Directors, Supervisors and senior management members shall provide explanations and clarifications in response to the enquiries and recommendations of the Shareholders.

New Article 92

The chairman of the General Meeting shall announce before the casting of votes the number of the attending Shareholders and proxies and the total number of the Shares with voting power they hold; both figures shall be as recorded in the meeting register.

New Article 93

The convener shall ensure that the General Meeting shall be held smoothly without being interrupted until final resolutions are adopted. If, due to force majeure or any other extraordinary reasons, the General Meeting is adjourned or is prevented from making resolutions, the convener shall take necessary measures to resume the General Meeting as soon as practicable or directly terminate the General Meeting, and shall issue announcements without delay. Concurrently, the convener shall report to the local CSRC of the Company and the stock exchange(s).

Article 74

Resolutions of General Meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution of a General Meeting shall be approved by more than half of the voting rights represented by the Shareholders (including proxies) present at the meeting.

A special resolution of a General Meeting shall be approved by not less than two-thirds of the voting rights represented by the Shareholders (including proxies) present at the meeting.

Article 75

Shareholders (including proxies) shall exercise their voting rights at a General Meeting according to the number of voting Shares they represent, with one vote for each Share.

Article 7494

Resolutions of General Meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution of a General Meeting shall be approved by ~~more~~not less than half of the voting rights represented by the Shareholders (including proxies) present at the meeting.

A special resolution of a General Meeting shall be approved by not less than two-thirds of the voting rights represented by the Shareholders (including proxies) present at the meeting.

Article 7595

Shareholders (including proxies) shall exercise their voting rights at a General Meeting according to the number of voting Shares they represent, with one vote for each Share.

Shares in the Company which are 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 General Meeting.

When connected transactions are being considered at a General Meeting, the connected Shareholders shall abstain from voting (as required by the listing rules of the stock exchange on which the Shares are listed, if applicable), and the number of voting Shares held by them shall not be counted in the total number of valid votes.

Pursuant to applicable laws and regulations as well as the listing rules of the stock exchange on which the Shares are listed, where any Shareholder 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 or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Shares in the Company which are 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 General Meeting.

Where the General Meeting considers a material matter bearing on the interest of small and medium investors, the votes cast by small and medium investors shall be counted separately. The result of such separate vote counting shall be publicly disclosed in a timely manner.

The Board, independent Directors and Shareholders satisfying relevant stipulated conditions may conduct public proxy solicitation. Where such proxy solicitation is conducted, particulars on the voting intention and similar information shall be fully disclosed to the solicited persons. Proxy solicitation on a fee basis or on a disguised fee basis shall be prohibited. The Company shall impose no minimum shareholding restriction for proxy solicitation. The soliciting person shall conduct public proxy solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the Shares are listed.

When connected transactions are being considered at a General Meeting, the connected Shareholders shall abstain from voting ~~(as required by the listing rules of the stock exchange on which the Shares are listed, if applicable)~~, and the number of voting Shares held by them shall not be counted in the total number of valid votes; the announcement pertaining to the resolutions of the General Meeting shall fully disclose the voting particulars of non-connected Shareholders.

Pursuant to applicable laws and regulations as well as the listing rules of the stock exchange on which the Shares are listed, where any Shareholder 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 or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Article 76

Unless otherwise provided by applicable securities listing rules or other securities laws and regulations, voting at a General Meeting shall be decided on a show of hands unless a poll is (before or after any vote by show of hands is announced) demanded by the following persons:

- (1) the chairman of the meeting;
- (2) at least two Shareholders entitled to vote in person or proxies with voting rights; or
- (3) one or more Shareholders (including proxy) separately or jointly representing 10% or more of all Shares carrying right to vote at the meeting.

Unless otherwise provided by applicable securities listing rules or other securities laws and regulations or a poll is demanded according to the preceding paragraph, a declaration by the chairman of the meeting that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has

Article 7696

Any vote of the Shareholders at a General Meeting shall be cast by open ballot. ~~Unless otherwise provided by applicable securities listing rules or other securities laws and regulations, voting at a General Meeting shall be decided on a show of hands unless a poll is (before or after any vote by show of hands is announced) demanded by the following persons:~~

- ~~(1) the chairman of the meeting;~~
- ~~(2) at least two Shareholders entitled to vote in person or proxies with voting rights; or~~
- ~~(3) one or more Shareholders (including proxy) separately or jointly representing 10% or more of all Shares carrying right to vote at the meeting.~~

~~Unless otherwise provided by applicable securities listing rules or other securities laws and regulations or a poll is demanded according to the preceding paragraph, a declaration by the chairman of the meeting that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has~~

been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who makes such demand.

Article 77

A poll demanded on such matters as the election of chairman of the meeting or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

~~been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.~~

~~The demand for a poll may be withdrawn by the person who makes such demand.~~

Article ~~77~~97

A poll demanded on such matters as the election of chairman of the meeting or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

New Article 98

The Shareholders present at the General Meeting shall express their opinions on the resolutions put to vote by one of the following: for, against or abstain. The securities registration and clearing institution, being the nominee of the Shares under the “stock connect” scheme between the mainland China and Hong Kong stock markets shall be excused from this requirement so long as its declarations are made consistent with the intention of the actual holders.

Any ballot paper containing uncompleted parts, false information or illegible writing and any uncast paper shall result in the relevant voter being deemed to have abstained and the voting result for the Shares held by him shall be recorded as “abstention”.

Article 79

In the election of Directors by the General Meeting, if there are more than one vacant seat, each Share carries a number of voting rights equivalent to the number of Directors to be elected, and each Shareholder can either concentrate all the votes to elect one person or separate the votes to elect a number of persons, but shall make explanations on such distribution of the voting rights.

Article ~~79~~100

The name list of the Director and Supervisor candidates shall be submitted to the General Meeting for vote in the form of a proposal.

~~In~~When voting on the election of Directors ~~by~~and Supervisors, the General Meeting, ~~if there are more than one vacant seat, each Share carries a number of voting rights equivalent to the number of Directors to be elected, and each Shareholder can either concentrate all the votes to elect one person or separate the votes to elect a number of persons, but shall make explanations on such distribution of the voting rights.~~ ~~may~~ apply the cumulative voting method in accordance with the Articles of Associations or the resolution of the General Meeting. If the Controlling Shareholder holds 30% or more of the Shares, and if the General Meeting is to vote on the election of two or more Directors or non-employee representative Supervisors, then the cumulative voting method shall necessarily apply.

For the purpose of the preceding paragraph, the term "cumulative voting method" shall refer to the scheme whereby in the election by the General Meeting of the Directors and Supervisors, each Share shall be granted the same number of votes as the number of Directors or Supervisors to be elected and each Shareholder may cast the votes held by him in a concentrated manner. The Board shall inform the Shareholders of the biographies and basic information of the Director and Supervisor candidates through the public announcement.

New Article 101

Where the General Meeting has adopted resolutions on the election of Directors and Supervisors, the date of approval of such resolutions at the General Meeting shall be the date on which such newly elected Directors and Supervisors shall take office.

New Article 102

The General Meeting shall vote on all the proposals one by one. If different proposals are put forward for the same matter, such proposals shall be voted on in the order according to the time they are being put forward. Unless the General Meeting is adjourned or is prevented from making resolutions due to force majeure or other extraordinary reasons, the General Meeting shall not delay in voting on, or fail to vote on any proposal.

New Article 103

Proposals shall not be modified when being reviewed by the General Meeting. Otherwise, any modification shall be deemed to be a new proposal and shall not be put to vote at such General Meeting.

New Article 104

One single vote may be cast only once by using one single method of voting, being on-site voting, or online voting, or another method of voting. If one single vote has been cast multiple times, the vote of the first time shall govern.

Article 80

In case of an equality of affirmative votes and negative votes, whether on a show of hands or on a poll, the Chairman of the General Meeting shall have a casting vote.

Article 80

~~In case of an equality of affirmative votes and negative votes, whether on a show of hands or on a poll, the Chairman of the General Meeting shall have a casting vote.~~

New Article 105

The conclusion time of the on-site General Meeting shall not occur earlier than its counterpart in the online form or in another form; and the chairman of the meeting shall announce the particulars and result of the votes cast on each proposal and declare, on the basis of such voting results, if the relevant proposal(s) have been passed.

Until the formal announcement of the voting results, the Company, vote counters, scrutineers, substantial Shareholders, internet service providers and other related parties involved in the on-site, online and other voting methods are obligated to maintain in confidence the particulars of the vote.

Article 81

The following matters shall be resolved by ordinary resolutions at General Meetings:

- (1) work reports of the Board and the Board of Supervisors;
- (2) plans formulated by the Board for distribution of profits and for making up losses;
- (3) the election and removal of members of the Board and the Shareholder representative Supervisors and their remuneration and payment methods;

Article ~~81~~106

The following matters shall be resolved by ordinary resolutions at General Meetings:

- (1) work reports of the Board and the Board of Supervisors;
- (2) plans formulated by the Board for distribution of profits and for making up losses;
- (3) the election and removal of members of the Board and the Shareholder representative Supervisors and their remuneration and payment methods;

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|--|---|
| (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements; and | (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements; and |
| (5) other matters required by the laws, administrative regulations, the listing rules of the stock exchange on which the Shares are listed or by the Articles of Association to be adopted by special resolutions. | (5) <u>the Company's annual reports; and</u>
(56) other matters required by the laws, administrative regulations, the listing rules of the stock exchange on which the Shares are listed or by the Articles of Association to be adopted by special resolutions. |

Article 82

The following matters shall be resolved by special resolutions at General Meetings:

- (1) increase or reduction of the share capital, repurchase of the Company's Shares and issue of Shares of any class, stock warrants or other similar securities;
- (2) issuance of corporate bonds;
- (3) the division, merger, dissolution, liquidation or change of corporate forms of the Company;
- (4) amendments to the Articles of Association; and
- (5) any other matters considered and approved at a General Meeting, by way of an ordinary resolution, to have a substantial impact on the Company and subject to approval by a special resolution.

Article 82107

The following matters shall be resolved by special resolutions at General Meetings:

- (1) increase or reduction of the share capital, repurchase of the Company's Shares and issue of Shares of any class, stock warrants or other similar securities;
- (2) issuance of corporate bonds;
- (3) the division, merger, dissolution, liquidation or change of corporate forms of the Company;
- (4) amendments to the Articles of Association; ~~and~~
- (5) matters in relation to purchases or sales within one year of material assets or guarantee amounts in excess of 30% of the most recent audited total assets of the Company;
- (6) share incentive schemes; and

- (57) any other matters ~~considered and~~ required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange(s) where the Shares of the Company are listed or the Articles of Association, or those approved at a General Meeting, by way of an ordinary resolution, to have a substantial impact on the Company and subject to approval by a special resolution.

Article 83

When requesting the convening of an extraordinary General Meeting or a Class Shareholders' Meeting, Shareholders or the Board of Supervisors shall comply with the following procedures:

- (1) Shareholder(-s) individually or jointly holding 10% or more of the Shares carrying voting rights (the "**Requisitionist Shareholder(-s)**"), or the Board of Supervisors shall sign one (1) or more written requests of the same form stating the object of the meeting and demanding that the Board convene an extraordinary General Meeting or a Class Shareholders' Meeting thereof. The Board shall, following the receipt of such written requests, convene the extraordinary General Meeting or a Class Shareholders' Meeting as soon as practicable. The abovementioned number of Shares held shall be calculated as at the date when the written request was put forward by the Requisitionist Shareholder(-s);

Article ~~83~~108

~~When requesting the convening of an extraordinary General Meeting or a Class Shareholders' Meeting, Shareholders or is requested to be convened by no less than one half of the independent Directors, by the Board of Supervisors shall comply with, or by Shareholders individually or jointly holding 10% or more of the Shares, the following procedures shall be applied:~~

- (1) ~~Shareholder(-s) individually or jointly holding 10% or more of the Shares carrying voting rights (the "**Requisitionist Shareholder(-s)**"), or the Board of Supervisors shall~~ There shall be one (1) or more written requests of the same form stating the object of the meeting and demanding that the Board convene an extraordinary General Meeting or a Class Shareholders' General Meeting thereof and signed by the requisitionist. The Board shall, following within ten (10) days from the receipt of such written requests, provide, in accordance with laws, administrative regulations and the Articles of Association, its feedback

- (2) In the event that the Board fails to issue a notice to convene a meeting within thirty (30) days from the date of receipt of such request, the Requisitionist Shareholder(-s) shall be entitled to propose to the Board of Supervisors in writing for the purpose of convening an extraordinary General Meeting or a Class Shareholders' Meeting. The Board of Supervisors may convene such meeting on its own within four (4) months upon receipt of such request by the Board; if the Board of Supervisors does not convene and chair such meeting, Shareholder(s) individually or jointly holding 10% or more of the Company's Shares for more than consecutive ninety (90) days may convene such meeting on their own and in which case, the procedures for convening such meeting should follow those provided for convening a General Meeting by the Board as closely as practicable.

In the event that Shareholders or the Board of Supervisors convene, a meeting due to the failure by the Board to duly convene the same upon the above requests, all reasonable expenses so incurred shall be borne by the Company, by deducting from such sums owed by the Company to the Director who is in breach of his duty.

opinion in writing approving or disapproving the convening of the extraordinary General Meeting or a Class Shareholders' General Meeting as soon as practicable. The abovementioned number of Shares held shall be calculated as at the date when the written request was put forward by the Requisitionist Shareholder(-s);

- (2) If the Board approves the convening of an extraordinary General Meeting or a Class Shareholders' General Meeting, it shall issue a notice thereof within five (5) days of the adoption of the Board resolution. Any change to the original proposal in the notice shall be subject to the consent of its initiator.
- (3) If the Board disapproves the proposal of convening an extraordinary General Meeting or a Class Shareholders' General Meeting, and if such proposal was made by the independent Directors, it shall specify the reasons and make a public announcement of the same.
- (4) If the Board disapproves the proposal of convening an extraordinary General Meeting or a Class Shareholders' General Meeting or fails to provide feedbacks within 10 days from receipt thereof, and if such proposal was made by the Board of Supervisors, then the Board shall be deemed to be unable to or fail to fulfill its duty of convening the General Meeting, in which case the Board of Supervisors may convene and chair such meeting itself, and the procedures for the convening of

such meeting should follow those provided for the convening by the Board of General Meetings as closely as practicable.

~~(2) In the event that the Board fails to issue a notice to convene a meeting within thirty (30) days from the date of receipt of such request, the Requisitionist Shareholder(-s)~~

(5) If the Board disapproves the proposal of convening an extraordinary General Meeting or a class Shareholders' General Meeting or fails to provide feedbacks within ten (10) days from receipt thereof, and if such proposal was made by Shareholders, then such Shareholders shall be entitled to propose to the Board of Supervisors in writing for the purpose of convening an extraordinary General Meeting or a Class Shareholders' General Meeting. The Board of Supervisors may convene such meeting on its own within four (4) months upon receipt of such request by the Board; if the Board of Supervisors does not convene and chair such meeting, If the Board of Supervisors approve the convening of an extraordinary General Meeting or a Class Shareholders' General Meeting, it shall issue a notice thereof within five (5) days of receipt of said request, provided that any changes made in such notice to the original proposal shall be subject to prior consent from its initiator. If no notice is issued by the Board of Supervisors of such extraordinary General Meeting or Class Shareholders' General Meeting within the stipulated period, the Board of Supervisors shall be deemed

to have failed to convene and chair the extraordinary General Meeting or Class Shareholders' General Meeting, in which case the Shareholder(s) individually or jointly holding 10% or more of the Company's Shares for more than consecutive ninety (90) days may convene and chair such meeting on their own and in which case, the procedures for convening such meeting should follow those provided for convening a General Meeting by the Board as closely as practicable. The convening Shareholders shall hold no less than 10% of Shares until the announcement of the meeting resolutions and shall supply relevant supporting materials to the local CSRC of the Company and the stock exchange(s) both at the time of their issue of the notice of the extraordinary General Meeting or Class Shareholders' General Meeting and at the time of their announcement of the meeting resolutions.

In the event that Shareholders or the Board of Supervisors convenes a meeting due to the failure by the Board to duly convene the same upon the above requests, all by themselves pursuant to the foregoing paragraph, they shall notify the Board in writing and lodge a filing with the local CSRC of the Company and the stock exchange(s). The Board and the Secretary to the Board shall cooperate with regard to such meeting and the Board shall provide the register of members as of the record day. All reasonable expenses so-incurred in respect of the meeting shall be borne by the Company, by deducting from such sums owed by the Company to the Director who is in breach of his duty.

Article 84

A General Meeting shall be convened by the Chairman who shall act as the chairman of the meeting; where the Chairman fails to attend the meeting, the Vice Chairman shall convene the meeting and act as the chairman of the meeting; where both of Chairman and the Vice Chairman fail to attend the meeting, one Director designated by the Board shall convene the meeting and act as the chairman of the meeting; where the Board fails to designate the chairman of the meeting, one person shall be elected by the Shareholders present to act as the chairman of the meeting; if for whatever reason the Shareholders fail to elect such person, the Shareholder (including his/her proxy) present and holding the largest number of the Shares carrying voting rights shall act as the chairman of the meeting.

Article ~~84~~109

A General Meeting shall be convened by the Board and shall be presided over by the Chairman who shall act as the chairman of the meeting; where the Chairman is unable or fails to attend the meeting perform his/her duties, the Vice Chairman shall convene the meeting and act as the chairman of ~~preside over~~ the meeting; where ~~both of Chairman and the Vice Chairman is unable or fails to attend the meeting~~ perform his/her duties, one Director elected by the Board shall convene the meeting and act as the chairman of the meeting; where the Board fails to designate the chairman of the meeting no less than one half of Directors shall chair the meeting; where no such chairing Director has been so elected by no less than one half of Directors, one person shall be elected by the Shareholders present to act as the chairman of the meeting; if for whatever reason the Shareholders fail to elect such person, the Shareholder (including his/her proxy) present and holding the largest number of the Shares carrying voting rights shall act as the chairman of the meeting.

A General Meeting convened by the Board of Supervisors on its own shall be presided over by the Chairman of the Board of Supervisors. Where the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, a Supervisor elected by no less than one half of the Supervisors shall chair the meeting.

A General Meeting convened and chaired by the Shareholders themselves shall be presided over by a representative nominated by the convener.

If, during the process of a General Meeting, a breach by the chairman of the meeting procedural rules results in the General Meeting's failure to proceed, then subject to the consent of the Shareholder(s) representing more than one half of the voting rights of the attending Shareholders, the General Meeting may elect one person to act as the chairman to continue the meeting.

New Article 110

Before the General Meeting votes on a proposal, two Shareholders shall be elected as representatives to join in the vote calculation and supervision. Where any matter to be reviewed is associated with any Shareholder, such Shareholder and its proxy shall not join in the vote calculation and supervision.

When the General Meeting of Shareholders votes on a proposal, the lawyers, Shareholders' representatives and Supervisors' representatives shall jointly take charge of vote calculation and supervision and announce the voting results on site. The voting results of the resolutions shall be recorded in the minutes of the meeting.

Shareholders or their proxies who vote online or by means of another method shall have the right to inspect and verify their own voting results through the relevant voting system.

Article 85

The chairman of the meeting shall determine whether or not a resolution of the General Meeting shall be adopted. His/her decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes.

Article 86

In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward for voting, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any Shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

Article 87

In the event that the votes are counted at the General Meeting, the counting results shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance book signed by the attending Shareholders and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company. The abovementioned minutes of the meeting, the attendance book and the proxy forms for proxies shall not be destroyed within ten (10) years.

Article 85111

The chairman of the meeting shall determine whether or not a resolution of the General Meeting shall be adopted. His/her decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes.

Article 86112

In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward for voting, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any Shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

Article 87113

The General Meeting shall cause the minutes to be made of the resolutions on the matters deliberated at the meeting. The Secretary to the Board shall be responsible for the meeting minutes and shall record the following contents:

- (1) time, venue and agenda of the meeting and the name(s) of its convener(s);
- (2) names of the chairman and of the Directors, Supervisors, president and other senior management members attending or observing the meeting;

- (3) number of the Shareholders and proxies present at the meeting, total number of Shares carrying voting rights held by such Shareholders and proxies, and percentage of such Shares relative to the total number of Shares of the Company;
- (4) proceeding of deliberations, key points of remarks and voting results pertaining to each proposal;
- (5) inquiry opinions or recommendations of Shareholders and corresponding replies or explanations;
- (6) names of lawyer(s), vote counters and scrutineers;
- (7) other matters required to be included in the meeting minutes by the Articles of Association.

In the event that the votes are counted at the General Meeting, the counting results shall be recorded in the minutes of the meeting.

The convener shall ensure the truthfulness, accuracy and completeness of the content of the minutes of the meeting. The minutes of the meeting shall be signed by the attending Directors and Supervisors, the secretary to the Board, the convener or his/her representative and the chairman of the meeting, and shall be kept at the domicile of the Company for a minimum of ten (10) years, The minutes of the meeting together with the attendance book signed by the attending Shareholders and, the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company. The abovementioned minutes of the meeting, the attendance book and

the proxy forms for proxies shall not be destroyed within ten (10) years, and valid materials pertaining to the vote particulars of online voting and other methods of voting.

New Article 115

The resolutions of the General Meetings shall be announced promptly. Such announcement shall set out the number of the Shareholders and proxies present at the meeting, total number of Shares carrying voting rights held by such Shareholders and proxies, percentage of such Shares relative to the total number of Shares carrying voting rights of the Company, the method(s) of voting, the voting result of each proposal, and the full particulars of the adopted resolutions.

New Article 116

To the extent any resolution has failed to be adopted or any changes have been made by the latest General Meeting to the resolutions of the previous General Meeting, special notes shall be provided for in the announcement on the resolutions of such General Meeting.

New Article 117

Where the General Meeting has adopted a resolution on cash dividend, bonus issue or capitalization of the capital reserve funds, the Company will implement the specific scheme within two (2) months from the conclusion of the General Meeting.

**Chapter 9 Special Procedures
for Voting by Class
Shareholders****Article 90**

Any variation or abrogation of the rights of any class of Shareholders proposed by the Company may only be carried out after the adoption of a special resolution at a General Meeting and approval by the affected Shareholders of that class at a separate Shareholders meeting held in accordance with Articles 92 to 96 of these Articles of Association.

Article 92

Shareholders of the affected class, whether or not having the right to vote at the General Meeting, shall nevertheless have the right to vote at Class Shareholders' Meetings on matters referred to in clause (2) to (8) and (11) to (12) of Article 91 of the Articles of Association, but interested Shareholders shall not be entitled to vote at Class Shareholders' Meetings.

The interested Shareholders mentioned in the preceding paragraph shall have the following meanings:

- (1) in the case of a repurchase of its own Shares by the Company by making offers to all Shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 30 of the Articles of Association, "interested Shareholder" shall refer to the Controlling Shareholders as defined in Article 58 of the Articles of Association;

**Chapter 910 Special Procedures
for Voting by Class
Shareholders****Article ~~90~~119**

Any variation or abrogation of the rights of any class of Shareholders proposed by the Company may only be carried out after the adoption of a special resolution at a General Meeting and approval by the affected Shareholders of that class at a separate General Meeting of Shareholders meeting held in accordance with Articles ~~92 to 96~~ 121 to 125 of these Articles of Association.

Article ~~92~~121

Shareholders of the affected class, whether or not having the right to vote at the General Meeting, shall nevertheless have the right to vote at Class Shareholders' Meetings on matters referred to in clause (2) to (8) and (11) to (12) of Article ~~91~~ 120 of the Articles of Association, but interested Shareholders shall not be entitled to vote at Class Shareholders' Meetings.

The interested Shareholders mentioned in the preceding paragraph shall have the following meanings:

- (1) in the case of a repurchase of its own Shares by the Company by making offers to all Shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article ~~30~~ 28 of the Articles of Association, "interested Shareholder" shall refer to the Controlling Shareholders as defined in Article ~~58~~ 62 of the Articles of Association;

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|--|--|
| <p>(2) in the case of a repurchase of its own Shares by the Company through an off-market agreement in accordance with the provisions of Article 30 of the Articles of Association, “interested Shareholders” shall refer to the Shareholders to which the proposed agreement relates;</p> | <p>(2) in the case of a repurchase of its own Shares by the Company through an off-market agreement in accordance with the provisions of Article 30<u>28</u> of the Articles of Association, “interested Shareholders” shall refer to the Shareholders to which the proposed agreement relates;</p> |
| <p>(3) in the case of a restructuring of the Company, “interested Shareholder” shall refer to a Shareholder within a class who bears liabilities less than the proportion burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.</p> | <p>(3) in the case of a restructuring of the Company, “interested Shareholder” shall refer to a Shareholder within a class who bears liabilities less than the proportion burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.</p> |

Article 93

A resolution of the Class Shareholders’ Meeting shall be passed in accordance with Article 92 of the Articles of Association by Shareholders representing not less than two-thirds of voting rights present in the meeting.

Article 94

Written notice of a Class Shareholders’ Meeting convened by the Company shall be dispatched forty-five (45) days prior to the date of the Class Shareholders’ Meeting to all Shareholders of such class whose names appear on the register of members, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting.

Article ~~93~~122

A resolution of the Class Shareholders’ General Meeting shall be passed in accordance with Article ~~92~~121 of the Articles of Association by Shareholders representing not less than two-thirds of voting rights present in the meeting.

Article ~~94~~123

Written notice of a Class Shareholders’ General Meeting convened by the Company shall be dispatched forty-five (45) days prior to the date of the Class Shareholders’ General Meeting to all Shareholders of such class whose names appear on the register of members, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting.

If the number of voting Shares at such meeting held by Shareholders who intend to attend such meeting reaches not less than one-half of the total number of voting Shares at such meeting, the Company may hold such Class Shareholders' Meeting; if this cannot be attained, the Company shall further notify the Shareholders by way of announcement within five days thereof specifying the matters to be considered and the date and place of the meeting. After such announcement has been given, the Company may then hold the Class Shareholders' Meeting.

Article 95

Notices of the Class Shareholders' Meeting only need to be served on Shareholders entitled to vote thereat.

The procedures for holding the Class Shareholders' Meeting shall be similar to those for holding the General Meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a General Meeting shall apply to the Class Shareholders' Meeting.

If the number of voting Shares at such meeting held by Shareholders who intend to attend such meeting reaches not less than one-half of the total number of voting Shares at such meeting, the Company may hold such Class Shareholders' General Meeting; if this cannot be attained, the Company shall further notify the Shareholders by way of announcement within five days thereof specifying the matters to be considered and the date and place of the meeting. After such announcement has been given, the Company may then hold the Class Shareholders' General Meeting.

Article 95124

Notices of the Class Shareholders' General Meeting only need to be served on Shareholders entitled to vote thereat.

The procedures for holding the Class Shareholders' General Meeting shall be similar to those for holding the General Meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a General Meeting shall apply to the Class Shareholders' General Meeting.

Chapter 10 Board

Article 98

Directors shall be elected at the General Meeting. The term of office of the Directors shall be three (3) years. Upon expiration of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment.

The Chairman and Vice Chairman shall be elected and removed by resolution approved by more than one-half of all Directors. The term of office of the Chairman shall be three (3) years, renewable upon re-election. The term of office of Vice Chairman shall be three (3) years, renewable upon re-election.

The Directors shall not be required to hold Shares of the Company.

Chapter ~~10~~11 BoardArticle ~~98~~127

Directors shall be elected at the General Meeting. The term of office of the Directors shall be three (3) years. Upon expiration of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment. Prior to the expiration of their terms of office, Directors may not be dismissed from office without cause by the General Meeting.

The term of office of a Director begins from the day he/she takes office and ends when the term of office of the current Board expires. If the term of office of a Director has expired but a re-election has not been held in time, then the incumbent Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and takes office.

The president or other senior management members may concurrently serve as Directors, provided that the number of such Directors who concurrently act as president or other senior management members, combined with the number of Directors who concurrently act as employee representatives, shall not exceed one half of the total number of Directors of the Company.

The Chairman and Vice Chairman shall be elected and removed by resolution approved by more than one-half of all Directors. The term of office of the Chairman shall be three (3) years, renewable upon re-election. The term of office of Vice Chairman shall be three (3) years, renewable upon re-election.

The Directors shall not be required to hold Shares of the Company.

Article 100

Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation.

If the number of Directors fall below the statutory limit when a Director resigns, the notice of resignation of the resigning Director will only become effective until a new Director is appointed to fill the vacancy. The remaining members of the Board should convene an extraordinary General Meeting to elect a new Director to fill the vacancy as soon as possible.

Save for the circumstances referred to in the preceding paragraph, the resignation of a Director becomes effective upon submission of his/her resignation report to the Board.

Article ~~100~~129

Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The Board will disclose relevant information in accordance the requirements of the stock exchanges on which the Company's Shares are listed.

If the number of Directors falls below the statutory limit when a Director resigns, then the incumbent Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and takes office. The notice of resignation of the resigning Director will only become effective until ~~a~~such new Director is appointed to fill the vacancy. The remaining members of the Board should convene an extraordinary General Meeting to elect a new Director to fill the vacancy as soon as possible.

Save for the circumstances referred to in the preceding paragraph, the resignation of a Director becomes effective upon submission of his/her resignation report to the Board.

New Article 130

When his/her resignation becomes effective or his/her term of office expires, a Director shall complete his hand-over procedures with the Board. The duty of loyalty of a Director to the Company and the Shareholders is not necessarily released upon the cessation of his/her term of office, and shall remain valid within a reasonable period as provided in the Articles of Association.

New Article 131

In the absence of express stipulations herein or lawful authorization by the Board, no Director shall act on behalf of the Company or the Board in his/her personal capacity. When acting in his/her personal capacity, a Director shall state in advance his/her standing and capacity if a third party is likely to reasonably believe that he/she is acting on behalf of the Company or the Board.

Article 102

Any Director who has withdrawn from his/her office without authorization prior to the expiration of his/her term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss.

The General Meeting may, dismiss by way of an ordinary resolution any Director whose term of office has not yet expired, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract.

Article ~~102~~133

Any Director who has withdrawn from his/her office without authorization prior to the expiration of his/her term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss.

The General Meeting may, dismiss by way of an ordinary resolution any Director whose term of office has not yet expired, subject to provisions of the relevant laws and administrative regulations and without prejudice to any potential claim which may be made under any contract.

Any Director who has been absent from two consecutive Board meetings and failed to designate other Directors as proxies shall be regarded as having failed to fulfill his/her duty. The Board may propose to the General Meeting to dismiss and replace such Director.

Article 103

The Company shall establish an independent director system. Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders a connection which may possibly hamper their independent and objective judgments.

An independent Director shall serve a term of office of three years and is eligible for reelection but shall not serve for more than nine years in aggregate, except required by relevant laws, regulations and the listing rules of the stock exchange with which the Company is listed.

Any Director who has been absent from two consecutive Board meetings and failed to designate other Directors as proxies shall be regarded as having failed to fulfill his/her duty. The Board ~~may~~shall propose to the General Meeting to dismiss and replace such Director.

Article ~~103~~134

The Company shall establish an independent director system. Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders a connection which may possibly hamper their independent and objective judgments.

An independent Director shall serve a term of office of three years and is eligible for reelection but shall not serve for more than ~~ninesix~~ (6) years in aggregate, except required by relevant laws, regulations and the listing rules of the stock exchange with which the Company is listed.

The qualifications, nomination, resignation and other matters related to an independent Director are subject to relevant requirements prescribed by laws, administrative regulations, and departmental rules.

Article 104

The Board shall report to the General Meeting and exercises the following powers:

- (1) to be responsible for the convening of General Meetings and report its work to the General Meeting;
- (2) to implement the resolutions of General Meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue and listing of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of Shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;
- (8) to decide on the establishment of an internal management organization of the Company; decide the establishment or revocation of the subsidiaries or branches of the Company;
- (9) to elect the Chairman and the Vice Chairman, nominate, appoint or dismiss the president of the Company;

Article ~~104~~135

The Board shall report to the General Meeting and exercises the following powers:

- (1) to be responsible for the convening of General Meetings and report its work to the General Meeting;
- (2) to implement the resolutions of General Meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue and listing of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of Shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;
- (8) to decide on the establishment of an internal management organization of the Company; decide the establishment or revocation of the subsidiaries or branches of the Company;
- (9) to elect the Chairman and the Vice Chairman, nominate, appoint or dismiss the president of the Company;

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| (10) appoint or dismiss the secretary to the Board, appoint or dismiss the head of each special committee of the Board; | (10) appoint or dismiss the secretary to the Board, appoint or dismiss the head of each special committee of the Board; |
| (11) upon the nomination of the president, appoint or dismiss the vice president(s), the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer of the Company, and decide their remunerations, incentives and punishments; | (11) upon the nomination of the president, appoint or dismiss the vice president(s), the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer of the Company, and decide their remunerations, incentives and punishments; |
| (12) to formulate the basic management system of the Company; | (12) to formulate the basic management system of the Company; |
| (13) to formulate proposals for amendment to the Articles of Association; | (13) to formulate proposals for amendment to the Articles of Association; |
| (14) to propose to the General Meeting to appoint or change accounting firm in charge of the audition of the Company; | (14) to propose to the General Meeting to appoint or change accounting firm in charge of the audition of the Company; |
| (15) other authorities provided by laws and regulations, and listing rules of the stock exchange where the stock of the Company is listed, and by General Meeting of the Shareholder and the Articles of Association. | (15) <u>to decide on (among others) external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management and related party transactions of the Company within the scope of the authorization granted by the General Meeting;</u> |

Except for the Board resolutions in respect of the matters specified in sub-clauses (6), (7) and (13) of the preceding sub-section which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by more than one half of the Directors. The Board shall perform its duties in accordance with laws, administrative regulations, the Articles of Association and Shareholder's resolution.

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| (16) <u>to manage information disclosure matters of the Company;</u> |
| (17) <u>to receive the president's work report and inspect the work of the president;</u> |

(1518) other authorities provided by laws and regulations, and listing rules of the stock exchange where the stock of the Company is listed, and by General Meeting of the Shareholder and the Articles of Association.

~~Except for the~~ The Board resolutions in respect of the matters specified in sub-clauses (6), (7) and (13) of the preceding sub-section ~~which~~ shall be passed by not less than two-thirds of the Directors; ~~the~~ the Board resolutions in respect of ~~all~~ guarantee matters within the scope of authority of the Board shall, in addition to being passed by more than one half of the Directors, require the affirmative vote of not less than two-thirds of all the Directors attending the Board meeting; ~~the~~ Board resolutions in respect of other matters may be passed by more than one half of the Directors. The Board shall perform its duties in accordance with laws, administrative regulations, the Articles of Association and Shareholder's resolution.

New Article 136

The Board shall provide explanations in the General Meeting on any non-standard audit opinion issued by certified public accountants on the Company's financial reports.

New Article 137

The Board shall formulate the Procedural Rules for the Board of Directors of the Company to ensure that the Board will implement the resolutions passed at the General Meeting, enhance its work efficiency and assure the scientific soundness of its decision making.

New Article 138

The Board shall determine the scope of authority for (among others) external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management and related party transactions, and shall establish strict examination and decision-making procedures; in the case of material investment projects, it shall arrange for them to be appraised by relevant experts and professionals and shall submit them to the General Meeting for approval.

Article 106

The Chairman is entitled to the following powers:

- (1) to preside over General Meetings and to convene and preside over Board meetings;
- (2) to check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to exercise other powers conferred by the laws and regulation, the Articles of Association and the Board.

Should the Chairman be unable to exercise his/her functions or powers, the Vice Chairman may be designated by the Chairman to exercise such functions or powers.

Article ~~106~~140

The Chairman is entitled to the following powers:

- (1) to preside over General Meetings and to convene and preside over Board meetings;
- (2) to check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to exercise other powers conferred by the laws and regulation, the Articles of Association and the Board.

The Vice Chairman shall assist the Chairman in his/her work. Should the Chairman be unable to or fail to exercise his/her functions or ~~powers~~duties, the Vice Chairman shall exercise such functions or ~~powers~~duties. Should the Vice Chairman be unable to or fail to exercise his/her functions or duties, a Director elected jointly by not less than one half of all Directors shall exercise such functions or duties.

Article 107

At least two (2) meetings of the Board shall be convened every year by the Chairman, notice of the meeting shall be served, on all of the Directors and of the Supervisors and the president, at least ten (10) days before the date of the meeting.

In the event of any of the following circumstances, the Chairman shall convene extraordinary meetings:

- (1) when proposed by 2 (two) or more Directors;
- (2) when proposed by the president.

Article ~~107~~141

At least two (2) meetings of the Board shall be convened every year by the Chairman, notice of the meeting shall be served, on all of the Directors and of the Supervisors and the president, at least ~~ten~~fourteen (~~10~~14) days before the date of the meeting.

In the event of any one of the following circumstances, the Chairman shall convene extraordinary meetings:

- ~~(1) when proposed by 2 (two) or more Directors;~~
- ~~(2) when proposed by the president.~~

within ten (10) days after a proposal is received:

- (1) when proposed by Shareholders representing not less than ten percent (10%) of the voting rights;
- (2) when jointly proposed by not less than one-third of the Directors;
- (3) when proposed by the Board of Supervisors;
- (4) when proposed by the Company's president;
- (5) when proposed by not less than one half of the independent non-executive Directors;
- (6) when the Chairman considers it necessary;
- (7) when it is requested by securities regulatory authorities to be convened;

- (8) as prescribed by laws, regulations and listing rules of stock exchanges on which the Company's Shares are listed or any circumstances required under these Articles of Association.

Article 108

Notices of the Board and extraordinary Board meetings should be served by facsimile or email. Time limit for notice: no later than ten (10) days prior to the date of the meeting. However, the obligation of such notification within the prescribed time may be exempted with the written consent of all the Directors and Supervisors.

Article ~~108~~142

Notices of the Board and extraordinary Board meetings should be served by facsimile or email. Time limit for notice: for convening of a regular Board meeting, no later than ~~ten~~fourteen (14) days prior to the date of the meeting. However, the obligation of such notification within the prescribed time may be exempted with the written consent of all the Directors and Supervisors.

New Article 143

The notice of Board meetings shall include the following:

- (1) the venue, date and time of the meeting;
- (2) the duration of the meeting;
- (3) reasons for calling the meeting and topics for discussion;
- (4) the issue date of the notice.

Article 109

Except where the Board has to consider connected transaction, the Board meeting may not be held unless more than half of the Directors are present.

Each Director shall have one vote. However, any Director appointed by other Director to attend the Board meeting on his/her behalf, in addition to his/her own vote, shall be entitled to another vote on behalf of the director appointing him/her. Unless for connected transactions and matters specified in article 104(6), (7) and (13), resolutions of the Board must be passed by more than half of the Directors. When the number of votes cast for and against a resolution equals, the Chairman shall have a casting vote.

Article 110

Directors shall attend a meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they may authorise other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the scope of authorization.

The Board of Directors may conduct meetings by means of meetings in person, teleconference, video conference or any other means allowing for communication in real time among the directors.

Article ~~109~~144

Except where the Board has to consider connected transaction, the Board meeting may not be held unless more than half of the Directors are present.

Each Director shall have one vote. However, any Director appointed by other Director to attend the Board meeting on his/her behalf, in addition to his/her own vote, shall be entitled to another vote on behalf of the director appointing him/her. ~~Unless for connected transactions and matters specified in article 104(6), (7) and (13), resolutions of the Board must be passed by more than half of the Directors. When the number of votes cast for and against a resolution equals, the Chairman shall have a casting vote.~~

Article ~~110~~145

Directors shall attend a meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they may authorise other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of the proxy, entrusted matter, scope of authorization and its term of validity and shall be signed or sealed by the appointer.

The Board of Directors may conduct meetings by means of meetings in person, teleconference, videoconference or any other means allowing for communication in real time among the directors.

The authorized Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a meeting of the Board in person, and does not authorize any representatives to attend the meeting, he/she cannot exercise any voting right in such meeting.

Article 111

In the event that a Director is connected to companies (it means that the Director acts as a Director or senior management of the counterparty, or can exercise direct or indirect control over a legal person entity of the counterparty, or acts as a Director or senior management in a legal person entity under direct or indirect control of the counterparty) associated with matters to be resolved at the Board meeting, such Director shall not exercise his/her voting rights on such resolution, nor shall he/she votes on behalf of other Directors. In such an event, the Board meeting must be held with a majority of the non-connected Directors. Resolutions shall be approved by a majority of non-connected Directors. When there are less than three (3) non-connected Directors present at the Board meeting, such matter shall be submitted to the General Meeting for consideration.

The authorized Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a meeting of the Board in person, and does not authorize any representatives to attend the meeting, he/she cannot exercise any voting right in such meeting.

Article ~~111~~146

In the event that a Director is connected ~~to companies (it means that the Director acts as a Director or senior management of the counterparty, or can exercise direct or indirect control over a legal person entity of the counterparty, or acts as a Director or senior management in a legal person entity under direct or indirect control of the counterparty)~~(as defined in the listing rules (as amended from time to time) of the stock exchange(s) on which the Company's Shares are listed) to companies associated with matters to be resolved at the Board meeting, such Director shall not exercise his/her voting rights on such resolution, nor shall he/she votes on behalf of other Directors. In such an event, the Board meeting must be held with a majority of the non-connected Directors. Resolutions shall be approved by a majority of non-connected Directors. When there are less than three (3) non-connected Directors present at the Board meeting, such matter shall be submitted to the General Meeting for consideration.

Where a Director abstains from voting at a Board meeting, such Board meeting can be duly convened so long as more than a half of the non-connected Directors are present. Resolutions at such meeting shall be adopted by the affirmative vote of more than a half of all non-connected Directors. Resolutions concerning matters which shall be approved by not less than two-thirds of the Directors, shall be adopted by the affirmative vote of not less than two-thirds of all non-connected Directors. If the number of non-connected Directors present at such meeting is less than three, relevant proposals shall not be voted on at such meeting and shall be submitted to the General Meeting for consideration.

Article 112

The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the Directors and by secretary to the Board present at the meeting (person who recorded the minutes). Custody period of minutes shall be ten (10) years. The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in the Company sustaining serious losses, the Directors participating in the resolution shall be liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

Article ~~112~~147

The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the Directors and by secretary to the Board present at the meeting (person who recorded the minutes). The minutes shall be kept as part of the Company's documents and the Custody period ~~of minutes~~ shall be ten (10) years. The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in the Company sustaining serious losses, the Directors participating in the resolution shall be liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

New Article 148

Minutes of the Board meetings shall include the following information:

- (1) the date and venue of the meeting, and the name of the convener;
- (2) the names of the Directors attending in person, and the names of the Directors (proxies) attending through proxy;
- (3) the agenda of the meeting;
- (4) the key points of the speeches of Directors;
- (5) the voting method and results of each matter to be voted on (the voting results shall specify the number of votes in favor, against and abstained).

New Article 149

The Board may, in light of its needs, set up an audit committee, a remuneration committee and other professional committees.

Chapter 12 President of the Company**Article 116**

The Company shall have 1 (one) president, 3 (three) vice presidents who shall assist the president in his/her work, 1 (one) CFO, 1 (one) chief technology officer, 1 (one) chief sales officer, 1 (one) chief marketing and strategy officer and 1 (one) chief human resources officer. The president, the vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer shall be appointed and dismissed by the Board.

Chapter 1213 President and Other Senior Management Members of the Company**Article 116153**

The Company shall have 1 (one) president, 3 (three) vice presidents who shall assist the president in his/her work, 1 (one) CFO, 1 (one) chief technology officer, 1 (one) chief sales officer, 1 (one) chief marketing and strategy officer and 1 (one) chief human resources officer. The president, the vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer shall be appointed and dismissed by the Board.

The term of office of the president and other senior management members shall be 3 years and they shall be eligible to offer themselves for reappointment.

The term of office of the president and other senior management members shall be 3 years and they shall be eligible to offer themselves for reappointment.

Persons holding positions at the Controlling Shareholder or Actual Controller of the Company (other than being a director) may not concurrently serve as the Company's senior management members.

Article 117

The president of the Company shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and organize resources to carry out the Board's resolutions;
- (2) to organize the implementation of the Company's annual business plan, invest plan and financing plan formulated by the Board;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft plans for the establishment of subsidiaries and other branches of the Company;
- (5) to draft the Company's basic management system;
- (6) to formulate detailed rules and regulations of the Company;

Article ~~117~~154

The president of the Company shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and organize resources to carry out the Board's resolutions and to report his/her work to the Board;
- (2) to organize the implementation of the Company's annual business plan, invest plan and financing plan formulated by the Board;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft plans for the establishment of subsidiaries and other branches of the Company;
- (5) to draft the Company's basic management system;
- (6) to formulate detailed rules and regulations of the Company;

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| (7) to propose the appointment or dismissal of the Company's vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer to the Board; | (7) to propose the appointment or dismissal of the Company's vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer and the chief human resources officer to the Board; |
| (8) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board; | (8) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board; |
| (9) to exercise other powers conferred by the Articles of Association or the Board. | (9) to exercise other powers conferred by the Articles of Association or the Board. |

New Article 156

The president shall formulate the Working Rules for the President and shall submit the same to the Board of Directors for approval before it comes into effect. The Working Rules for the President shall include the following contents:

- (1) conditions and procedures for convening the meetings of the president and their participants;
- (2) specific duties of each of the president and other senior management members and their division of work;
- (3) the scope of the authorities to use the capital and assets of the Company and to enter into material contracts; and the system of reporting to the Board of Directors and the Board of Supervisors;
- (4) other matters deemed necessary by the Board.

New Article 157

The president may tender his/her resignation before the expiry of his/her term of office. Specific procedures and rules for the resignation of the president shall be provided for in the employment contract between the president and the Company.

Article 119

In performing his/her job duties, the president of the Company shall act honestly and diligently in accordance with the laws, administrative regulations and requirements under the Articles of Association.

Article ~~119~~158

In performing his/her job duties, the president of the Company shall act honestly and diligently in accordance with the laws, administrative regulations and requirements under the Articles of Association.

Any senior management member who breaches laws, administrative regulations, departmental rules or the requirements in these Articles of Association when performing his/her duties for the Company shall be liable to indemnify against the losses suffered by the Company.

Chapter 13 Board of Supervisors**Chapter ~~13~~14 Board of Supervisors**New Article 162

If the term of office of a Supervisor has expired but a re-election has not been held in time, or if the number of Board of Supervisors members will fall below the statutory limit if an incumbent Supervisor resigns, then the incumbent Supervisor shall continue to perform his/her duties as a Supervisor in accordance with laws, administrative regulations and the Articles of Association until a new Supervisor is elected and takes office.

Article 125

The Board of Supervisors shall be accountable to the General Meeting and exercise the following powers in accordance with the laws:

- (1) to examine the Company's financial affairs;
- (2) to supervise Directors and other senior management members in performing their duties to the Company who violate any laws, administrative regulations, the Articles of Association or resolutions of General Meetings;
- (3) to demand rectification from a Director, the president and any other senior management members when the acts of such persons are harmful to the Company's interest;
- (4) to examine the financial information such as the financial report, business report and plans for profits distribution to be submitted by the Board to the General Meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a reexamination;

Article ~~125~~165

The Board of Supervisors shall be accountable to the General Meeting and exercise the following powers in accordance with the laws:

- (1) to examine the Company's financial affairs, to review the periodic reports of the Company prepared by the Board and to provide written review comments thereon;
- (2) to supervise the conduct of Directors and other senior management members in performing their duties to the Company and to recommend the removal of Directors and senior management members who violated any laws, administrative regulations, the Articles of Association or resolutions of General Meetings;
- (3) to demand rectification from a Director, the president and any other senior management members when the acts of such persons are harmful to the Company's interest;
- (4) to examine the financial information such as the financial report, business report and plans for profits distribution to be submitted by the Board to the General Meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;

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| (5) to propose the convening of an extraordinary General Meeting; | (5) to propose the convening of an extraordinary General Meeting; <u>and to convene and chair a General Meeting when the Board fails to perform its duties of convening and chairing General Meetings as stipulated by these Articles of Association;</u> |
| (6) to deal with or take legal actions against Directors and senior management members on behalf of the Company; | <u>(6) to submit proposals to the General Meetings;</u> |
| (7) to exercise other powers specified in the Articles of Association. | <u>(67) to deal with <u>Directors</u> or take legal actions against Directors and senior management members on behalf of the Company;</u> |
| Supervisors shall attend Board meetings. | <u>(8) to conduct investigations upon the discovery of irregularities in the operation of the Company; and to engage, if necessary, accounting firms, law firms and other professional institutions to assist with its work at the expense of the Company;</u> |
| | <u>(79) to exercise other powers specified in the Articles of Association.</u> |

Supervisors shall attend Board meetings and make enquiries or recommendations on the matters to be resolved by the Board.

New Article 167

Notice of a meeting of the Board of Supervisors shall include the following information:

- (1) date, venue and duration of the meeting;
- (2) reasons for calling the meeting and topics of discussion;
- (3) the issue date of the notice.

New Article 169

The Board of Supervisors shall keep minutes of its decisions on the matters under its consideration. The Supervisors present at the meeting shall sign on the minutes of the meeting.

A Supervisor shall be entitled to demand that an explanatory note be entered onto the minutes of his/her remarks at the meeting. Minutes of the meetings of the Board of Supervisors shall be kept as part of the Company's documents for at least ten (10) years.

New Article 170

The Board of Supervisors shall formulate the Procedural Rules for the Board of Supervisors specifying its deliberation method and voting procedures so as to ensure the efficiency of its work and the scientific soundness of its decision making.

Article 128

A Supervisor shall carry out his/her duties honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association.

Article ~~128~~171

A Supervisor shall carry out his/her duties honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association. They owe the Company the duty of loyalty and the duty of diligence and shall neither exploit their positions to accept bribes or other illegal income nor embezzle the property of the Company.

Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.

Supervisors shall not use their relationships with related parties to the detriment of the interests of the Company and shall be liable to compensate for any damages caused to the Company.

Where a Supervisor breaches laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties for the Company, he/she shall be liable to indemnify against the losses suffered by the Company.

Article 129

A person may not serve as a Director, Supervisor, president or any other senior management members of the Company if any of the following circumstances applies:

- (1) a person without legal or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;

Article ~~129~~172

A person may not serve as a Director, Supervisor, president or any other senior management members of the Company if any of the following circumstances applies:

- (1) a person without legal or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;

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| (3) a person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation due to poor operation results and bad management and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise; | (3) a person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation due to poor operation results and bad management and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise; |
| (4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license; | (4) a person who is a former legal representative of a company or enterprise which had its business license revoked <u>or had been ordered to close down</u> due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license; |
| (5) a person who has a relatively large amount of debts due and outstanding; | (5) a person who has a relatively large amount of debts due and outstanding; |
| (6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded; | (6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded; |
| (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations; | (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations; |
| (8) a non-natural person; | (8) a non-natural person; |

- (9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction.

- (9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;

- (10) a person sanctioned by the CSRC by a ban on entering the securities market, where such ban is yet to expire;

- (11) as prescribed in laws, administrative regulations, departmental rules, and listing rules of stock exchange(s) on which the Company's Shares are listed.

If a Director is elected or appointed in breach of this Article, such election, appointment or employment shall be null and void. Any Director becoming the subject of any circumstances set out in this Article shall be removed from office by the Company.

Article 133

Each of the Company's Directors, Supervisors, president and other senior management members shall exercise his/her powers or carry on his/her duties in accordance with the principle of fiduciary and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;

Article ~~133~~176

Each of the Company's Directors, Supervisors, president and other senior management members shall exercise his/her powers or carry on his/her duties in accordance with the principle of fiduciary and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;

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| (2) to exercise powers within the scope of his/her powers and not to exceed those powers; | (2) to exercise powers within the scope of his/her powers and not to exceed those powers; |
| (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of Shareholders given in a General Meeting, not to delegate the exercise of his/her discretion; | (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of Shareholders given in a General Meeting, not to delegate the exercise of his/her discretion; |
| (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly; | (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly; |
| (5) except in accordance with the Articles of Association or with the informed consent of Shareholders given in General Meeting, not to enter into any contract, transaction or arrangement with the Company; | (5) except in accordance with the Articles of Association or with the informed consent of Shareholders given in General Meeting, not to enter into any contract, transaction or arrangement with the Company; |
| (6) without the informed consent of Shareholders given in General Meeting, not to use the Company's property for his/her own benefit by any means; | (6) without the informed consent of Shareholders given in General Meeting, not to use the Company's property for his/her own benefit by any means; |
| (7) not to exploit his/her position to accept bribes or other illegal income, expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company; | (7) not to exploit his/her position to accept bribes or other illegal income, expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company; |
| (8) without the informed consent of Shareholders given in General Meeting, not to accept commissions in connection with the Company's transactions; | (8) without the informed consent of Shareholders given in General Meeting, not to accept commissions in connection with the Company's transactions; |

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| <p>(9) to abide by the Articles of Association, faithfully execute his/her official duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests;</p> | <p>(9) to abide by the Articles of Association, faithfully execute his/her official duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests;</p> |
| <p>(10) without the informed consent of Shareholders given in General Meeting, not to compete with the Company in any form;</p> | <p>(10) without the informed consent of Shareholders given in General Meeting, not to <u>abuse his/her position to seek for him/herself or other persons business opportunities which otherwise belong to the Company, or carry on, for the account of himself/herself or another person, the same type of business as the Company, or</u> compete with the Company in any form;</p> |
| <p>(11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for the Shareholder(s) of the Company or other personal debts with the Company's assets;</p> | <p>(11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for the <u>debts of the Shareholder(s) of the Company or another person</u> other personal debts with the Company's assets;</p> |
| <p>(12) unless otherwise permitted by informed Shareholders in General Meeting, to keep in confidence information relating to the Company acquired by him/her in the course of and during his/her tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:</p> <p style="margin-left: 20px;">(i) disclosure is made under compulsion of law;</p> <p style="margin-left: 20px;">(ii) the interests of the public require disclosure;</p> | <p>(12) <u>must not use his/her connected relationship to act to the detriment of the Company's interests; and</u></p> <p>(1213) unless otherwise permitted by informed Shareholders in General Meeting, to keep in confidence information relating to the Company acquired by him/her in the course of and during his/her tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to</p> |

(iii) the interests of the relevant Director, Supervisor, president or other senior management members require disclosure.

the court or other governmental authorities is permitted if:

(i) disclosure is made under compulsion of law;

(ii) the interests of the public require disclosure;

(iii) the interests of the relevant Director, Supervisor president or other senior management members require disclosure.

Any revenue derived by a Director from his/her breach of the provisions of this Article shall belong to the Company; and the Company shall be indemnified for its consequential losses.

Article 136

Except for circumstances prescribed in Article 57 of the Articles of Association, a Director, Supervisor, president and other senior management members of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of Shareholders given at a General Meeting.

Article ~~136~~179

Except for circumstances prescribed in Article ~~57~~61 of the Articles of Association, a Director, Supervisor, president and other senior management members of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of Shareholders given at a General Meeting.

Article 142

A loan guarantee provided by the Company in breach of provision under paragraph (1) of Article 140 shall be unenforceable against the Company, provided that:

(1) a loan was advanced to an Relevant Person of any of the Directors, Supervisors, president and other senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances; or

Article ~~142~~185

A loan guarantee provided by the Company in breach of provision under paragraph (1) of Article ~~140~~183 shall be unenforceable against the Company, provided that:

(1) a loan was advanced to an Relevant Person of any of the Directors, Supervisors, president and other senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances; or

- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 145

The Company shall enter into a contract in writing with a Director, Supervisor and other senior management member, which shall at least include the following provisions:

- (1) a Director, Supervisor and senior management member shall undertake in favour of the Company to comply with the Company Law, the Special Regulations, the Articles of Association and other regulations as stipulated under the Hong Kong Stock Exchange, and agree that the Company is entitled to remedies provided by the Articles of Association, and such contract and his/her position were not transferable;
- (2) a Director, Supervisor and senior management member shall undertake in favour of the Company to perform the duties to Shareholders pursuant to and as required by the Articles of Association; and
- (3) an arbitration provision stipulated under Article 187 of the Articles of Association.

- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article ~~145~~188

The Company shall enter into a contract in writing with a Director, Supervisor and other senior management member, which shall at least include the following provisions:

- (1) a Director, Supervisor and senior management member shall undertake in favour of the Company to comply with the Company Law, the Special Regulations, the Articles of Association and other regulations as stipulated under the Hong Kong Stock Exchange, and agree that the Company is entitled to remedies provided by the Articles of Association, and such contract and his/her position were not transferable;
- (2) a Director, Supervisor and senior management member shall undertake in favour of the Company to perform the duties to Shareholders pursuant to and as required by the Articles of Association; and
- (3) an arbitration provision stipulated under Article ~~187~~235 of the Articles of Association.

Article 147

The contract for emoluments entered into between the Company and its Directors or Supervisors should provide that in the event of a takeover of the Company, the Directors and Supervisors shall, subject to the prior approval of the Shareholders in General Meeting, have the right to receive compensation or other payment for loss of office or retirement.

A takeover of the Company as referred to above means:

- (1) a takeover offer made by any person to all Shareholders; or
- (2) an offer made by any person with a view to the offer or becoming a "Controlling Shareholder" within the meaning of Article 58.

If the relevant Director or Supervisor does not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their Shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant Director or Supervisor and shall not be paid out of that sum.

Article ~~147~~190

The contract for emoluments entered into between the Company and its Directors or Supervisors should provide that in the event of a takeover of the Company, the Directors and Supervisors shall, subject to the prior approval of the Shareholders in General Meeting, have the right to receive compensation or other payment for loss of office or retirement.

A takeover of the Company ~~as referred to above~~ means:

- (1) a takeover offer made by any person to all Shareholders; or
- (2) an offer made by any person with a view to the offer or becoming a "Controlling Shareholder" within the meaning of Article ~~58~~62.

If the relevant Director or Supervisor does not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their Shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant Director or Supervisor and shall not be paid out of that sum.

**Chapter 15 Financial and Accounting
System and Profit
Distribution****Article 148**

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 149

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited.

The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article 150

The Board shall place before the Shareholders at every Annual General Meeting such financial reports as are required to be prepared by the Company under any laws, administrative regulations or normative documents issued by local governments and competent authorities.

Article 151

The Company's financial reports shall be made available for Shareholders' inspection at the Company twenty (20) days before the date of every annual General Meeting. Each Shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

**Chapter ~~15~~16 Financial and Accounting
System and Profit
Distribution****Article ~~148~~191**

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and ~~PRC accounting standards formulated by the finance regulatory department of the State Council~~requirements of the relevant authorities in the PRC.

Article ~~149~~192

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws.

The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article ~~150~~193

The Board shall place before the Shareholders at every Annual General Meeting such financial reports as are required to be prepared by the Company under any laws, administrative regulations or normative documents issued by local governments and competent authorities.

Article ~~151~~194

The Company's financial reports shall be made available for Shareholders' inspection at the Company twenty (20) days before the date of every annual General Meeting. Each Shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall at least deliver or send to each Shareholder of Overseas Listed Foreign Shares by prepaid mail the copy of the foresaid reports not later than twenty-one (21) days before the date of convening the annual General Meeting, to the registered address of each Shareholder shown in the register of members.

Article 154

The Company shall publish its financial reports twice every fiscal year, that is, the interim financial report shall be published within sixty (60) days after the expiration of the first six (6) months of each fiscal year and the annual financial report shall be published within one hundred and twenty (120) days after the expiration of each fiscal year.

The Company shall at least deliver or send to each holder of H Shares ~~Shareholder of Overseas Listed Foreign Shares~~ by prepaid mail the copy of the foresaid reports not later than twenty-one (21) days before the date of convening the annual General Meeting, to the registered address of each Shareholder shown in the register of members.

Article ~~154~~197

The Company shall ~~publish~~submit its annual financial and accounting reports ~~twice~~to the CSRC and stock exchange within four (4) months following the end of every fiscal year, that is, the interim financial report shall be published within sixty (60) days after. It shall submit its semi-annual financial and accounting reports to the appropriate CSRC branch office and the stock exchange(s) within two (2) months from the expiration~~end~~ of the first six (6) months of ~~each~~every fiscal year and ~~the annual financial report shall be published within one hundred and twenty (120) days after the expiration of each. It shall submit its quarterly financial and accounting reports to the appropriate CSRC branch office and stock exchange(s) within one (1) month from the end of the first three (3) months and the first nine (9) months of every fiscal year.~~

The foregoing financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations and departmental rules.

New Article 201

The reserve funds of the Company will be applied towards making up the losses of the Company, expanding the production and operation of the Company or increasing the share capital of the Company, provided that the capital reserve fund shall not be applied towards making up the losses of the Company.

Where the statutory reserve fund is to be capitalized, its balance may not fall below 25% of the registered capital of the Company prior to such capitalization.

Article 158

The Company may distribute dividends by the following ways (or a combination of both):

- (1) cash;
- (2) Shares.

Article ~~158~~202

The Company's ~~may~~profit distributeion dividends by the policy shall be as followings ways (or a combination of both):

- (1) ~~cash;~~the Company will implement a sustained, stable, scientific, and proactive profit distribution policy, will attach importance to offering reasonable investment returns to its Shareholders, and will maintain the continuity and stability of its profit distribution policy. Subject to the then current laws, regulations and regulatory requirements, each year, the Company will make profit distributions in cash in an amount no less than 10% of the distributable profits realized that year.
- (2) ~~Shares.~~ the Company will generally distribute its profits in the form of annual dividends. The Board may also propose an interim profit distribution plan in light of, among others, the Company's profitability, funding needs.

- (3) the Company may distribute its profits in the form of cash, shares, a combination of cash and shares or any other form permitted by laws and regulations, its preferred form of profit distribution being cash dividend. Profit distributions shall be limited to the cumulative distributable profits and shall not undermine the Company's sustainability as a going concern. The Company will lawfully exercise its shareholder rights to cause its subsidiaries to distribute profits in cash and thus ensure that the Company will have the ability to implement its cash dividend distribution plan of the current year. If the Board takes the view that there is a mismatch between the share price of the Company and the size of its share capital and that distributing stock dividends is in the interest of the Company's Shareholders as a whole, it may, subject to compliance with the Company's cash dividend policy, formulate a stock dividend distribution plan.
- (4) the Board shall consider, in a comprehensive manner, factors ranging from the characteristics of the industry of the Company, to the stage of development of the Company, the business model and profitability of the Company, the existence or non-existence of major funding expenditure arrangements, and others; and then put forward a differentiated cash dividend policy in accordance with the procedures set

out in the Articles of Association by distinguishing between the following circumstances:

- i. if, in terms of development, the Company is in the mature stage and there are no major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 80% of the profit distribution;
- ii. if, in terms of development, the Company is in the mature stage but there are major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 40% of the profit distribution;
- iii. if, in terms of development, the Company is in the growth stage and there are major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 20% of the profit distribution. To the extent the Board concludes that the development stage of the Company is not readily distinguishable but there are major funding expenditure arrangements, this subparagraph shall apply;

- (5) the Board shall be responsible for preparing the profit distribution plan. Such plan, if considered and adopted by the Board, shall then be submitted to the General Meeting for consideration and may be implemented only if it is so approved in General Meeting. When preparing the dividend distribution plan, the Board shall listen to the opinions of relevant parties, in particular, those of independent Directors and small and medium Shareholders. Independent Directors shall issue a clear opinion on the profit distribution plan; and the Board of Supervisors shall supervise the formulation of the distribution plan by the Board.
- (6) if the Company has been profitable in the relevant year and has distributable profits, but the Board has not formulated a cash dividend distribution plan or has prepared a cash profit distribution plan that does not conform to the Articles of Association, the Company shall provide a detailed disclosure of the relevant reasons in its periodic reports. The independent Directors shall express an independent opinion on the same.
- (7) in the course of formulating a detailed cash dividend distribution plan for the Company, the Board shall carefully evaluate and study the arguments for or against, the timing, conditions, minimum percentage, conditions for adjustment as well as other matters mandated by certain decision-making procedures. Independent Directors may solicit opinions from small and medium

Shareholders, put forward a proposal on profit distribution and directly submit such proposal to the Board for consideration. Before deliberation on the specific profit distribution plan by the General Meeting, numerous channels (including but not limited to the activation of hotlines, the mail box of the secretary to the Board and inviting small and medium investors to attend the General meeting) should be utilized to proactively communicate and interact with Shareholders, especially small and medium Shareholders; adequately listen to their views and opinions, and promptly respond to their issues of concern.

- (8) the Company shall strictly implement the cash dividend distribution policy prescribed by the Articles of Associations and the detailed cash dividend distribution plan approved by the General Meeting. If major changes in the external operating environment or in the Company's operating conditions results in the need for adjustment of the profit distribution policy, the Board shall re-formulate the profit distribution policy and the independent Directors and external Supervisors shall express their opinion on the same. Such new profit distribution policy formulated by the Board shall be submitted to the General Meeting for consideration and may be carried out only when it is approved by an affirmative vote representing at least two-thirds of the voting rights held by the Shareholders present at the meeting.

Where the profit distribution and capital reserve capitalization plans have been adopted by the resolutions of the General Meeting, the Board shall implement the detailed plans within two (2) months from the date of the General Meeting.

Article 160

The Company shall appoint receiving agents on behalf of the holders of Overseas Listed Foreign Shares to receive on behalf of such Shareholders dividends declared and all other monies owing by the Company in respect of such Shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's Shares are listed.

The receiving agents appointed for the holders of Overseas Listed Foreign Shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

In relation to the receipt of dividends by Shareholders, the Company is entitled to collect the unclaimed dividends, provided that such power shall be exercised in accordance with the relevant PRC laws, regulations and requirements under the Hong Kong Stock Exchange and after the expiration of the applicable limitation period.

Article ~~160~~204

The Company shall appoint receiving agents on behalf of the holders of Overseas Listed Foreign Shares to receive on behalf of such Shareholders dividends declared and all other monies owing by the Company in respect of such Shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's Shares are listed.

The receiving agents appointed for the holders of H Shares ~~Overseas Listed Foreign Shares listed on the Hong Kong Stock Exchange~~ shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

In relation to the receipt of dividends by Shareholders, the Company is entitled to collect the unclaimed dividends, provided that such power shall be exercised in accordance with the relevant PRC laws, regulations and requirements under the Hong Kong Stock Exchange and after the expiration of the applicable limitation period.

The Company shall have the right to terminate delivery of dividend vouchers by mail to certain holders of Overseas Listed Foreign Shares, but the Company may exercise such right only after two vouchers have not been cashed consecutively. However, if the first voucher failed to reach the recipient and was returned, the Company may also exercise the said right.

In the case of exercising general mandate to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the destroy loss of the original warrants.

**Chapter 16 Appointment of
Accountants' Firm**

Article 163

The certified public accountants' firm appointed by the Company shall hold office from the conclusion of the annual General Meeting at which the appointment is made until the conclusion of the next annual General Meeting.

The Company shall have the right to terminate delivery of dividend vouchers by mail to certain holders of Overseas Listed Foreign Shares, but the Company may exercise such right only after two vouchers have not been cashed consecutively. However, if the first voucher failed to reach the recipient and was returned, the Company may also exercise the said right.

In the case of exercising general mandate to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the destroy loss of the original warrants.

New Article 206

The Company shall implement an internal audit system staffed with designated audit personnel to conduct the internal audit and supervision on the financial receipts and outlays and economic activities of the Company. The internal audit system and the duties and responsibilities of the audit personnel shall be put into effect upon approval by the Board. The person in charge of the audit work shall be accountable to and report to the Board.

**~~Chapter 16~~ Chapter 17 Appointment of
Accountants' Firm**

~~Article 163~~ Article 208

The certified public accountants' firm appointed by the Company shall hold office from the conclusion of the annual General Meeting at which the appointment is made until the conclusion of the next annual General Meeting. Upon expiration of the current term of office, the certified public accountants' firm may be reappointed.

Article 164

The certified public accountants' firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, the president and other senior management members of the Company to provide any relevant information and explanation thereof;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm ; and
- (3) a right to attend General Meetings and to receive all notices of, and other communications relating to, any General Meeting which any Shareholder is entitled to receive, and to be heard at any General Meeting in relation to matters concerning its role as the accountants' firm of the Company.

Article ~~164~~209

The certified public accountants' firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, the president and other senior management members of the Company to provide any relevant information and explanation thereof;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm; and
- (3) a right to attend General Meetings and to receive all notices of, and other communications relating to, any General Meeting which any Shareholder is entitled to receive, and to be heard at any General Meeting in relation to matters concerning its role as the accountants' firm of the Company.

The Company undertakes to provide the engaged accounting firm with true and complete accounting invoices, accounting books, financial and accounting reports and other relevant accounting information, and shall not withhold, conceal or misrepresent the same.

Article 167

The remuneration of a certified public accountants' firm or the manner in which such firm is to be remunerated shall be determined by the Shareholders in General Meeting. The remuneration of a certified public accountants' firm appointed by the Board shall be determined by the Board.

Article 169

Prior to the removal or the non-renewal of the appointment of a certified public accountants' firm, notice of such removal or non-renewal shall be given to the certified public accountants' firm concerned and such firm shall be entitled to make representation at the General Meeting. Where the certified public accountants' firm resigns from its post, it shall make clear to the General Meeting whether there has been any impropriety on the part of the Company.

- (1) Where any certified public accountants' firm intends to resign from its office, it may deposit at the Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:
 - (i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the Shareholders or creditors of the Company; or

Article ~~167~~212

The remuneration of a certified public accountants' firm or the manner in which such firm is to be remunerated shall be determined by the Shareholders in General Meeting. The remuneration of a certified public accountants' firm appointed to fill a vacancy by the Board shall be determined by the Board.

Article ~~169~~214

~~Prior to the removal or the non-renewal of the appointment of a~~ A thirty (30) day prior notice shall be given to the accountant, if the Company wishes to remove or not to reappoint the certified public accountants' firm, ~~notice of such removal or non-renewal shall be given to the certified public accountants' firm concerned~~ and such firm shall be entitled to make representation at the General Meeting. Where the certified public accountants' firm resigns from its post, it shall make clear to the General Meeting whether there has been any impropriety on the part of the Company.

- (1) Where any certified public accountants' firm intends to resign from its office, it may deposit at the Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:
 - (i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the Shareholders or creditors of the Company; or

- | | |
|---|---|
| (ii) a statement of any matters of which an account should be given. | (ii) a statement of any matters of which an account should be given. |
| (2) Where a notice is deposited under the paragraph (1) of this Article, the Company shall within fourteen (14) days send a copy of the notice to relevant competent authority. If the notice contains a statement referred to in subparagraph (ii) under paragraph (1) of this Article, a copy of such statement shall be placed at the Company's registered office for Shareholders' inspection. The Company shall also send a copy of such statement to Shareholders who are entitled to be informed of the financial conditions of the Company by prepaid post, to the registered addresses shown in the register of members. | (2) Where a notice is deposited under the paragraph (1) of this Article, the Company shall within fourteen (14) days send a copy of the notice to relevant competent authority. If the notice contains a statement referred to in subparagraph (ii) under paragraph (1) of this Article, a copy of such statement shall be placed at the Company's registered office for Shareholders' inspection. The Company shall also send a copy of such statement to Shareholders who are entitled to be informed of the financial conditions of the Company by prepaid post, to the registered addresses shown in the register of members. |
| (3) Where the notice of resignation of a certified public accountants' firm contains a statement referred to in subparagraph (ii) under paragraph (1) of this Article, the certified public accountants' firm may require the Board to convene an extraordinary General Meeting for the purpose of giving an explanation of the circumstances connected with its resignation. | (3) Where the notice of resignation of a certified public accountants' firm contains a statement referred to in subparagraph (ii) under paragraph (1) of this Article, the certified public accountants' firm may require the Board to convene an extraordinary General Meeting for the purpose of giving an explanation of the circumstances connected with its resignation. |

**Chapter 17 Merger and Division of the
Company****Article 170**

In the event of the merger or division of the Company, a plan shall be proposed by the Board and shall be approved in accordance with the procedures stipulated in the Articles of Association and the relevant examining and approving formalities shall be processed as required by law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request that the Company or the Shareholders who consent to such plan purchase their Shares at a fair price. A special document of the Company's resolution on the merger or division should be prepared for inspection by the Shareholders.

The aforesaid document should also be dispatched to the holders of Overseas Listed Foreign Shares by registered mail.

Article 171

The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make newspaper announcement at least three (3) times within thirty (30) days of the date of the Company's resolution on merger.

**Chapter ~~17~~18 Merger and Division of the
Company****Article ~~170~~215**

In the event of the merger or division of the Company, a plan shall be proposed by the Board and shall be approved in accordance with the procedures stipulated in the Articles of Association and the relevant examining and approving formalities shall be processed as required by law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request that the Company or the Shareholders who consent to such plan purchase their Shares at a fair price. A special document of the Company's resolution on the merger or division should be prepared for inspection by the Shareholders.

The aforesaid document should also be dispatched to the holders of ~~Overseas Listed Foreign Shares~~ H Shares by registered mail.

Article ~~171~~216

The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make newspaper announcement ~~at least three (3) times~~ within thirty (30) days of the date of the Company's resolution on merger. The creditors may, within 30 days

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

from the receipt of the aforesaid notice, or, if they have not received such notice, within 45 days from the date of the aforesaid announcement, demand the Company to discharge the Company's debts or provide appropriate guarantees.

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 172

When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make an announcement at least three (3) times on a newspaper within thirty (30) days of the date of the Company's resolution on division.

Debts incurred by the Company before its division shall be jointly borne by the companies after the division according to the agreement reached.

Article ~~172~~217

When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make an announcement ~~at least three (3) times~~ on a newspaper within thirty (30) days of the date of the Company's resolution on division.

Companies after the division shall be jointly and severally liable for the ~~D~~debts incurred by the Company before its division ~~shall be jointly borne by the companies after the division according to the agreement reached~~, unless otherwise agreed in a written agreement in relation to discharge of debts concluded before the division by the Company with its creditors.

**Chapter 18 Dissolution and
Liquidation of the
Company**

Article 174

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) a resolution on dissolution is passed by Shareholders at a General Meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is legally declared bankrupt due to its failure to repay debts due;
- (4) the Company is ordered to close for violation of laws and administrative regulations.

**Chapter ~~18~~19 Dissolution and
Liquidation of the
Company**

Article ~~174~~219

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) expiration of the Company's business term stipulated in the Articles of Association or the occurrence of any other cause of dissolution stipulated in the Articles of Association;
- (~~1~~2) a resolution on dissolution is passed by Shareholders at a General Meeting;
- (~~2~~3) dissolution is necessary due to a merger or division of the Company;
- (~~3~~4) the Company is legally declared bankrupt due to its failure to repay debts due;
- (~~4~~5) the Company's business license is revoked or the Company is ordered to close or to be cancelled for violation of laws and/or administrative regulations;
- (6) the Company has encountered grave difficulties in its operation and management and its continued existence would result in material losses to the Shareholders, and there is no other way to resolve the issue, in which case Shareholders holding shares representing more than 10% of the total voting rights of the Shareholders of the Company may make petition to the people's court requesting to dissolve the Company.

New Article 220

Under the circumstances mentioned in subparagraph (1) of the preceding Article, the Company may survive by amending these Articles of Association.

Any amendment to the Articles of Association pursuant to the preceding paragraph shall be approved by way of a special resolution by the General Meeting.

Article 175

Where the Company is dissolved under subparagraph (1) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days, and its members shall be determined by Shareholders at a General Meeting by way of ordinary resolution.

Where the Company is dissolved under subparagraph (3) of the preceding Article, the people's court shall, according to the relevant laws, organise to form a liquidation committee comprising the Shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.

Where the Company is dissolved under subparagraph (4) of the preceding Article, the competent authority shall organize to form a liquidation committee comprising the Shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.

Article ~~175~~221

Where the Company is dissolved under subparagraph (1), (2), (5), and (6) of ~~the preceding Article 219~~, a liquidation committee shall be set up within fifteen (15) days, and its members shall be determined by Shareholders at a General Meeting by way of ordinary resolution. Where a liquidation committee is not formed in time to carry out liquidation procedures, creditors may make petition to the people's court requesting to designate relevant personnel to form a liquidation committee to carry out liquidation procedures.

~~Where the Company is dissolved under subparagraph (3) of the preceding Article, the people's court shall, according to the relevant laws, organise to form a liquidation committee comprising the Shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.~~

Where the Company is dissolved under subparagraph (4) of the preceding Article ~~Article 219~~, ~~the competent authority shall organize to form a liquidation committee comprising the Shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.~~ bankruptcy procedures shall be carried out in accordance with relevant laws in relation to corporate bankruptcy.

Article 177

The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make newspaper announcement at least three (3) times within sixty (60) days of that date.

Article ~~177~~223

The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make newspaper announcement ~~at least three (3) times~~ within sixty (60) days of that date. Creditors shall, within thirty (30) days of receipt of the notice, or in case they have not personally received such written notice, within forty five (45) days of the date of the announcement, declare their creditor rights to the liquidation committee. Any failure to declare creditor rights within the prescribed period shall be deemed a waiver thereof. When declaring their creditor rights, the creditors shall detail matters pertaining to their rights and supply supporting materials. The liquidation committee shall register the creditor's rights. During the claims declaration period, the liquidation committee shall not settle any debt of the creditors.

Article 178

During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes;
- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts; and
- (7) to represent the Company in any civil proceedings.

Article 179

After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a General Meeting or relevant competent authorities for confirmation.

Article ~~178~~224

During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notice ~~or by~~ and making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts; and
- (7) to represent the Company in any civil proceedings.

Article ~~179~~225

After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a General Meeting or relevant competent authorities for confirmation.

The assets of the Company shall be applied for liquidation in the following order of priority: payment of liquidation costs, staff salaries, social insurance premiums and statutory compensation, payment of outstanding taxes and settlement of debts of the Company.

The remaining assets of the Company after repayment of its debts in accordance with the provisions above shall be distributed to the Shareholders of the Company according to the class of Shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company shall not carry out any business activities not relating to liquidation.

The assets of the Company shall be applied for liquidation in the following order of priority: payment of liquidation costs, staff salaries, social insurance premiums and statutory compensation, payment of outstanding taxes and settlement of debts of the Company.

The remaining assets of the Company after repayment of its debts in accordance with the provisions above shall be distributed to the Shareholders of the Company according to the class of Shares held by them and in proportion to their respective shareholdings.

During the liquidation, the Company continues in existence but shall not carry out any business activities which are not related to liquidation. No assets of the Company shall be distributed to any Shareholders prior to the repayment with the Company's assets in accordance with the preceding paragraphs.

New Article 228

Members of the liquidation committee shall be loyal to their responsibilities and shall perform their liquidation duties according to law.

Members of the liquidation committee shall not abuse their authority to accept bribes or other illegal income or embezzle the property of the Company.

Any member of the liquidation committee shall be liable to indemnify against any losses suffered by the Company or the creditors as a result of his/her deliberate action or gross negligence.

Chapter 19 **Procedures for
Amendments to the Articles
of Association**

Article 182

The Company may amend the Articles of Association under the requirements of laws, administrative regulations and the Articles of Association.

Article 183

Any amendment to the Articles of Association involving anything set out in the Mandatory Provisions shall become effective upon approval by the department in charge of company approval affairs authorized by the State Council and by CSRC. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

Chapter ~~19~~20 **Procedures for
Amendments to the Articles
of Association**

Article ~~182~~229

The Company may amend the Articles of Association under the requirements of laws, administrative regulations and the Articles of Association. The Company shall amend the Articles of Association under any of the following circumstances:

- (1) the Company Law or relevant laws or administrative regulations have been amended and the Articles of Association are in conflict with such amended laws or administrative regulations;
- (2) the circumstances of the Company have changed such that they have become inconsistent with the contents of the Articles of Association;
- (3) the General Meeting has resolved to amend the Articles of Association.

Article ~~183~~230

Any amendment to the Articles of Association involving anything set out in the Mandatory Provisions shall become effective upon approval by the department in charge of company approval affairs authorized by the State Council and by CSRC. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes. The Board shall amend these Articles of Association in accordance with the resolution passed at the General Meeting on the amendment of the Articles of Association and the review opinions of relevant competent authorities. Amendments to the Articles of Association are disclosable information under laws and regulations and shall be duly published by an announcement.

Chapter 20 Notice

Article 185

Where a notice is to be sent by post, it shall be placed in an envelope properly addressed with postage prepaid, and any such notice is deemed to be served forty-eight (48) hours after the date of dispatch when it is deposited at the post box.

Article 188

In these Articles of Association, the terms “at least” “not less than”, “within” and “not more than” include the figure itself, while “less than”, “other than”, “lower than”, “more than” do not include the figure itself.

Chapter ~~20~~21 NoticeNew Article 231

Notices of the Company shall be given through the following methods:

1. delivery by hand;
2. by post;
3. by announcement;
4. other methods prescribed in the Articles of Association.

Article ~~185~~233

Where a notice is to be sent by post, it shall be placed in an envelope properly addressed with postage prepaid, and any such notice is deemed to be served forty-eight (48) hours after the date of dispatch when it is deposited at the post box.

Where a Company notice is delivered by hand, the recipient shall affix his/her signature (seal) onto the return receipt and the date on which such recipient so acknowledges his receipt by signature shall be the date of service.

Where a Company notice is given by way of an announcement, all relevant persons shall be deemed to have received the notice upon the publication of the announcement and the first publication date of such announcement shall be the date of service.

Article ~~188~~236

In these Articles of Association, the terms “at least” “not less than”, “within” and “not more than” include the figure itself, while “less than”, “more than”, “other than”, “lower than”, “more than” do not include the figure itself.

Article 189

In these Articles of Association, “senior management members” refer to the Company’s president, vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer, chief human resources officer and Secretary to the Board and other personnel engaged by the Board. “President”, “vice president” and “CFO” herein refer to “manager”, “deputy manager” and “financial controller” as defined in the Company Law.

Article ~~189~~²³⁷

In these Articles of Association, “senior management members” refer to the Company’s president, vice presidents, the CFO, the chief technology officer, the chief sales officer, the chief marketing and strategy officer, chief human resources officer and Secretary to the Board and other personnel ~~engaged by the Board~~ as prescribed by these Articles. “President”, “vice president” and “CFO” herein refer to “manager”, “deputy manager” and “financial controller” as defined in the Company Law.

The English version of the Procedural Rules for the General Meeting in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

- Article 1** In order to safeguard the legitimate rights and interests of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) and its shareholders, to specify the authorities and responsibilities of the general meeting, to ensure the proper, efficient and smooth operation of the general meeting and to ensure the legitimate exercise of powers and authorities by the general meeting, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules of the General Meeting of the Listed Companies, Standards for the Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (these listing rules of the listing exchanges of the Shares of the Company, hereinafter together referred to as the “**Listing Rules**”) and other relevant laws and regulations governing domestic and overseas listed companies and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).
- Article 2** These Rules apply to the general meeting of the Company and shall be binding on the Company, all the shareholders, authorized proxies of the shareholders (hereinafter referred to as the “**Proxy**”), directors of the Company, supervisors of the Company, senior management personnel such as president, vice president, the chief financial officer, the secretary of the board of directors, and other relevant personnel present at the meeting.
- Article 3** Any shareholder who holds shares of the Company legally and validly is entitled to attend the general meetings in person or by proxy, and is entitled to rights such as information, speech, inquiry, and voting in accordance with laws and these Rules.
- Article 4** The board of directors of the Company shall convene the general meetings in strict compliance with requirements for convening general meetings as set out in the relevant laws and regulations and the Articles of Association. The board of directors shall not impede the proper exercise of powers and authorities by the general meeting.

Article 5 The Company shall make every effort, including fully utilizing modern information technology means, to increase the number of shareholders attending the general meetings, to the extent that the general meetings shall be convened legally and validly. The time and location of the general meetings shall be selected so as to allow the maximum number of shareholders to attend.

CHAPTER 2 REGULATIONS OF THE GENERAL MEETING

Article 6 Shareholders or Proxies attending the general meetings shall comply with the provisions of the relevant laws and regulations, the Listing Rules, the Articles of Association and the rules stipulated herein and shall take initiative to maintain the order of the meetings and shall not infringe the legitimate rights and interests of other shareholders.

Article 7 There are two types of general meetings, namely annual general meetings and extraordinary general meetings.

Article 8 All the shareholders of the Company shall be entitled to attend the annual general meetings and extraordinary general meetings.

Holders of different classes of shares are class shareholders. Holders of domestic shares (hereinafter referred to as the “**Holders of A Shares**”) and holders of overseas listed foreign shares (hereinafter referred to as the “**Holders of H Shares**”) are deemed as different classes of shareholders, in addition to other class shareholders. Any variation or abrogation of the rights of any class shareholders as proposed by the Company may only be adopted after the approval by a special resolution at a general meeting and the approval by a general meeting of class shareholders in accordance with the provisions of the Articles of Association.

Article 9 The annual general meetings shall be convened by the board of directors and held once every year within six months after the end of the previous accounting year.

Article 10 For the general meetings convened throughout the year, all of these meetings are extraordinary general meetings except the annual general meetings. The extraordinary general meetings shall be arranged in the order of the year in which they are convened.

Article 11 The board of directors shall convene an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses reach one-third of the Company's total share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;
- (4) the board of directors considers it necessary or the board of supervisors proposes to hold such a meeting;
- (5) it is proposed by an independent Director with the consent of half or more of all independent Directors;
- (6) other circumstances as provided by the relevant laws and regulations or the Articles of Association;

The number of shares held by the shareholders specified in the above circumstance (3) shall be the number of shares held on the date when the shareholders submit the written request.

When any of the above circumstances (1), (2) and (3) occurs or the board of supervisors proposes to hold an extraordinary general meeting, if the board of directors fails to convene an extraordinary general meeting within the specified time limit, the board of supervisors or shareholders in compliance with these Rules may convene the extraordinary general meeting in accordance with relevant provisions of the Articles of Association and these Rules.

Article 12 The Company shall convene the general meetings in strict compliance with laws, regulations, the Articles of Association and these Rules. The board of directors of the Company shall duly perform its duties and properly organize the general meetings in a conscientious and punctual manner. All the directors of the Company shall perform their diligence to ensure that general meetings are properly convened and the powers and authorities are exercised by the general meetings legally.

Article 13 The secretary of the board of directors of the Company shall be responsible for implementing the preparatory and organization work for convening general meetings. The company secretary shall assist the Company in the aforementioned work.

Article 14 When convening a general meeting, the Company shall engage a lawyer to be present at the general meeting, issue a legal opinion on the following issues and shall publish an announcement on the same.

- (1) whether the procedures of convening and holding the meeting are in compliance with laws, administrative regulations, these Rules and the Articles of Association;
- (2) whether the qualifications of the meeting attendees and the meeting convener are lawful and valid;
- (3) whether the voting procedures and the voting results of the meeting are lawful and valid;
- (4) legal opinions issued at the request of the Company in respect of other relevant issues.

CHAPTER 3 POWERS AND AUTHORITIES OF THE GENERAL MEETING

Article 15 The general meeting is the organ of authority of the Company and shall exercise the following powers and authorities in accordance with the law:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace directors (not being staff representatives) and to fix the remuneration of the relevant directors;
- (3) to elect and replace supervisors (not being staff representatives), and to fix the remuneration of the relevant supervisors;
- (4) to consider and approve the reports of the board of directors;
- (5) to consider and approve the reports of the board of supervisors;
- (6) to consider and approve the annual financial budgets and final accounts of the Company;
- (7) to consider and approve the profit distribution plans and loss recovery plans of the Company;

- (8) to adopt resolutions on any increase or reduction of registered capital of the Company;
- (9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;
- (10) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company;
- (11) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to consider the interim proposals submitted by shareholders holding 3% or more of the total number of the shares of the Company carrying voting rights;
- (14) to consider and approve guarantee matters required by the Articles of Association to be considered and approved by the general meeting;
- (15) to consider matters in relation to purchases or sales within one year of material assets in excess of 30% of the most recent audited total assets of the Company;
- (16) to consider and approve changes to the use of the proceeds raised;
- (17) to consider any share incentive scheme;
- (18) other matters required by laws, administrative regulations, departmental rules, the Listing Rules and the Articles of Association to be resolved by the general meeting.

The general meeting may authorize or engage the board of directors to attend to matters authorized or engaged by the general meeting provided that the laws, regulations and mandatory provisions of the listing rules of the places of listing of the Company will not be contravened.

Article 16 Except where the Company is the subject of a crisis or in similar extraordinary circumstances, subject to the listing rules of the stock exchange(s) on which the shares of the Company are listed, unless an approval by way of special resolution is obtained at a general meeting, the Company shall not enter into any contract with any party other than the directors, supervisors, the president and other senior management personnel pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 17 Any matters required to be decided by the general meeting under relevant laws, regulations, the listing rules of stock exchanges on which the Company's shares are listed and the Articles of Association must be considered and approved by the General Meeting.

In order to improve the efficiency of the day-to-day operation of the Company, any transactions of the Company required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Securities on the Shanghai Stock Exchange shall be approved by the board of directors; and any transactions required to be submitted to the General Meeting for approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, shall be considered and approved by the General Meeting.

CHAPTER 4 PROPOSAL OF THE GENERAL MEETING

Article 18 The contents of proposals shall be determined by the general meeting, and shall have clear subjects for discussion and specific matters to be resolved, and shall comply with laws, administrative regulations, the Articles of Association and these Rules.

If the Company convenes a general meeting, shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights are entitled to put forward an interim proposal in writing to the convener 10 days before the general meeting. The convener shall issue a supplementary notice of the general meeting within two days upon receiving the written proposal to announce the contents of the interim proposal.

Except as provided by the preceding paragraph, the convener shall neither modify the proposals nor add new proposals in the notice of the general meeting after the issue of the notice.

Proposals not listed on the notice of the general meeting or inconsistent with the first paragraph of this Article shall not be voted on or resolved in the general meeting.

Article 19 Proposals of the general meeting are generally put forward by the board of directors.

Article 20 If an independent director proposes to convene a general meeting with consent of at least half of all the independent Directors, such independent director shall be responsible for putting forward proposals.

Article 21 If the board of supervisors proposes to convene a general meeting, the board of supervisors shall be responsible for putting forward proposals.

Article 22 If shareholders individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights propose to convene a general meeting, the proposing shareholders shall be responsible for putting forward proposals.

Article 23 Proposals involving the following circumstances shall be deemed to lead to a change or an abrogation of the rights of a class shareholder and the board of directors shall submit such proposals to a class shareholders' general meeting for review and approval:

- (1) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of other class(s) having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (2) to effect an exchange of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;
- (3) to remove or reduce rights to receive accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;
- (5) to add, remove or reduce the rights to conversion, options, voting, transfer, preemptive rights to placement and acquire securities of the Company attached to shares of such class;

- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
- (7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;
- (9) to issue subscription rights or share conversion rights for shares of such class or other classes;
- (10) to increase the rights and privileges of shares of other classes;
- (11) to restructure the Company if the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;
- (12) to vary or abrogate the provisions of Chapter 10 "Special Resolutions for Voting by Class Shareholders" of the Articles of Association.

CHAPTER 5 NOTICE OF MEETING AND ITS ALTERATIONS

Article 24 The notice of a general meeting shall be issued by the conveners of the meeting. Conveners shall include the board of directors, the board of supervisors and shareholders individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights for consecutive 90 days or more.

Article 25 A written notice shall be issued 45 days prior to the general meeting, informing all the registered shareholders of the matters to be considered at the meeting, and the date and venue of the meeting.

Unless otherwise required by the relevant laws, administrative regulations, the Listing Rules and the Articles of Association, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholder is entitled to vote at the meeting) by hand or by pre-paid mail to the addresses of the shareholders as shown in the register of members of the Company. For Holders of A Shares, the notice of the meeting may also be given by way of public announcement.

The announcement referred to in the preceding paragraph shall be published within a period of 45 to 50 days prior to the date of the meeting in one or more newspapers designated by the securities regulatory authorities of the State Council. Once an announcement is made, all Holders of A Shares shall be deemed to have received the relevant notice of the general meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 26 The notice of a class shareholders' general meeting shall be delivered only to the shareholders who are entitled to vote at such meeting.

Article 27 A notice of a general meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the venue, date and time of the meeting;
- (3) it shall set out the matters to be discussed at the meeting;
- (4) it shall set out the record date for shareholders who are entitled to attend the general meeting;
- (5) it shall provide the shareholders with such materials and explanation as are necessary to enable shareholders to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and implications of the same must be properly explained;
- (6) if any director, supervisor, president and other senior management personnel have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such director, supervisor, president and other senior management personnel in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;
- (7) it shall set out the full text of any special resolutions proposed for approval at the meeting;

- (8) it shall contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more Proxies to attend and vote at the meeting on his/her behalf and that such Proxies need not be shareholders;
- (9) it shall specify the date and place for lodging proxy forms for the meeting; and
- (10) it shall state the names and telephone numbers of the contact persons for the meeting.

Notices and supplementary notices of general meetings shall fully and completely disclose the content of each proposal. To the extent the opinions of the independent Directors are required for a matter proposed for deliberation, such independent Directors' opinions and grounds thereof shall be disclosed concurrently with the issuance of the notice or supplementary notice of the general meeting.

Article 28

Where the general meeting proposes to discuss the election of directors and supervisors, the notice of such meeting shall fully disclose the detailed information of the Director or Supervisor candidates, including at least the following:

- (1) education background, work experience, concurrent position(s) and other personal information;
- (2) whether such candidate is related with the Company, its controlling shareholder or its actual controller;
- (3) disclosure on the number of the shares held by such candidate in the Company;
- (4) whether such candidate has been subject to sanction by China Securities Regulatory Commission ("CSRC") and other relevant authorities or to disciplinary action by stock exchanges;
- (5) other information required by the listing rules of the stock exchange(s) on which the shares of the Company are listed;

For the purpose of electing the directors and supervisors, each director and supervisor candidate shall be proposed in a separate proposal.

Article 29 One half or more of the independent directors may sign one or more written requests of the same form demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting and stating the object of the meeting. The board of directors shall, within ten (10) days from the receipt of the aforesaid request, provide, in accordance with laws, regulations, and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or class shareholders' general meeting.

If the board of directors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall despatch a notice thereof within five (5) days after adopting the resolution. Any change to the original proposal set out in the notice shall be subject to the consent of the relevant independent directors. If the board of directors disapproves the proposal of convening an extraordinary general meeting or a class shareholders' general meeting, it shall specify the reasons and make a public announcement of the same.

Article 30 The board of supervisors shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting. The board of directors shall, within ten (10) days from the receipt of such written requests, provide, in accordance with laws, regulations, and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or class shareholders' general meeting.

If the board of directors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall despatch a notice thereof within 5 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the board of supervisors.

If the board of directors disapproves the convening of an extraordinary general meeting or a class shareholders' general meeting or fails to provide its feedback opinion in writing within 10 days after its receipt of the request, the board of directors shall be deemed to be unable to or fail to fulfill its duty of convening general meetings. The board of supervisors may, at its own discretion, convene and preside over the extraordinary general meeting or class shareholders' general meeting and the procedures for the convening of such meetings should follow those provided for the convening by the board of general meetings as closely as practicable.

Article 31 Shareholder(s) individually or jointly holding 10% or more of the shares of the Company shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting. The board of directors shall, within ten (10) days from the receipt of such written request, provide, in accordance with laws, regulations, and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or class shareholders' general meeting.

If the board of directors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall despatch a notice thereof within 5 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors disapproves the convening of an extraordinary general meeting or a class shareholders' general meeting or fails to provide its feedback opinion in writing within 10 days after its receipt of the request, shareholder(s) individually or jointly holding 10% or more of the shares of the Company may make such request in writing to the board of supervisors.

If the board of supervisors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall issue a notice within five (5) days upon receipt of such request. Any change to any original proposal set out in the notice shall be subject to the consent of the relevant shareholders. If no notice is despatched by the board of supervisors of such extraordinary general meeting or class shareholders' general meeting within the stipulated period, the board of supervisors shall be deemed to have failed to convene and chair the extraordinary general meeting or class shareholders' general meeting, in which case shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company for consecutive 90 days or more may convene and chair such meeting by themselves, and the procedures for the convening of such meetings should follow those provided for the convening by the board of general meetings as closely as practicable. The convening shareholders shall hold no less than 10% of shares until the announcement of the meeting resolutions and the board of supervisors and the convening shareholders shall supply relevant supporting materials to the local CSRC of the Company and the stock exchange(s) both at the time of their despatch of the notice of the extraordinary general meeting or class shareholders' general meeting and at the time of their announcement of the meeting resolutions.

Article 32 If the board of supervisors or shareholders decide to convene the general meetings by themselves, they shall notify the board of directors in writing and lodge a filing with the local CSRC of the Company and the stock exchange(s).

Article 33 If the general meeting is convened by the board of supervisors or shareholders, the board of directors and its secretary shall cooperate with them. The board of directors shall provide the register of members as of the record date. Should the board of directors fail to provide such register, the convener may, based on the announcement pertaining to the notice convening the general meeting, apply to the securities registration and clearing institution to obtain the register. The register so obtained by the convener shall be used for no purpose other than the holding of that general meeting.

Article 34 If the general meeting is convened by the board of supervisors or shareholders, reasonable costs of the meeting shall be borne by the Company and shall be deducted from the sums owed by the Company to the director who is in breach of his duty.

Article 35 Shareholders who intend to attend the meeting shall deliver to the Company their written replies concerning their attendance 20 days prior to the date of the meeting.

The Company shall, based on the written replies it received 20 days before the date of the general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches a half or more of the Company's total number of the shares carrying voting rights, the Company may hold the general meeting. If not, the Company shall, within five days, notify the shareholders again by public announcement of the matters to be reviewed, and the venue and the date of the meeting. The Company may then hold the general meeting after publication of such notice.

Matters not listed in the notice shall not be resolved at the general meetings.

Article 36 After the convener of a meeting have issued the notice of a general meeting, such meeting shall not be postponed or cancelled without any proper reason nor shall any proposal listed in the notice be removed. In case of postponing or cancellation, the convener of the meeting shall publish a notice at least two working days before the original date of the general meeting and state the relevant reasons therein.

CHAPTER 6 REGISTRATION OF THE MEETING

Article 37 The holders of ordinary shares whose names appear on the register of members of the Company on the record date (or their proxies, as applicable) shall all be entitled to attend the general meeting and to exercise their voting rights in accordance with relevant laws and regulations and the Articles of Association. A shareholder may attend the general meeting in person or may appoint a proxy to attend and vote at the meeting on his behalf.

Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (such person(s) does not have to be a shareholder) as his/her proxy(ies) to attend and vote at the meeting on his/her behalf. Such Proxy(ies) shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1) the shareholders' right to speak at the meeting;
- (2) the right to demand or join in demanding a poll; and
- (3) the right to vote by a show of hands or by poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. If more than one Proxy is appointed, the Proxies may only exercise the voting right by way of poll.

The instrument appointing a Proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal person, such instrument shall be either executed under its common seal or under the hand of its legal representative or duly authorized attorney(s). Such instrument shall set out the number of shares to be represented by the Proxy. If more than one person are appointed as Proxies, such instrument shall set out:

- (1) the names of the Proxies;
- (2) the number of shares represented;
- (3) whether each Proxy has voting rights;
- (4) instruction for voting for or against or abstaining on each proposal included in the agenda of the general meeting for deliberation;
- (5) issuance date and term of the instrument;
- (6) signature (or seal) of the appointer.

- Article 38** The Company shall be responsible for preparing the attendance sheet to be signed by the shareholders or Proxies who attend the meeting.
- Article 39** The convener and the lawyer shall jointly verify the legality of the qualifications of the shareholders based on the register of members furnished by the securities registration and clearing institution and shall record the names (or entity names) of the shareholders and the number of shares carrying voting rights they hold. Prior to the announcement by the chairman of the meeting of the number of shareholders and Proxies attending the meeting and the number of shares carrying voting rights as represented by such shareholders and Proxies, the meeting registration shall be concluded.
- Article 40** When it is convened, a general meeting shall be attended by all directors of the Company, all supervisors of the Company and the secretary to the board of directors, and shall be observed by the president and other senior management members.
- Article 41** Proxy forms shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the holding of the meeting at which the relevant matters to be voted on according to the proxy form, or 24 hours before the designated time of voting. If the shareholder authorized others to sign on the proxy form, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

If the appointer is a legal person, its legal representative or such person as authorized by a resolution of its board of directors or other governing body may attend any general meeting of the Company as a representative of the appointer.

If the shareholder is a recognized clearing house (or its nominee), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class shareholders' general meeting as it sees fit, but, if one or more persons have such authority, the power of attorney shall specify the number and class of the shares in connection with such authorization. The power of attorney shall be signed by the authorized representative of the recognized clearing house. With such power of attorney, such person can attend the meeting and exercise the right on behalf of the recognized clearing house or its nominee as if he is the individual shareholder of the Company, without being required to provide share certificates, notarized power of attorney and/or any further evidence of his due authorization.

Any form issued to a shareholder by the board of directors for use by such shareholder for the appointment of a Proxy shall be in a form that enables the shareholder to freely instruct the Proxy to vote for or against the proposals, with such instructions being individually given in respect of each matter to be resolved at the meeting. Such form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.

A vote given in accordance with the proxy forms shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.

Article 42 A shareholder shall register when attending a general meeting and provide the following documents for registration:

An individual shareholder attending a general meeting in person shall present his identity card (or other valid document or certificate capable of showing his identity) and his stock account card. If a Proxy is appointed to attend the meeting on his behalf, the Proxy shall present his valid proof of identity and the proxy form of the appointing shareholder.

In the case of a legal person Shareholder, its legal representative or a person authorised by its legal representative or authorised by a resolution of its board of directors or other decision-making organ shall attend the meeting. If the legal representative attends the meeting, he shall present his identity card as well as a valid certificate capable of showing his such legal representative capacity; if a Proxy is appointed to attend the meeting, the Proxy shall present his identity card and the written power of attorney lawfully issued by the appointing legal person shareholder.

Article 43 If a shareholder or a Proxy requests to speak at the general meeting, he/she shall register with the Company prior to the meeting.

Article 44 The board of directors of the Company shall take necessary measures to ensure the seriousness and the normal order of the general meeting. The Company is entitled to reject the attendance by any other persons except shareholders (or Proxies), directors, supervisors, the secretary of the board of directors, appointed legal advisors, the president, vice president, financial directors and other visitors invited by the board of directors, so as to safeguard the seriousness and the normal order of the general meeting. The board of directors shall take measures to stop and report to the relevant departments for investigation and prosecution in a timely manner any acts which disturb the general meeting, cause troubles, or infringe shareholders' legitimate rights and interests.

CHAPTER 7 CONVENING OF GENERAL MEETINGS

Article 45 The location of the general meetings shall be the domicile of the Company or other places specified in the notice of the general meetings.

A general meeting will have a meeting venue and will take place in the form of an on-site meeting. Provided that the legality and validity of the general meeting are ensured, the Company shall utilize various means and schemes to facilitate shareholders' attendance of the general meeting by providing for, on a priority basis, online voting platforms and similar modern information technologies, or other means. A shareholder shall be deemed to have attended the meeting if he participates in the meeting by means of such method. The scheme of online voting shall not apply to holders of H Shares.

Where a general meeting is to take the form of an online meeting or others, the notice of such general meeting shall expressly provide for the voting time and the voting procedures for such online or other form of meeting.

The commencement time for the online or other voting method of a general meeting shall occur no earlier than 3:00 pm of the day preceding the convening of the on-site general meeting but no later than 9:30 am of the day the on-site general meeting is physically convened, and the closing time of such voting method shall occur no earlier than 3:00 pm of the day the on-site general meeting is concluded.

Article 46 A general meeting shall be convened by the board of directors and shall be presided over by the chairman of the board; where the chairman of the board is unable or fails to perform his/her duties, the vice chairman of the board shall preside over the meeting; where the vice chairman of the board is unable or fails to perform his/her duties, one director elected by no less than one half of the directors shall chair the meeting; where no such chairing director has been so elected by no less than one half of directors, one person shall be elected by the shareholders present to act as the chairman of the meeting; where the shareholders fail to elect such person for any reason whatsoever, the shareholder (including his/her Proxy) present and holding the largest number of the shares carrying voting rights shall be the chairman of the meeting.

If a general meeting is convened by the board of supervisors, the chairman of the board of supervisors shall chair the meeting. If the chairman of the board of supervisors is unable or fails to perform his/her duties, the vice-chairman of the board of supervisors (if any) shall chair the meeting. If the vice-chairman of the board of supervisors is unable or fails to perform his/her duties, the meeting shall be chaired by the supervisor elected by a half or more of all the supervisors.

If a general meeting is convened by the shareholders, the meeting shall be chaired by the representative nominated by the convener.

If, during the process of a general meeting, a breach by the chairman of the meeting procedural rules resulting in the general meeting's inability to proceed, then subject to the consent of the shareholder(s) representing more than one half of the voting rights of the attending shareholders, the general meeting may elect one person to act as the chairman to continue the meeting.

Article 47 After the chairman of the meeting has declared the official commencement of the meeting, he shall firstly announce that the number of shareholders attending the meeting and the number of shares represented by such shareholders are in compliance with the legal requirements. Subsequently he shall read out the agenda as set out in the notice of the meeting, and shall inquire whether any person present at the meeting has any objection to the voting order of the proposals.

- Article 48** After the chairman of the meeting has made inquiries regarding the agenda, he shall read out the proposals or authorize another person to read out the proposals, and shall explain the proposals according to the following requirements if necessary:
- (I) If the proposal is put forward by the board of directors, the proposal shall be explained by the chairman of the board of directors or other persons authorized by the chairman of the board of directors;
 - (II) If the proposal is put forward by the board of supervisors or shareholders individually or jointly holding 3% or more of the total number of the shares of the Company, the proposal shall be explained by the person putting forward the proposal or its legal representative or any lawful and valid Proxy.
- Article 49** Proposals included in the agenda of the general meeting shall be reviewed before voting. Reasonable time shall be given at the general meeting for discussing each proposal. The chairman of the meeting shall orally inquire the shareholders present whether they have completed their reviews of the proposals. Review shall be deemed to have completed if there are no objections from shareholders attending the meeting.
- Article 50** At the annual general meetings, the board of directors and the board of supervisors shall each report their work over the preceding year to the general meeting. Each independent director shall also report his or her work.
- Article 51** Shareholders may make enquiries to the Company at the general meeting. The directors, supervisors or senior management personnel shall provide explanations in respect of any queries and proposals raised by the shareholders.
- Article 52** The chairman of the meeting shall, prior to voting, announce the total number of the shareholders and the Proxies attending the meeting and the total number of the shares carrying voting rights held by them based on the meeting registration.

CHAPTER 8 VOTING AND RESOLUTIONS OF THE GENERAL MEETING

Article 53 The general meeting shall resolve on specific proposals.

Article 54 Proposals shall not be modified when being reviewed by the general meeting. Otherwise, any modification shall be deemed to be a new proposal and shall not be put to vote at such general meeting.

The general meeting shall resolve on all the proposals listed in the agenda one by one, and, unless the general meeting is adjourned or fails to make any resolution due to any special reasons such as force majeure, shall not delay in voting on, or fail to vote on, such proposals. If different proposals are put forward at the general meeting for the same matter, such proposals shall be resolved in an order according to the time they are being put forward.

Article 55 When voting on the election of directors and supervisors, the general meeting may apply the cumulative voting method in accordance with the Articles of Associations or the resolution of the general meeting. If the controlling shareholder holds 30% or more of the shares, and if the general meeting is to vote on the election of two or more directors or non-employee representative supervisors, then the cumulative voting method shall apply.

For the purpose of the preceding paragraph, the term “cumulative voting method” shall refer to the scheme whereby in the election by the general meeting of the directors or supervisors, each ordinary share shall be granted the same number of votes as the number of directors or supervisors to be elected and each shareholder may cast the votes held by him in a concentrated manner. The board of directors shall inform the shareholders of the biographies and basic information of the director and supervisor candidates through the announcement.

Article 56 One single vote may be cast only once by using one single method of voting, being on-site voting, or online voting or another method of voting. If one single vote has been cast multiple times, the vote of the first time shall govern.

Article 57 Resolutions of a general meeting shall be ordinary resolutions or special resolutions.

(I) Ordinary resolutions

1. Ordinary resolutions shall be passed by votes representing one-half or more of the voting rights held by the shareholders (including Proxies) present at the meeting.
2. The following matters shall be resolved by ordinary resolutions at the general meetings:
 - (1) work reports of the board of directors and board of supervisors;
 - (2) profit distribution plans and loss indemnification plans formulated by the board of directors;
 - (3) election and removal of members of the board of directors and shareholder representative supervisors and their remuneration and payment methods;
 - (4) annual preliminary and final budgets, balance sheets, profit and loss accounts and other financial statements of the Company;
 - (5) annual reports of the Company; and
 - (6) matters other than those which are required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

(II) Special resolutions

1. Special resolutions shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders (including Proxies) present at the meeting.
2. The following matters shall be resolved by special resolutions at the general meetings:
 - (1) increase or reduction in the share capital, repurchase of the Company's shares and issue of shares of any class, warrants or other similar securities;

- (2) issue of bonds of the Company;
- (3) division, merger, dissolution, liquidation or change of corporate form of the Company;
- (4) amendment to the Articles of Association;
- (5) purchases or sales within one year of material assets or guarantee amounts in excess of 30% of the most recent audited total assets of the Company;
- (6) share incentive schemes; and
- (7) any other matters required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed or the Articles of Association, or those approved at a general meeting, by way of ordinary resolutions, and considered by the general meeting to have material impacts on the Company and to require approval by special resolutions.

Article 58 Shareholders of the affected class, regardless of whether having the right to vote or not at the general meetings, shall have the right to vote at class shareholders' meetings on matters concerning sub-paragraphs (2) to (8) and (11) to (12) of Article 23 of these Rules. However, interested shareholder(s) shall not be entitled to vote at class shareholders' meetings.

“(An) interested shareholder(s)” in the preceding paragraph means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company on a pro-rata basis or by way of on-market purchase through the stock exchange pursuant to Article 28 of the Articles of Association, an “interested shareholder” refers to a controlling shareholder within the meaning of Article 62 of the Articles of Association;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 30 of the Articles of Association, an “interested shareholder” refers to a shareholder to whom the proposed agreement relates;

- (3) in the case of a restructuring of the Company, an “interested shareholder” refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring which is different from the general interests of the shareholders of that class.

Article 59 Resolutions of a class shareholders’ general meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class represented at the relevant meeting who, according to the preceding Article herein, are entitled to vote at the meeting.

Article 60 The special procedures for approval by class shareholders shall not apply in the following circumstances: (I) the Company issues, upon the approval by special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas listed foreign shares; and (II) the Company’s plan on the issue of domestic shares and overseas listed foreign shares at the time of its establishment, which is completed within 15 months upon approval by the securities regulatory authorities of the State Council.

Article 61 If a connected transaction is being reviewed at a general meeting, the connected shareholders shall abstain from voting if required by the listing rules of the stock exchange where the shares of the Company are listed, and the voting rights represented by the shares held by them shall not be counted towards the total number of valid votes.

If any shareholder is required to abstain from voting or may only vote for or against a matter pursuant to the applicable laws and regulations and the listing rules of the stock exchange where the shares of the Company are listed, any vote by such shareholder or his proxy in violation of such rules or restrictions shall not be counted in the voting results.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders present at a general meeting.

Where the general meeting considers a material matter bearing on the interest of small and medium investors, the votes cast by small and medium investors shall be counted separately. The result of such separate vote counting shall be publicly disclosed in a timely manner.

The board of directors, independent directors and shareholders satisfying relevant stipulated conditions may conduct public proxy solicitation. Where such proxy solicitation is conducted, particulars on the voting intention and similar information shall be fully disclosed to the solicited persons. Proxy solicitation on a fee basis or on a disguised fee basis shall be prohibited. The Company shall impose no minimum shareholding restriction for proxy solicitation. The soliciting person shall conduct public proxy solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the shares of the Company are listed.

Article 62 The shareholders present at the general meetings shall express their opinions on the resolutions put to vote by one of the following: for, against or abstain. The securities registration and clearing institution, being the nominee of the Shares under the “stock connect” scheme between the mainland China and Hong Kong stock markets shall be excused from this requirement so long as its declarations are made consistent with the intention of the actual holders.

Shareholders (Proxies) shall complete their ballot papers carefully as the requirements and put the ballot papers into the ballot box. Any ballot paper containing uncompleted parts, false information, illegible writing and any uncast paper shall be regarded as “abstained” by the shareholder.

Article 63 Before voting on a proposal, the shareholders present at a general meeting shall nominate two shareholders as representatives to participate in counting and supervising the voting. If a matter to be reviewed relates to a shareholder, such shareholder or its proxy shall not participate in vote counting and supervision of voting.

When the general meeting votes on a proposal, the lawyer, supervisor and the shareholder representatives shall jointly be responsible for vote counting and voting supervision. The voting results shall be announced on the spot and shall be recorded in the meeting minutes.

Shareholders or their proxies who vote online or by means of another method shall have the right to inspect and verify their own voting results through the relevant voting system.

The chairman of the meeting is responsible for deciding whether a resolution at the general meeting is passed. His/her decision is final and shall be announced at the meeting and recorded in the meeting minutes.

The resolutions of the general meeting shall be published by the Company according to the applicable laws and the listing rules of the stock exchange where the shares of the Company are listed.

Article 64 The conclusion time of the on-site general meeting shall not occur earlier than its counterpart in the online form or in another form; and the chairman of the meeting shall announce the particulars and result of the vote casted on each proposal and declare, on the basis of such voting result, if the relevant proposal(s) have been passed.

Until the formal announcement of the voting results, the Company, vote counters, scrutineers, substantial shareholders, internet service providers and other relevant parties involved in the on-site, online and other voting methods are obligated to maintain in confidence the particulars of the vote.

Article 65 The resolutions of the general meetings shall be announced promptly. Such announcement shall set out the number of the Shareholders and proxies present at the meeting, the total number of shares carrying voting rights held by such Shareholders and proxies, the percentage of such shares relative to the total number of shares carrying voting rights of the Company, the method(s) of voting, the voting result of each proposal, and the full particulars of the adopted resolutions.

Article 66 The minutes of the general meetings shall be prepared. The chairman of the meeting, the directors and supervisors who are present at the meeting, the secretary of the board of directors and the conveners or their representatives shall sign the minutes and ensure the truthfulness, accuracy and completeness of their content. The secretary of the board of directors shall be responsible for the meeting minutes and shall record the following contents:

- (1) time, venue and agenda of the meeting and the name(s) of its convener(s);
- (2) names of the chairman of the meeting and of the directors, supervisors, president and other senior management members attending or observing the meeting;
- (3) number of the shareholders and proxies present at the meeting, total number of the shares carrying voting rights held by such shareholders and proxies and percentage of such shares in the total shares of the Company;
- (4) proceeding of deliberations, key points of speech and voting result pertaining to each proposal;
- (5) inquiry opinions or recommendations of the shareholders and relevant replies or explanations;

- (6) names of lawyers, vote counters and scrutineers;
- (7) other matters required to be included in the meeting minutes by the Articles of Association.

The minutes shall be kept for at least ten years, together with the attendance book signed by the attending shareholders, the proxy forms of the attending proxies, and valid materials pertaining to the vote particulars of online voting and other methods of voting.

CHAPTER 9 ADJOURNING

Article 67 The convener shall ensure that a general meeting is being held smoothly without being interrupted within reasonable working hours until final resolutions are adopted. The chairman of the meeting is entitled to adjourn the meeting according to the arrangement and progress of the meeting. The chairman of the meeting is also entitled to adjourn the meeting as he/she considers necessary.

Article 68 If, during the meeting, disputes arise among the shareholders present on the identity of any shareholder and the counting results which cannot be resolved on site, and for this reason the order of the meeting is affected and the meeting cannot be continued, the chairman of the meeting shall declare an adjournment of the meeting. After the aforementioned situation disappears, the chairman of the meeting shall notify the shareholders to resume the meeting as soon as practicable.

Article 69 If, due to force majeure or any other extraordinary reasons, a general meeting is adjourned or is prevented from making resolutions, the convener shall report to the local CSRC of the Company and the stock exchange(s) and shall issue announcements without delay. The board of directors of the Company shall take necessary measures to resume the general meeting as soon as practicable or directly terminate the general meeting.

CHAPTER 10 POST-MEETING EVENTS AND ANNOUNCEMENTS

Article 70 The secretary of the board of directors shall be responsible for submitting the meeting minutes, the resolutions passed at the meeting and other relevant materials to the relevant regulatory authorities in accordance with laws, regulations and the requirements of the securities regulatory authorities of the State Council and the stock exchange where the shares of the Company are listed, and for arranging the announcement to be published in the designated media.

Article 71 The resolutions of the general meeting shall be announced promptly. The contents of the resolutions shall comply with the relevant regulatory requirements.

Article 72 If any proposal is not adopted at a general meeting, or if a general meeting changes a resolution passed at the previous general meeting, a specify reminder thereof shall be made in the announcement of resolutions of such general meeting.

Article 73 The secretary of the board of directors shall be responsible for keeping materials such as the attendance sheet, power of attorney, voting statistics, meeting minutes and announcement of resolutions.

Article 74 Where the general meeting has adopted resolutions on the election of directors and supervisors, the date of approval of such resolutions of the general meeting shall be the date on which such newly elected Directors and Supervisors shall take office.

Where the general meeting has adopted a resolution on cash dividend, bonus issue or capitalization of capital reserves, the Company will implement the specific plan within two (2) months from the conclusion of the general meeting.

Article 75 Resolutions of the general meetings whose content contravenes laws and administrative regulations shall be null and void.

The controlling shareholders and the actual controllers of the Company shall neither restrict or impede the lawful exercise by small and medium investors of their voting rights nor prejudice the legitimate rights and interests of the Company and small and medium investors.

If the procedures of convening a general meeting or the methods of voting at a general meeting are in violation of laws, administrative regulations or the Articles of Association of the Company, or the content of the resolutions of a general meeting contravenes with the Articles of Association, then a shareholder may make petition to the people's court requesting to rescind such resolutions within 60 days of their passage.

CHAPTER 11 SUPPLEMENTAL PROVISIONS

- Article 76** These Rules shall be adopted by the general meeting by a special resolution. Provisions of these Rules pertaining to the domestic listing shall come into force from the date on which the shares of the Company are publicly offered and listed on a domestic stock exchange.
- Article 77** Any amendments shall be made only upon consideration and approval by the general meeting after such amendments are proposed by the board of directors.
- Article 78** The board of directors shall be responsible for interpreting these Rules.
- Article 79** If there are any matters not dealt with in these Rules or there are any matters in these Rules which are inconsistent with any laws, administrative regulations, other relevant normative documents and the regulatory provisions of the place where the shares of the Company are listed as promulgated from time to time, such laws, administrative regulations, other relevant normative documents and regulatory provisions of the place where the shares of the Company are listed shall prevail.
- Article 80** The references “or more” shall include the given number; the references “not more than”, “more than one-half” and “more than” shall exclude the given number.

APPENDIX XI	COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE GENERAL MEETING AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE GENERAL MEETING
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Appropriate consequential changes to the numbering and sequence of the relevant chapter, article, paragraph and sub-paragraph will be made, if required, but are not specifically described herein.

The English version of the Procedural Rules for the General Meeting in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

**Existing Procedural Rules
for the General Meeting**

**Draft Amended Procedural Rules
for the General Meeting**

CHAPTER 1 GENERAL PROVISIONS

Article 1

In order to safeguard the legitimate rights and interests of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) and its shareholders, to specify the authorities and responsibilities of the general meeting, to ensure the proper, efficient and smooth operation of the general meeting and to ensure the legitimate exercise of powers and authorities by the general meeting, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “**Mandatory Provisions**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and other relevant laws and regulations governing domestic and overseas listed companies and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).

Article 1

In order to safeguard the legitimate rights and interests of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) and its shareholders, to specify the authorities and responsibilities of the general meeting, to ensure the proper, efficient and smooth operation of the general meeting and to ensure the legitimate exercise of powers and authorities by the general meeting, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (~~hereinafter referred to as the “**Mandatory Provisions**”~~), the Rules of the General Meeting of the Listed Companies, Standards for the Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (these listing rules of the listing exchanges of the Shares of the Company, hereinafter together referred to as the “**Listing Rules**”) and other

relevant laws and regulations governing domestic and overseas listed companies and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “Articles of Association”).

Article 2

These Rules apply to the general meeting of the Company and shall be binding on the Company, all the shareholders, authorized proxies of the shareholders (hereinafter referred to as the “Proxy”), directors of the Company, supervisors of the Company, senior management personnel such as general managers, the deputy general manager, the chief financial officer, the secretary of the board of directors, and other relevant personnel present at the meeting.

Article 2

These Rules apply to the general meeting of the Company and shall be binding on the Company, all the shareholders, authorized proxies of the shareholders (hereinafter referred to as the “Proxy”), directors of the Company, supervisors of the Company, senior management personnel such as ~~general managers, the deputy general manager~~ president, vice president, the chief financial officer, the secretary of the board of directors, and other relevant personnel present at the meeting.

CHAPTER 2 REGULATIONS OF THE GENERAL MEETING**Article 6**

Shareholders or Proxies attending the general meetings shall comply with the provisions of the relevant laws and regulations, the Articles of Association and the rules stipulated herein and shall take initiative to maintain the order of the meetings and shall not infringe the legitimate rights and interests of other shareholders.

Article 6

Shareholders or Proxies attending the general meetings shall comply with the provisions of the relevant laws and regulations, the Listing Rules, the Articles of Association and the rules stipulated herein and shall take initiative to maintain the order of the meetings and shall not infringe the legitimate rights and interests of other shareholders.

Article 7

There are two types of general meetings, namely annual general meetings (hereinafter referred to as the “AGM”) and extraordinary general meetings.

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APPENDIX XI	COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE GENERAL MEETING AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE GENERAL MEETING
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Article 8

All the shareholders of the Company shall be entitled to attend the AGMs and extraordinary general meetings.

Holders of different classes of shares are class shareholders. Holders of domestic shares and holders of overseas listed foreign shares are deemed as different classes of shareholders, in addition to other class shareholders. Any variation or abrogation of the rights of any class shareholders as proposed by the Company may only be adopted after the approval by a special resolution at a general meeting and the approval by a meeting of class shareholders in accordance with the provisions of the Articles of Association.

Article 9

The AGMs shall be convened by the board of directors and held once every year within six months after the end of the previous accounting year.

Article 10

For the general meetings convened throughout the year, all of these meetings are extraordinary general meetings except the AGM. The extraordinary general meetings shall be arranged in the order of the year in which they are convened.

Article 8

All the shareholders of the Company shall be entitled to attend the ~~AGMs~~annual general meetings and extraordinary general meetings.

Holders of different classes of shares are class shareholders. Holders of domestic shares (hereinafter referred to as the "Holders of A Shares") and holders of overseas listed foreign shares (hereinafter referred to as the "Holders of H Shares") are deemed as different classes of shareholders, in addition to other class shareholders. Any variation or abrogation of the rights of any class shareholders as proposed by the Company may only be adopted after the approval by a special resolution at a general meeting and the approval by a general meeting of class shareholders in accordance with the provisions of the Articles of Association.

Article 9

The ~~AGMs~~annual general meetings shall be convened by the board of directors and held once every year within six months after the end of the previous accounting year.

Article 10

For the general meetings convened throughout the year, all of these meetings are extraordinary general meetings except the ~~AGM~~annual general meetings. The extraordinary general meetings shall be arranged in the order of the year in which they are convened.

APPENDIX XI	COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE GENERAL MEETING AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE GENERAL MEETING
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Article 11

The board of directors shall convene an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses reach one-third of the Company's total share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;
- (4) the board of directors considers it necessary or the board of supervisors proposes to hold such a meeting.

The number of shares held by the shareholders specified in the above circumstance (3) shall be the number of shares held on the date when the shareholders submit the written request.

When any of the above circumstances (1) (2) and (3) occurs or the board of supervisors proposes to hold an extraordinary general meeting, if the board of directors fails to convene an extraordinary general meeting within the specified time limit, the board of supervisors or shareholders in compliance with these Rules may convene the extraordinary general meeting in accordance with relevant provisions of the Articles of Association and these Rules.

Article 11

The board of directors shall convene an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses reach one-third of the Company's total share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;
- (4) the board of directors considers it necessary or the board of supervisors proposes to hold such a meeting;

(5) it is proposed by an independent Director with the consent of half or more of all independent Directors;

(6) other circumstances as provided by the relevant laws and regulations or the Articles of Association;

The number of shares held by the shareholders specified in the above circumstance (3) shall be the number of shares held on the date when the shareholders submit the written request.

When any of the above circumstances (1), (2) and (3) occurs or the board of supervisors proposes to hold an extraordinary general meeting, if the board of directors fails to convene an extraordinary general meeting within the specified time limit, the board of supervisors or shareholders in compliance with these Rules may convene the extraordinary general meeting in accordance with relevant provisions of the Articles of Association and these Rules.

New Article 14

When convening a general meeting, the Company shall engage a lawyer to be present at the general meeting, issue a legal opinion on the following issues and shall publish an announcement on the same.

- (1) whether the procedures of convening and holding the meeting are in compliance with laws, administrative regulations, these Rules and the Articles of Association;
- (2) whether the qualifications of the meeting attendees and the meeting convener are lawful and valid;
- (3) whether the voting procedures and the voting results of the meeting are lawful and valid;
- (4) legal opinions issued at the request of the Company in respect of other relevant issues.

**APPENDIX XI COMPARISON OF THE EXISTING PROCEDURAL RULES FOR
THE GENERAL MEETING AGAINST THE DRAFT AMENDED
PROCEDURAL RULES FOR THE GENERAL MEETING**

CHAPTER 3 POWERS AND AUTHORITIES OF THE GENERAL MEETING

Article 14

The general meeting is the organ of authority of the Company and shall exercise the following powers and authorities in accordance with the law:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace directors (not being staff representatives) and to fix the remuneration of the relevant directors;
- (3) to elect and replace supervisors (not being staff representatives), and to fix the remuneration of the relevant supervisors;
- (4) to consider and approve the reports of the board of directors;
- (5) to consider and approve the reports of the board of supervisors;
- (6) to consider and approve the annual financial budgets and final accounts of the Company;
- (7) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (8) to adopt resolutions on any increase or reduction of registered capital of the Company;
- (9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;

Article ~~14~~15

The general meeting is the organ of authority of the Company and shall exercise the following powers and authorities in accordance with the law:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace directors (not being staff representatives) and to fix the remuneration of the relevant directors;
- (3) to elect and replace supervisors (not being staff representatives), and to fix the remuneration of the relevant supervisors;
- (4) to consider and approve the reports of the board of directors;
- (5) to consider and approve the reports of the board of supervisors;
- (6) to consider and approve the annual financial budgets and final accounts of the Company;
- (7) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (8) to adopt resolutions on any increase or reduction of registered capital of the Company;
- (9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;

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| <p>(10) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company;</p> <p>(11) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms by the Company;</p> <p>(12) to amend the Articles of Association;</p> <p>(13) to consider the interim proposals submitted by shareholders holding 3% or more of the total number of the shares of the Company carrying voting rights;</p> <p>(14) other matters required by laws, administrative regulations, and the Articles of Association to be resolved by the general meeting.</p> <p>The general meeting may authorize or engage the board of directors to attend to matters authorized or engaged by the general meeting provided that the laws, regulations and mandatory provisions of the listing rules of the places of listing of the Company will not be contravened.</p> | <p>(10) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company;</p> <p>(11) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms by the Company;</p> <p>(12) to amend the Articles of Association;</p> <p>(13) to consider the interim proposals submitted by shareholders holding 3% or more of the total number of the shares of the Company carrying voting rights;</p> <p>(14) <u>to consider and approve guarantee matters required by the Articles of Association to be considered and approved by the general meeting;</u></p> <p>(15) <u>to consider matters in relation to purchases or sales within one year of material assets in excess of 30% of the most recent audited total assets of the Company;</u></p> <p>(16) <u>to consider and approve changes to the use of the proceeds raised;</u></p> <p>(17) <u>to consider any share incentive scheme;</u></p> <p>(1418) other matters required by laws, administrative regulations, <u>departmental rules, the Listing Rules</u> and the Articles of Association to be resolved by the general meeting.</p> |
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The general meeting may authorize or engage the board of directors to attend to matters authorized or engaged by the general meeting provided that the laws, regulations and mandatory provisions of the listing rules of the places of listing of the Company will not be contravened.

Article 15

Unless a prior approval is obtained at a general meeting, the Company shall not enter into any contract with any party other than the directors, supervisors, general managers and other senior management personnel pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 1516

~~Unless a prior~~ Except where the Company is the subject of a crisis or in similar extraordinary circumstances, subject to the listing rules of the stock exchange(s) on which the shares of the Company are listed, unless an approval by way of special resolution is obtained at a general meeting, the Company shall not enter into any contract with any party other than the directors, supervisors, ~~general manager~~ the president and other senior management personnel pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 16

To ensure the stability of the Company's investment policies and to improve the efficiency of the daily operations of the Company, the general meeting authorize the board of directors to approve the relevant matters within the scope below:

Article 16

~~To ensure the stability of the Company's investment policies and to improve the efficiency of the daily operations of the Company, the general meeting authorize the board of directors to approve the relevant matters within the scope below:~~

(I) Investment plans

1. The general meeting has the authority to approve the medium and long-term investment plans and annual investment plans of the Company. The board of directors is authorized to make

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adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.

2. The board of directors has the authority to review and decide the annual investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval. The board of directors may make adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.

(II) External investments (including entrusted wealth management, securities transactions, entrusted loans, etc.), purchase or sale of assets, lease of assets (either as lessor or lessee), entrusted management of assets and businesses (either as entrustor or trustee), etc. (except for connected transactions)

1. When reviewing such transaction, the Company shall consider the percentage ratios as set out in the Listing Rules, including the assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio (hereinafter referred to as the “**Five Percentage Ratios**”).

~~adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.~~

- ~~2. The board of directors has the authority to review and decide the annual investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval. The board of directors may make adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.~~

~~(II) External investments (including entrusted wealth management, securities transactions, entrusted loans, etc.), purchase or sale of assets, lease of assets (either as lessor or lessee), entrusted management of assets and businesses (either as entrustor or trustee), etc. (except for connected transactions)~~

- ~~1. When reviewing such transaction, the Company shall consider the percentage ratios as set out in the Listing Rules, including the assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio (hereinafter referred to as the “**Five Percentage Ratios**”).~~

2. The board of directors has the authority to approve a transaction if, in respect of such transaction: (a) any of the Five Percentage Ratios is 5% or more, but less than 25%; and (b) each of the following percentage ratios is less than 50%: (i) the total amount of the assets in relation to the transaction (the book value or the appraised value, whichever is the higher) divided by the latest audited total asset value of the Company; (ii) the amount of the acquired assets (taking into account of the assumed liabilities and costs) divided by the total amount of the latest audited net asset value of the Company; (iii) the profit resulting from the transaction divided by the audited net profit of the Company for the preceding financial year; (iv) the revenue from the major business operation attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited revenue of the Company from its major business operation for the preceding financial year; and (v) the net profit attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited net profit of the Company for the preceding financial year.; and (c) the aggregate amount in relation to the purchase or sales of material assets (including

~~2. The board of directors has the authority to approve a transaction if, in respect of such transaction: (a) any of the Five Percentage Ratios is 5% or more, but less than 25%; and (b) each of the following percentage ratios is less than 50%: (i) the total amount of the assets in relation to the transaction (the book value or the appraised value, whichever is the higher) divided by the latest audited total asset value of the Company; (ii) the amount of the acquired assets (taking into account of the assumed liabilities and costs) divided by the total amount of the latest audited net asset value of the Company; (iii) the profit resulting from the transaction divided by the audited net profit of the Company for the preceding financial year; (iv) the revenue from the major business operation attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited revenue of the Company from its major business operation for the preceding financial year; and (v) the net profit attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited net profit of the Company for the preceding financial year.; and (c) the aggregate amount in relation to the purchase or sales of material assets (including~~

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any connected transactions) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

~~any connected transactions) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.~~

(III) Disposal of fixed assets

~~(III) Disposal of fixed assets~~

Disposals of fixed assets will be decided by the board of directors where the aggregate value of the expected value of the fixed assets to be disposed of and the value of the fixed assets which have been disposed of in the four months prior to such proposed disposal does not exceed 33% of the value of the fixed assets as shown in the latest balance sheet adopted by the general meeting.

~~Disposals of fixed assets will be decided by the board of directors where the aggregate value of the expected value of the fixed assets to be disposed of and the value of the fixed assets which have been disposed of in the four months prior to such proposed disposal does not exceed 33% of the value of the fixed assets as shown in the latest balance sheet adopted by the general meeting.~~

(IV) Borrowings

~~(IV) Borrowings~~

Any single loan transaction with an amount representing 25% or more of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the general meeting.

~~Any single loan transaction with an amount representing 25% or more of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the general meeting.~~

Any single loan transaction with an amount representing less than 25% of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the board of directors.

~~Any single loan transaction with an amount representing less than 25% of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the board of directors.~~

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(V) Provision of guarantee to external parties and provision of financial assistance

Provision by the Company of guarantees to external parties shall be reviewed by the board of directors and shall be approved by the affirmative vote of two-thirds or more of the directors present at the meeting; if such provision of guarantee is subject to approval by the general meeting in accordance with the applicable laws, regulations, the Articles of Association and the resolutions of the general meeting, the provision of the guarantee shall be submitted to the general meeting for approval.

When reviewing and approving any parent company performance guarantee to be provided by the Company to its subsidiaries (as defined under the Listing Rules) in relation to a project within the principal business scope, the board of directors may impose an annual cap such that performance guarantees within such annual cap is not subject to a separate review by the board of directors, provided that a written report shall be submitted to the board of directors in a timely manner and the terms of such guarantees shall be consistent with market practices. Nevertheless, performance guarantees exceeding the aforesaid annual cap, or terms of which are either inconsistent with market practices, or imposing additional onerous obligations or liabilities on the Company, shall be submitted to the board of directors for review, and, where approval by the

~~(V) Provision of guarantee to external parties and provision of financial assistance~~

~~Provision by the Company of guarantees to external parties shall be reviewed by the board of directors and shall be approved by the affirmative vote of two-thirds or more of the directors present at the meeting; if such provision of guarantee is subject to approval by the general meeting in accordance with the applicable laws, regulations, the Articles of Association and the resolutions of the general meeting, the provision of the guarantee shall be submitted to the general meeting for approval.~~

~~When reviewing and approving any parent company performance guarantee to be provided by the Company to its subsidiaries (as defined under the Listing Rules) in relation to a project within the principal business scope, the board of directors may impose an annual cap such that performance guarantees within such annual cap is not subject to a separate review by the board of directors, provided that a written report shall be submitted to the board of directors in a timely manner and the terms of such guarantees shall be consistent with market practices. Nevertheless, performance guarantees exceeding the aforesaid annual cap, or terms of which are either inconsistent with market practices, or imposing additional onerous obligations or liabilities on the Company, shall be submitted to the board of directors for review, and, where approval by the~~

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general meeting is required, shall be submitted to the general meeting for approval accordingly.

~~general meeting is required, shall be submitted to the general meeting for approval accordingly.~~

If, the financial assistance provided by the Company or its subsidiaries to the affiliated companies of the Company (as defined under the Listing Rules), and guarantees given for facilities granted to affiliated companies of the Company by the Company or its subsidiaries, together in aggregate exceeds 8% under the assets ratio as defined under the Listing Rules, such financial assistance and/or guarantees shall be subject to approval by the board of directors.

~~If, the financial assistance provided by the Company or its subsidiaries to the affiliated companies of the Company (as defined under the Listing Rules), and guarantees given for facilities granted to affiliated companies of the Company by the Company or its subsidiaries, together in aggregate exceeds 8% under the assets ratio as defined under the Listing Rules, such financial assistance and/or guarantees shall be subject to approval by the board of directors.~~

(VI) Connected transactions

~~(VI) Connected transactions~~

In relation to a connected transaction (as defined under the Listing Rules) conducted on normal commercial terms or better:

~~In relation to a connected transaction (as defined under the Listing Rules) conducted on normal commercial terms or better:~~

all the percentage ratios calculated pursuant to the Listing Rules are less than 0.1% or 1% (if such transaction is a connected transaction only because it involves connected person(s) at the subsidiary level), the transaction amount of such transaction represents less than 5% of the absolute value of the most recent audited net assets of the Company, and the aggregate amount in relation to the purchase or sales of material assets (including transactions in the ordinary course of business) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

~~all the percentage ratios calculated pursuant to the Listing Rules are less than 0.1% or 1% (if such transaction is a connected transaction only because it involves connected person(s) at the subsidiary level), the transaction amount of such transaction represents less than 5% of the absolute value of the most recent audited net assets of the Company, and the aggregate amount in relation to the purchase or sales of material assets (including transactions in the ordinary course of business) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.~~

New Article 17

Any matters required to be decided by the general meeting under relevant laws, regulations, the listing rules of stock exchanges on which the Company's shares are listed and the Articles of Association must be considered and approved by the General Meeting.

In order to improve the efficiency of the day-to-day operation of the Company, any transactions of the Company required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Securities on the Shanghai Stock Exchange shall be approved by the board of directors; and any transactions required to be submitted to the General Meeting for approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, shall be considered and approved by the General Meeting.

CHAPTER 4 PROPOSAL OF THE GENERAL MEETING**Article 17**

The contents of proposals shall be determined by the general meeting, and shall have clear subjects for discussion and specific matters to be resolved, and shall comply with laws, administrative regulations, the Articles of Association and these Rules.

Article ~~17~~18

The contents of proposals shall be determined by the general meeting, and shall have clear subjects for discussion and specific matters to be resolved, and shall comply with laws, administrative regulations, the Articles of Association and these Rules.

If the Company convenes a general meeting, shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights are entitled to put forward an interim proposal in writing to the convener 10 days before the general meeting. The convener shall issue a supplementary notice of the general meeting within 14 days upon receiving the written proposal to announce the contents of the interim proposal.

Except as provided by the preceding paragraph, the convener shall neither modify the proposals nor add new proposals in the notice of the general meeting after the issue of the notice.

Proposals not listed on the notice of the general meeting or inconsistent with the first paragraph of this Article shall not be voted on or resolved in the general meeting.

If the Company convenes a general meeting, shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights are entitled to put forward an interim proposal in writing to the convener 10 days before the general meeting. The convener shall issue a supplementary notice of the general meeting within ~~14~~two days upon receiving the written proposal to announce the contents of the interim proposal.

Except as provided by the preceding paragraph, the convener shall neither modify the proposals nor add new proposals in the notice of the general meeting after the issue of the notice.

Proposals not listed on the notice of the general meeting or inconsistent with the first paragraph of this Article shall not be voted on or resolved in the general meeting.

New Article 20

If an independent director proposes to convene a general meeting with consent of at least half of all the independent Directors, such independent director shall be responsible for putting forward proposals.

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Article 21

Proposals involving the following circumstances shall be deemed to lead to a change or an abrogation of the rights of a class shareholder and the board of directors shall submit such proposals to a class shareholders' meeting for review and approval:

- (1) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of other class(s) having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (2) to effect an exchange of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;
- (3) to remove or reduce rights to receive accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;
- (5) to add, remove or reduce the rights to conversion, options, voting, transfer, preemptive rights to placement and acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;

Article ~~21~~23

Proposals involving the following circumstances shall be deemed to lead to a change or an abrogation of the rights of a class shareholder and the board of directors shall submit such proposals to a class shareholders' general meeting for review and approval:

- (1) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of other class(s) having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (2) to effect an exchange of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;
- (3) to remove or reduce rights to receive accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;
- (5) to add, remove or reduce the rights to conversion, options, voting, transfer, preemptive rights to placement and acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;

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| <p>(7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;</p> | <p>(7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;</p> |
| <p>(8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;</p> | <p>(8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;</p> |
| <p>(9) to issue subscription rights or share conversion rights for shares of such class or other classes;</p> | <p>(9) to issue subscription rights or share conversion rights for shares of such class or other classes;</p> |
| <p>(10) to increase the rights and privileges of shares of other classes;</p> | <p>(10) to increase the rights and privileges of shares of other classes;</p> |
| <p>(11) to restructure the Company if the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;</p> | <p>(11) to restructure the Company if the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;</p> |
| <p>(12) to vary or abrogate the provisions of Chapter 9 “Special Resolutions for Voting by Class Shareholders” of the Articles of Association.</p> | <p>(12) to vary or abrogate the provisions of Chapter 9<u>10</u> “Special Resolutions for Voting by Class Shareholders” of the Articles of Association.</p> |

CHAPTER 5 NOTICE OF MEETING AND ITS ALTERATIONS

Article 22

The notice of a general meeting shall be issued by the conveners of the meeting. The AGMs shall be convened by the board of directors. Conveners of the extraordinary general meetings and class shareholders’ meetings shall include the board of directors, the board of supervisors and shareholders individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights for consecutive 90 days or more.

Article ~~22~~24

The notice of a general meeting shall be issued by the conveners of the meeting. ~~The AGMs shall be convened by the board of directors. Conveners of the extraordinary general meetings and class shareholders’ meetings shall include the board of directors, the board of supervisors and shareholders individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights for consecutive 90 days or more.~~

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Article 23

A written notice shall be issued 45 days prior to the general meeting, informing all the registered shareholders of the matters to be considered at the meeting, and the date and venue of the meeting.

Unless otherwise required by the relevant laws, administrative regulations, the listing rules of the places of listing of the Company and the Articles of Association, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholder is entitled to vote at the meeting) by hand or by pre-paid mail to the addresses of the shareholders as shown in the register of members of the Company. For the holders of domestic shares, the notice of the meeting may also be given by way of public announcement.

The announcement referred to in the preceding paragraph shall be published within a period of 45 to 50 days prior to the date of the meeting in one or more newspapers designated by the securities regulatory authorities of the State Council. Once an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article ~~23~~25

A written notice shall be issued 45 days prior to the general meeting, informing all the registered shareholders of the matters to be considered at the meeting, and the date and venue of the meeting.

Unless otherwise required by the relevant laws, administrative regulations, the Listing Rules of the places of listing of the Company and the Articles of Association, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholder is entitled to vote at the meeting) by hand or by pre-paid mail to the addresses of the shareholders as shown in the register of members of the Company. For ~~the~~ Holders of ~~domestic~~A Shares, the notice of the meeting may also be given by way of public announcement.

The announcement referred to in the preceding paragraph shall be published within a period of 45 to 50 days prior to the date of the meeting in one or more newspapers designated by the securities regulatory authorities of the State Council. Once an announcement is made, all Holders of ~~the domestic~~A Shares shall be deemed to have received the relevant notice of the general meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

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Article 24

The notice of a class shareholders' meeting shall be delivered only to the shareholders who are entitled to vote at such meeting.

Article 25

A notice of a general meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the venue, date and time of the meeting;
- (3) it shall set out the matters to be discussed at the meeting;
- (4) it shall set out the record date for shareholders who are entitled to attend the general meeting;
- (5) it shall provide the shareholders with such materials and explanation as are necessary to enable shareholders to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and implications of the same must be properly explained;

Article ~~24~~26

The notice of a class shareholders' general meeting shall be delivered only to the shareholders who are entitled to vote at such meeting.

Article ~~25~~27

A notice of a general meeting shall meet the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the venue, date and time of the meeting;
- (3) it shall set out the matters to be discussed at the meeting;
- (4) it shall set out the record date for shareholders who are entitled to attend the general meeting;
- (5) it shall provide the shareholders with such materials and explanation as are necessary to enable shareholders to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and implications of the same must be properly explained;

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| <p>(6) if any director, supervisor, general manager and other senior management personnel have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such director, supervisor, general manager and other senior management personnel in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;</p> | <p>(6) if any director, supervisor, general manager <u>president</u> and other senior management personnel have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such director, supervisor, general manager <u>president</u> and other senior management personnel in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;</p> |
| <p>(7) it shall set out the full text of any special resolutions proposed for approval at the meeting;</p> | <p>(7) it shall set out the full text of any special resolutions proposed for approval at the meeting;</p> |
| <p>(8) it shall contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more Proxies to attend and vote at the meeting on his/her behalf and that such Proxies need not be shareholders;</p> | <p>(8) it shall contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more Proxies to attend and vote at the meeting on his/her behalf and that such Proxies need not be shareholders;</p> |
| <p>(9) it shall specify the date and place for lodging proxy forms for the meeting; and</p> | <p>(9) it shall specify the date and place for lodging proxy forms for the meeting; and</p> |
| <p>(10) it shall state the names and telephone numbers of the contact persons for the meeting.</p> | <p>(10) it shall state the names and telephone numbers of the <u>contact</u> persons for the meeting.</p> |

Notices and supplementary notices of general meetings shall fully and completely disclose the content of each proposal. To the extent the opinions of the independent Directors are required for a matter proposed for deliberation, such independent Directors' opinions and grounds thereof shall be disclosed concurrently with the issuance of the notice or supplementary notice of the general meeting.

New Article 28

Where the general meeting proposes to discuss the election of directors and supervisors, the notice of such meeting shall fully disclose the detailed information of the Director or Supervisor candidates, including at least the following:

- (1) education background, work experience, concurrent position(s) and other personal information;
- (2) whether such candidate is related with the Company, its controlling shareholder or its actual controller;
- (3) disclosure on the number of the shares held by such candidate in the Company;
- (4) whether such candidate has been subject to sanction by China Securities Regulatory Commission (“CSRC”) and other relevant authorities or to disciplinary action by stock exchanges;
- (5) other information required by the listing rules of the stock exchange(s) on which the shares of the Company are listed;

For the purpose of electing the directors and supervisors, each director and supervisor candidate shall be proposed in a separate proposal.

New Article 29

One half or more of the independent directors may sign one or more written requests of the same form demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting and stating the object of the meeting. The board of directors shall, within ten (10) days from the receipt of the aforesaid request, provide, in accordance with laws, regulations, and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or class shareholders' general meeting.

If the board of directors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall despatch a notice thereof within five (5) days after adopting the resolution. Any change to the original proposal set out in the notice shall be subject to the consent of the relevant independent directors. If the board of directors disapproves the proposal of convening an extraordinary general meeting or a class shareholders' general meeting, it shall specify the reasons and make a public announcement of the same.

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Article 26

The board of supervisors shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' meeting. The board of directors shall, upon the receipt of such written requests, convene an extraordinary general meeting or a class shareholders' meeting as soon as practicable.

If the board of directors approves the convening of an extraordinary general meeting, it shall despatch a notice thereof within 10 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the board of supervisors.

If the board of directors disapproves the convening of an extraordinary general meeting or fails to despatch a notice within 30 days after its receipt of the request. The board of directors shall be deemed to be unable to or fail to fulfill its duty of convening general meetings. The board of supervisors may, at its own discretion, convene and preside over the extraordinary general meeting or class shareholders' meeting.

Article 2630

The board of supervisors shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting. The board of directors shall, ~~upon~~ within ten (10) days from the receipt of such written requests, ~~convene an~~ provide, in accordance with laws, regulations, and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or a class shareholders' general meeting as soon as ~~practicable~~.

If the board of directors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall despatch a notice thereof within ~~10~~ 5 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the board of supervisors.

If the board of directors disapproves the convening of an extraordinary general meeting or a class shareholders' general meeting or fails to ~~despatch a notice~~ provide its feedback opinion in writing within ~~30~~ 10 days after its receipt of the request, ~~the~~ board of directors shall be deemed to be unable to or fail to fulfill its duty of convening general meetings. The board of supervisors may, at its own discretion, convene and preside over the extraordinary general meeting or class shareholders' general meeting and the procedures for the convening of such meetings should follow those provided for the convening by the board of general meetings as closely as practicable.

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Article 27

Shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' meeting. The board of directors shall, upon the receipt of such written requests, convene an extraordinary general meeting or a class shareholders' meeting as soon as practicable.

If the board of directors approves the convening of an extraordinary general meeting, it shall despatch a notice thereof within 10 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the board of supervisors.

If the board of directors disapproves the convening of an extraordinary general meeting or fails to despatch a notice within 30 days after its receipt of the request. The board of directors shall be deemed to be unable to or fail to fulfill its duty of convening general meetings. Shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights may make such request in writing to the board of supervisors.

Article ~~27~~31

Shareholder(s) individually or jointly holding 10% or more of the ~~total number of the~~ shares of the Company ~~carrying voting rights~~ shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting. The board of directors shall, ~~upon~~ within ten (10) days from the receipt of such written requests, ~~convene~~ and provide, in accordance with laws, regulations, and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or a class shareholders' general meeting ~~as soon as practicable~~.

If the board of directors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall despatch a notice thereof within ~~10~~ 5 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the ~~board of supervisors~~ relevant shareholders.

If the board of directors disapproves the convening of an extraordinary general meeting or a class shareholders' general meeting or ~~fails to despatch a notice~~ provide its feedback opinion in writing within ~~30~~ 10 days after its receipt of the request. ~~The board of directors shall be deemed to be unable to or fail to fulfill its duty of convening general meetings,~~ shareholder(s) individually or jointly holding 10% or more of the ~~total number of the~~ shares of the Company ~~carrying voting rights~~ may make such request in writing to the board of supervisors.

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The board of supervisors may convene such meeting by itself within four months upon receipt of such request by the board of directors; if the board of supervisors does not convene and chair such meeting, shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company for consecutive 90 days or more may convene such meeting by themselves.

If the board of supervisors may convene such meeting by itself within four months approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall issue a notice within five (5) days upon receipt of such request by the board of directors; if. Any change to any original proposal set out in the notice shall be subject to the consent of the relevant shareholders. If no notice is despatched by the board of supervisors of such extraordinary general meeting or class shareholders' general meeting within the stipulated period, the board of supervisors does not shall be deemed to have failed to convene and chair such the extraordinary general meeting or class shareholders' general meeting, in which case shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company for consecutive 90 days or more may convene and chair such meeting by themselves, and the procedures for the convening of such meetings should follow those provided for the convening by the board of general meetings as closely as practicable. The convening shareholders shall hold no less than 10% of shares until the announcement of the meeting resolutions and the board of supervisors and the convening shareholders shall supply relevant supporting materials to the local CSRC of the Company and the stock exchange(s) both at the time of their despatch of the notice of the extraordinary general meeting or class shareholders' general meeting and at the time of their announcement of the meeting resolutions.

Article 28

If the board of supervisors or shareholders decide to convene the general meetings by themselves, they shall notify the board of directors in writing.

Article 29

If the general meeting is convened by the board of supervisors or shareholders, the board of directors and its secretary shall cooperate with them. The board of directors shall provide the register of members as of the record date.

Article 30

If the general meeting is convened by the board of supervisors or shareholders, reasonable costs of the meeting shall be borne by the Company.

Article 31

Shareholders who intend to attend the meeting shall deliver to the Company their written replies concerning their attendance 20 days prior to the date of the meeting.

Article 2832

If the board of supervisors or shareholders decide to convene the general meetings by themselves, they shall notify the board of directors in writing and lodge a filing with the local CSRC of the Company and the stock exchange(s).

Article 2933

If the general meeting is convened by the board of supervisors or shareholders, the board of directors and its secretary shall cooperate with them. The board of directors shall provide the register of members as of the record date. Should the board of directors fail to provide such register, the convener may, based on the announcement pertaining to the notice convening the general meeting, apply to the securities registration and clearing institution to obtain the register. The register so obtained by the convener shall be used for no purpose other than the holding of that general meeting.

Article 3034

If the general meeting is convened by the board of supervisors or shareholders, reasonable costs of the meeting shall be borne by the Company and shall be deducted from the sums owed by the Company to the director who is in breach of his duty.

Article 3135

Shareholders who intend to attend the meeting shall deliver to the Company their written replies concerning their attendance 20 days prior to the date of the meeting.

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The Company shall, based on the written replies it received 20 days before the date of the general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches a half or more of the Company's total number of the shares carrying voting rights, the Company may hold the general meeting. If not, the Company shall, within five days, notify the shareholders again by public announcement of the matters to be reviewed, and the venue and the date of the meeting. The Company may then hold the general meeting after publication of such notice.

Matters not listed in the notice shall not be resolved at the AGMs and extraordinary general meetings.

The Company shall, based on the written replies it received 20 days before the date of the general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches a half or more of the Company's total number of the shares carrying voting rights, the Company may hold the general meeting. If not, the Company shall, within five days, notify the shareholders again by public announcement of the matters to be reviewed, and the venue and the date of the meeting. The Company may then hold the general meeting after publication of such notice.

Matters not listed in the notice shall not be resolved at the ~~AGMs and extraordinary~~ general meetings.

CHAPTER 6 REGISTRATION OF THE MEETING

Article 33

Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (such person(s) does not have to be a shareholder) as his/her proxy(ies) to attend and vote at the meeting on his/her behalf. Such Proxy(ies) shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1) the shareholders' right to speak at the meeting;

Article ~~33~~37

The holders of ordinary shares whose names appear on the register of members of the Company on the record date (or their proxies, as applicable) shall all be entitled to attend the general meeting and to exercise their voting rights in accordance with relevant laws and regulations and the Articles of Association. A shareholder may attend the general meeting in person or may appoint a proxy to attend and vote at the meeting on his behalf.

Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (such person(s) does not have to be a shareholder) as his/her proxy(ies) to attend and vote at the

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- (2) the right to demand or join in demanding a poll; and
- (3) the right to vote by a show of hands or by poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. If more than one Proxy is appointed, the Proxies may only exercise the voting right by way of poll.

The instrument appointing a Proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal person, such instrument shall be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). Such instrument shall set out the number of shares to be represented by the Proxy. If more than one person are appointed as Proxies, such instrument shall set out the number of shares to be represented by each Proxy.

meeting on his/her behalf. Such Proxy(ies) shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1) the shareholders' right to speak at the meeting;
- (2) the right to demand or join in demanding a poll; and
- (3) the right to vote by a show of hands or by poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. If more than one Proxy is appointed, the Proxies may only exercise the voting right by way of poll.

The instrument appointing a Proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal person, such instrument shall be either executed under its common seal or under the hand of its ~~director(s)~~legal representative or duly authorized attorney(s). Such instrument shall set out the number of shares to be represented by the Proxy. If more than one person are appointed as Proxies, such instrument shall set out ~~the number of shares to be represented by each Proxy;~~

- (1) the names of the Proxies;
- (2) the number of shares represented;
- (3) whether each Proxy has voting rights;

- (4) instruction for voting for or against or abstaining on each proposal included in the agenda of the general meeting for deliberation;
- (5) issuance date and term of the instrument;
- (6) signature (or seal) of the appointer.

Article 35

Unless otherwise determined by the Company, prior to the announcement by the chairman of the meeting of the number of shareholders and Proxies attending the meeting and the number of shares carrying voting rights as represented by such shareholders and Proxies, the meeting registration shall be concluded.

Article 3539

~~Unless otherwise determined by the Company,~~The convener and the lawyer shall jointly verify the legality of the qualifications of the shareholders based on the register of members furnished by the securities registration and clearing institution and shall record the names (or entity names) of the shareholders and the number of shares carrying voting rights they hold. Prior to the announcement by the chairman of the meeting of the number of shareholders and Proxies attending the meeting and the number of shares carrying voting rights as represented by such shareholders and Proxies, the meeting registration shall be concluded.

New Article 40

When it is convened, a general meeting shall be attended by all directors of the Company, all supervisors of the Company and the secretary to the board of directors, and shall be observed by the president and other senior management members.

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Article 36

Proxy forms shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the holding of the meeting at which the relevant matters to be voted on according to the proxy form, or 24 hours before the designated time of voting. If the shareholder authorized others to sign on the proxy form, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

If the appointer is a legal person, its legal representative or such person as authorized by a resolution of its board of directors or other governing body may attend any general meeting of the Company as a representative of the appointer.

If the shareholder is a recognized clearing house (or its nominee), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class shareholders' meeting as it sees fit, but, if one or more persons have such authority, the power of attorney shall specify the number and class of the shares in connection with such authorization. The power of attorney shall be signed by the authorized representative of the recognized clearing house. With such power of attorney, such person can attend the meeting and exercise the right on behalf of the recognized clearing house or its nominee as if he is the individual shareholder of the Company, without being required to provide share

Article 3641

Proxy forms shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the holding of the meeting at which the relevant matters to be voted on according to the proxy form, or 24 hours before the designated time of voting. If the shareholder authorized others to sign on the proxy form, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

If the appointer is a legal person, its legal representative or such person as authorized by a resolution of its board of directors or other governing body may attend any general meeting of the Company as a representative of the appointer.

If the shareholder is a recognized clearing house (or its nominee), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class shareholders' general meeting as it sees fit, but, if one or more persons have such authority, the power of attorney shall specify the number and class of the shares in connection with such authorization. The power of attorney shall be signed by the authorized representative of the recognized clearing house. With such power of attorney, such person can attend the meeting and exercise the right on behalf of the recognized clearing house or its nominee as if he is the individual shareholder of the Company, without being required to

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certificates, notarized power of attorney and/or any further evidence of his due authorization.

Any form issued to a shareholder by the board of directors for use by such shareholder for the appointment of a Proxy shall be in a form that enables the shareholder to freely instruct the Proxy to vote for or against the proposals, with such instructions being individually given in respect of each matter to be resolved at the meeting. Such form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.

A vote given in accordance with the proxy forms shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.

Article 37

A shareholder shall register when attending a general meeting and provide the following documents for registration:

An individual shareholder attending a general meeting in person shall present his proof of identity and share certificate. The Company has the right to request the proxy(ies) attending the general meeting on behalf of a shareholder to present his proof of identity and the proxy form.

provide share certificates, notarized power of attorney and/or any further evidence of his due authorization.

Any form issued to a shareholder by the board of directors for use by such shareholder for the appointment of a Proxy shall be in a form that enables the shareholder to freely instruct the Proxy to vote for or against the proposals, with such instructions being individually given in respect of each matter to be resolved at the meeting. Such form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.

A vote given in accordance with the proxy forms shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.

Article ~~37~~42

A shareholder shall register when attending a general meeting and provide the following documents for registration:

An individual shareholder attending a general meeting in person shall present his identity card (or other valid document or certificate capable of showing his identity) and his stock account card. If a Proxy is appointed to attend the meeting on his behalf, the Proxy shall present his valid proof of identity and ~~share certificate~~. ~~The Company has the right to request the proxy(ies) attending the general meeting~~

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Save for shareholders who are recognized clearing houses (or their nominees), if a shareholder as a legal person appoints its legal representative to attend a meeting, the Company has the right to request such legal representative to present his proof of identity and a duly notarized copy of the resolutions passed by the board of directors or other organ of authority of such shareholder or power of attorney evidencing such authority in respect of the appointment of the proxy.

~~on behalf of a shareholder to present his proof of identity and the proxy form of the appointing shareholder.~~

In the case of a legal person Shareholder, its legal representative or a person authorised by its legal representative or authorised by a resolution of its board of directors or other decision-making organ shall attend the meeting. If the legal representative attends the meeting, he shall present his identity card as well as a valid certificate capable of showing his such legal representative capacity; if a Proxy is appointed to attend the meeting, the Proxy shall present his identity card and the written power of attorney lawfully issued by the appointing legal person shareholder.

~~Save for shareholders who are recognized clearing houses (or their nominees), if a shareholder as a legal person appoints its legal representative to attend a meeting, the Company has the right to request such legal representative to present his proof of identity and a duly notarized copy of the resolutions passed by the board of directors or other organ of authority of such shareholder or power of attorney evidencing such authority in respect of the appointment of the proxy.~~

Article 38

If a shareholder or a Proxy requests to speak at the general meeting, he/she shall register with the Company prior to the meeting. The number of speakers shall be limited to 10. If there are more than 10 speakers, the first 10 shareholders who have the largest shareholdings shall have the right to speak.

Article 3843

If a shareholder or a Proxy requests to speak at the general meeting, he/she shall register with the Company prior to the meeting. ~~The number of speakers shall be limited to 10. If there are more than 10 speakers, the first 10 shareholders who have the largest shareholdings shall have the right to speak.~~

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Article 39

The board of directors of the Company shall take necessary measures to ensure the seriousness and the normal order of the general meeting. The Company is entitled to reject the attendance by any other persons except shareholders (or Proxies), directors, supervisors, the secretary of the board of directors, appointed legal advisors, the general manager, deputy general manager, financial directors and other visitors invited by the board of directors, so as to safeguard the seriousness and the normal order of the general meeting. The board of directors shall take measures to stop and report to the relevant departments for investigation and prosecution in a timely manner any acts which disturb the general meeting, cause troubles, or infringe shareholders' legitimate rights and interests.

Article 3944

The board of directors of the Company shall take necessary measures to ensure the seriousness and the normal order of the general meeting. The Company is entitled to reject the attendance by any other persons except shareholders (or Proxies), directors, supervisors, the secretary of the board of directors, appointed legal advisors, ~~the general manager, deputy general manager~~ president, vice president, financial directors and other visitors invited by the board of directors, so as to safeguard the seriousness and the normal order of the general meeting. The board of directors shall take measures to stop and report to the relevant departments for investigation and prosecution in a timely manner any acts which disturb the general meeting, cause troubles, or infringe shareholders' legitimate rights and interests.

CHAPTER 7 CONVENING OF GENERAL MEETINGS

New Article 45

The location of the general meetings shall be the domicile of the Company or other places specified in the notice of the general meetings.

A general meeting will have a meeting venue and will take place in the form of an on-site meeting. Provided that the legality and validity of the general meeting are ensured, the Company shall utilize various means and schemes to facilitate shareholders' attendance of the general meeting by providing for, on a priority basis, online voting platforms and similar modern information technologies, or other means. A shareholder shall be deemed to have attended the meeting if he participates

in the meeting by means of such method. The scheme of online voting shall not apply to holders of H Shares.

Where a general meeting is to take the form of an online meeting or others, the notice of such general meeting shall expressly provide for the voting time and the voting procedures for such online or other form of meeting.

The commencement time for the online or other voting method of a general meeting shall occur no earlier than 3:00 pm of the day preceding the convening of the on-site general meeting but no later than 9:30 am of the day the on-site general meeting is physically convened, and the closing time of such voting method shall occur no earlier than 3:00 pm of the day the on-site general meeting is concluded.

Article 40

The chairman of the board of directors shall convene and chair every general meeting. If the chairman of the board of directors is unable to attend the meeting for any reason, the vice-chairman of the board of directors shall convene and chair the meeting. If both the chairman and the vice-chairman of the board of directors are unable to attend the meeting, the board of directors may designate a director to convene and chair the meeting. If no chairman of the meeting has been so designated, shareholders present may choose one person to act as the chairman of the meeting. If for whatever reason the shareholders fail to elect a chairman, the shareholder (including his/her Proxy) present and holding the largest number of the shares carrying voting rights shall be the chairman of the meeting.

Article ~~40~~46

~~The chairman of the board of directors shall convene and chair every general meeting. If the chairman of the board of directors is unable to attend the meeting for any reason, the vice-chairman of the board of directors shall convene and chair the meeting. If both the chairman and the vice-chairman of the board of directors are unable to attend the meeting, the board of directors may designate a director to convene and chair the meeting. If no chairman of the meeting has been so designated, shareholders present may choose one person to act as the chairman of the meeting. If for whatever reason the shareholders fail to elect a chairman,~~

If a general meeting is convened by the board of supervisors, the chairman of the board of supervisors shall chair the meeting. If the chairman of the board of supervisors is unable or fails to perform his/her duties, the vice-chairman of the board of supervisors (if any) shall chair the meeting. If the vice-chairman of the board of supervisors is unable or fails to perform his/her duties, the meeting shall be chaired by the supervisor recommended by a half or more of all the supervisors.

If a general meeting is convened by the shareholders, the meeting shall be chaired by the representative recommended by the convener.

A general meeting shall be convened by the board of directors and shall be presided over by the chairman of the board; where the chairman of the board is unable or fails to perform his/her duties, the vice chairman of the board shall preside over the meeting; where the vice chairman of the board is unable or fails to perform his/her duties, one director elected by no less than one half of the directors shall chair the meeting; where no such chairing director has been so elected by no less than one half of directors, one person shall be elected by the shareholders present to act as the chairman of the meeting; where the shareholders fail to elect such person for any reason whatsoever, the shareholder (including his/her Proxy) present and holding the largest number of the shares carrying voting rights shall be the chairman of the meeting.

If a general meeting is convened by the board of supervisors, the chairman of the board of supervisors shall chair the meeting. If the chairman of the board of supervisors is unable or fails to perform his/her duties, the vice-chairman of the board of supervisors (if any) shall chair the meeting. If the vice-chairman of the board of supervisors is unable or fails to perform his/her duties, the meeting shall be chaired by the supervisor elected by a half or more of all the supervisors.

If a general meeting is convened by the shareholders, the meeting shall be chaired by the representative nominated by the convener.

If, during the process of a general meeting, a breach by the chairman of the meeting procedural rules resulting in the general meeting's inability to proceed, then subject to the consent of the shareholder(s) representing more than one half of the voting rights of the attending shareholders, the general meeting may elect one person to act as the chairman to continue the meeting.

Article 41

After the chairman of the meeting has declared the official commencement of the meeting, he shall firstly announce that the number of shareholders attending the meeting and the number of shares represented by such shareholders are in compliance with the legal requirements. Subsequently he shall read out the agenda as set out in the notice of the meeting, and shall inquire whether any person present at the meeting has any objection to the voting order of the proposals.

Article 42

After the chairman of the meeting has made inquiries regarding the agenda, he shall read out the proposals or authorize another person to read out the proposals, and shall explain the proposals according to the following requirements if necessary:

- (I) If the proposal is put forward by the board of directors, the proposal shall be explained by the chairman of the board of directors or other persons authorized by the chairman of the board of directors;

Article 4147

After the chairman of the meeting has declared the official commencement of the meeting, he shall firstly announce that the number of shareholders attending the meeting and the number of shares represented by such shareholders are in compliance with the legal requirements. Subsequently he shall read out the agenda as set out in the notice of the meeting, and shall inquire whether any person present at the meeting has any objection to the voting order of the proposals.

Article 4248

After the chairman of the meeting has made inquiries regarding the agenda, he shall read out the proposals or authorize another person to read out the proposals, and shall explain the proposals according to the following requirements if necessary:

- (I) If the proposal is put forward by the board of directors, the proposal shall be explained by the chairman of the board of directors or other persons authorized by the chairman of the board of directors;

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(II) If the proposal is put forward by the board of supervisors or shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights, the proposal shall be explained by the person putting forward the proposal or its legal representative or any lawful and valid Proxy.

Article 43

Proposals included in the agenda of the general meeting shall be reviewed before voting. Reasonable time shall be given at the general meeting for discussing each proposal. The chairman of the meeting shall orally inquire the shareholders present whether they have completed their reviews of the proposals. Review shall be deemed to have completed if there are no objections from shareholders attending the meeting.

Article 45

The chairman of the meeting shall, prior to voting, announce the total number of the shareholders and the Proxies attending the meeting and the total number of the shares carrying voting rights held by them based on the meeting registration.

(II) If the proposal is put forward by the board of supervisors or shareholders individually or jointly holding 3% or more of the total number of the shares of the Company ~~carrying voting rights~~, the proposal shall be explained by the person putting forward the proposal or its legal representative or any lawful and valid Proxy.

Article ~~43~~49

Proposals included in the agenda of the general meeting shall be reviewed before voting. Reasonable time shall be given at the general meeting for discussing each proposal. The chairman of the meeting shall orally inquire the shareholders present whether they have completed their reviews of the proposals. Review shall be deemed to have completed if there are no objections from shareholders attending the meeting.

New Article 50

At the annual general meetings, the board of directors and the board of supervisors shall each report their work over the preceding year to the general meeting. Each independent director shall also report his or her work.

Article ~~45~~52

The chairman of the meeting shall, prior to voting, announce the total number of the shareholders and the Proxies attending the meeting and the total number of the shares carrying voting rights held by them based on the meeting registration.

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CHAPTER 8 VOTING AND RESOLUTIONS OF THE GENERAL MEETING

Article 48

When reviewing the proposals on the election of directors and supervisors at a general meeting, shareholders shall vote on each director candidate or supervisor candidate one by one.

~~Article 48~~

~~When reviewing the proposals on the election of directors and supervisors at a general meeting, shareholders shall vote on each director candidate or supervisor candidate one by one.~~

New Article 55

When voting on the election of directors and supervisors, the general meeting may apply the cumulative voting method in accordance with the Articles of Associations or the resolution of the general meeting. If the controlling shareholder holds 30% or more of the shares, and if the general meeting is to vote on the election of two or more directors or non-employee representative supervisors, then the cumulative voting method shall apply.

For the purpose of the preceding paragraph, the term "cumulative voting method" shall refer to the scheme whereby in the election by the general meeting of the directors or supervisors, each ordinary share shall be granted the same number of votes as the number of directors or supervisors to be elected and each shareholder may cast the votes held by him in a concentrated manner. The board of directors shall inform the shareholders of the biographies and basic information of the director and supervisor candidates through the announcement.

New Article 56

One single vote may be cast only once by using one single method of voting, being on-site voting, or online voting or another method of voting. If one single vote has been cast multiple times, the vote of the first time shall govern.

Article 49

Resolutions of a general meeting shall be ordinary resolutions or special resolutions.

(I) Ordinary resolutions

1. Ordinary resolutions shall be passed by votes representing more than one-half of the voting rights held by the shareholders (including Proxies) present at the meeting.
2. The following matters shall be resolved by ordinary resolutions at the general meetings:
 - (1) work reports of the board of directors and board of supervisors;
 - (2) profit distribution plans and loss indemnification plans formulated by the board of directors;
 - (3) election and removal of members of the board of directors and shareholder representative supervisors and their remuneration and payment methods;

Article 49~~57~~

Resolutions of a general meeting shall be ordinary resolutions or special resolutions.

(I) Ordinary resolutions

1. Ordinary resolutions shall be passed by votes representing ~~more than~~ one-half or more of the voting rights held by the shareholders (including Proxies) present at the meeting.
2. The following matters shall be resolved by ordinary resolutions at the general meetings:
 - (1) work reports of the board of directors and board of supervisors;
 - (2) profit distribution plans and loss indemnification plans formulated by the board of directors;
 - (3) election and removal of members of the board of directors and shareholder representative supervisors and their remuneration and payment methods;

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(4) annual preliminary and final budgets, balance sheets, profit and loss accounts and other financial statements of the Company;

(5) matters other than those which are required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

(II) Special resolutions

1. Special resolutions shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders (including Proxies) present at the meeting.

2. The following matters shall be resolved by special resolutions at the general meetings:

(1) increase or reduction in the share capital, repurchase of the Company's shares and issue of shares of any class, warrants or other similar securities;

(4) annual preliminary and final budgets, balance sheets, profit and loss accounts and other financial statements of the Company;

(5) annual reports of the Company; and

~~(5)~~ matters other than those which are required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

(II) Special resolutions

1. Special resolutions shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders (including Proxies) present at the meeting.

2. The following matters shall be resolved by special resolutions at the general meetings:

(1) increase or reduction in the share capital, repurchase of the Company's shares and issue of shares of any class, warrants or other similar securities;

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| (2) issue of bonds of the Company; | (2) issue of bonds of the Company; |
| (3) division, merger, dissolution, liquidation or change of corporate form of the Company; | (3) division, merger, dissolution, liquidation or change of corporate form of the Company; |
| (4) amendment to the Articles of Association; and | (4) amendment to the Articles of Association; and |
| (5) any other matters approved at a general meeting, by way of ordinary resolutions, and considered by the general meeting to have material impacts on the Company and to require approval by special resolutions. | (5) <u>purchases or sales within one year of material assets or guarantee amounts in excess of 30% of the most recent audited total assets of the Company;</u> |
| | (6) <u>share incentive schemes; and</u> |
| | (57) <u>any other matters required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed or the Articles of Association, or those approved at a general meeting, by way of ordinary resolutions, and considered by the general meeting to have material impacts on the Company and to require approval by special resolutions.</u> |

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Article 50

Shareholders of the affected class, regardless of whether having the right to vote or not at the general meetings, shall have the right to vote at class shareholders' meetings on matters concerning sub-paragraphs (2) to (8) and (11) to (12) of Article 22 of these Rules. However, interested shareholder(s) shall not be entitled to vote at class shareholders' meetings.

"(An) interested shareholder(s)" in the preceding paragraph means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company on a pro-rata basis or by way of on-market purchase through the stock exchange pursuant to Article 30 of the Articles of Association, an "interested shareholder" refers to a controlling shareholder within the meaning of Article 58 of the Articles of Association;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 30 of the Articles of Association, an "interested shareholder" refers to a shareholder to whom the proposed agreement relates;

Article ~~50~~58

Shareholders of the affected class, regardless of whether having the right to vote or not at the general meetings, shall have the right to vote at class shareholders' meetings on matters concerning sub-paragraphs (2) to (8) and (11) to (12) of Article ~~22~~23 of these Rules. However, interested shareholder(s) shall not be entitled to vote at class shareholders' meetings.

"(An) interested shareholder(s)" in the preceding paragraph means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company on a pro-rata basis or by way of on-market purchase through the stock exchange pursuant to Article ~~30~~28 of the Articles of Association, an "interested shareholder" refers to a controlling shareholder within the meaning of Article ~~58~~62 of the Articles of Association;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 30 of the Articles of Association, an "interested shareholder" refers to a shareholder to whom the proposed agreement relates;

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(3) in the case of a restructuring of the Company, an “interested shareholder” refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring which is different from the general interests of the shareholders of that class.

Article 51

Resolutions of a class shareholders’ meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class represented at the relevant meeting who, according to the preceding Article herein, are entitled to vote at the meeting.

Article 53

If a connected transaction is being reviewed at a general meeting, the connected shareholders shall abstain from voting if required by the listing rules of the stock exchange where the shares of the Company are listed, and the voting rights represented by the shares held by them shall not be counted towards the total number of valid votes.

If any shareholder is required to abstain from voting or may only vote for or against a matter pursuant to the applicable laws and regulations and the listing rules of the stock exchange where the shares of the Company are listed, any vote by such shareholder or his proxy in violation of such rules or restrictions shall not be counted in the voting results.

(3) in the case of a restructuring of the Company, an “interested shareholder” refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring which is different from the general interests of the shareholders of that class.

Article 5159

Resolutions of a class shareholders’ general meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class represented at the relevant meeting who, according to the preceding Article herein, are entitled to vote at the meeting.

Article 5361

If a connected transaction is being reviewed at a general meeting, the connected shareholders shall abstain from voting if required by the listing rules of the stock exchange where the shares of the Company are listed, and the voting rights represented by the shares held by them shall not be counted towards the total number of valid votes.

If any shareholder is required to abstain from voting or may only vote for or against a matter pursuant to the applicable laws and regulations and the listing rules of the stock exchange where the shares of the Company are listed, any vote by such shareholder or his proxy in violation of such rules or restrictions shall not be counted in the voting results.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders present at a general meeting.

Where the general meeting considers a material matter bearing on the interest of small and medium investors, the votes cast by small and medium investors shall be counted separately. The result of such separate vote counting shall be publicly disclosed in a timely manner.

The board of directors, independent directors and shareholders satisfying relevant stipulated conditions may conduct public proxy solicitation. Where such proxy solicitation is conducted, particulars on the voting intention and similar information shall be fully disclosed to the solicited persons. Proxy solicitation on a fee basis or on a disguised fee basis shall be prohibited. The Company shall impose no minimum shareholding restriction for proxy solicitation. The soliciting person shall conduct public proxy solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the shares of the Company are listed.

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Article 54

The shareholders present at the general meetings shall express their opinions on the resolutions put to vote by one of the following: for, against or abstain.

Shareholders (Proxies) shall complete their ballot papers carefully as the requirements and put the ballot papers into the ballot box. Any ballot paper containing uncompleted parts, false information, illegible writing and any uncast paper shall be regarded as “abstained” by the shareholder, and such ballot papers shall not be counted in the calculation of the required majority.

Article 55

Before voting on a proposal, the shareholders present at a general meeting shall nominate at least one supervisor and two shareholders as representatives to participate in counting and supervising the voting. If a matter to be reviewed relates to a shareholder, such shareholder or its proxy shall not participate in vote counting and supervision of voting.

When the general meeting votes on a proposal, the supervisor and the shareholder representatives shall jointly be responsible for vote counting and voting supervision. The voting results shall be announced on the spot and shall be recorded in the meeting minutes.

Article 5462

The shareholders present at the general meetings shall express their opinions on the resolutions put to vote by one of the following: for, against or abstain. The securities registration and clearing institution, being the nominee of the Shares under the “stock connect” scheme between the mainland China and Hong Kong stock markets shall be excused from this requirement so long as its declarations are made consistent with the intention of the actual holders.

Shareholders (Proxies) shall complete their ballot papers carefully as the requirements and put the ballot papers into the ballot box. Any ballot paper containing uncompleted parts, false information, illegible writing and any uncast paper shall be regarded as “abstained” by the shareholder, ~~and such ballot papers shall not be counted in the calculation of the required majority.~~

Article 5563

Before voting on a proposal, the shareholders present at a general meeting shall nominate ~~at least one supervisor and~~ two shareholders as representatives to participate in counting and supervising the voting. If a matter to be reviewed relates to a shareholder, such shareholder or its proxy shall not participate in vote counting and supervision of voting.

When the general meeting votes on a proposal, the lawyer, supervisor and the shareholder representatives shall jointly be responsible for vote counting and voting supervision. The voting results shall be announced on the spot and shall be recorded in the meeting minutes.

If the votes whether by hand or by poll for and against a resolution are equal, the chairman of the meeting shall be entitled to cast one more vote.

The chairman of the meeting is responsible for deciding whether a resolution at the general meeting is passed. His/her decision is final and shall be announced at the meeting and recorded in the meeting minutes.

The resolutions of the general meeting shall be published by the Company according to the applicable laws and the listing rules of the stock exchange where the shares of the Company are listed.

Shareholders or their proxies who vote online or by means of another method shall have the right to inspect and verify their own voting results through the relevant voting system.

~~If the votes whether by hand or by poll for and against a resolution are equal, the chairman of the meeting shall be entitled to cast one more vote.~~

The chairman of the meeting is responsible for deciding whether a resolution at the general meeting is passed. His/her decision is final and shall be announced at the meeting and recorded in the meeting minutes.

The resolutions of the general meeting shall be published by the Company according to the applicable laws and the listing rules of the stock exchange where the shares of the Company are listed.

New Article 64

The conclusion time of the on-site general meeting shall not occur earlier than its counterpart in the online form or in another form; and the chairman of the meeting shall announce the particulars and result of the vote casted on each proposal and declare, on the basis of such voting result, if the relevant proposal(s) have been passed.

Until the formal announcement of the voting results, the Company, vote counters, scrutineers, substantial shareholders, internet service providers and other relevant parties involved in the on-site, online and other voting methods are obligated to maintain in confidence the particulars of the vote.

New Article 65

The resolutions of the general meetings shall be announced promptly. Such announcement shall set out the number of the Shareholders and proxies present at the meeting, the total number of shares carrying voting rights held by such shareholders and proxies, the percentage of such shares relative to the total number of shares carrying voting rights of the Company, the method(s) of voting, the voting result of each proposal, and the full particulars of the adopted resolutions.

Article 56

The minutes of the general meetings shall be prepared and signed by the chairman of the meeting, the directors and supervisors who are present at the meeting, the secretary of the board of directors and the conveners or their representatives. The secretary of the board of directors shall be responsible for the meeting minutes and shall record the following contents:

- (1) number of the shares carrying voting rights held by the shareholders who are present at general meeting and percentage of such shares in the total share of the Company;
- (2) time and venue of the meeting;
- (3) name of the chairman and agenda of the meeting;
- (4) key points of the speech by each speaker on the matters to be reviewed;
- (5) voting results on each matter to be reviewed;

Article 5666

The minutes of the general meetings shall be prepared ~~and signed by~~. The chairman of the meeting, the directors and supervisors who are present at the meeting, the secretary of the board of directors and the conveners or their representatives shall sign the minutes and ensure the truthfulness, accuracy and completeness of their content. The secretary of the board of directors shall be responsible for the meeting minutes and shall record the following contents:

- ~~(1) number of the shares carrying voting rights held by the shareholders who are present at general meeting and percentage of such shares in the total share of the Company;~~
- ~~(2) time and venue of the meeting;~~
- ~~(3) name of the chairman and agenda of the meeting;~~
- ~~(4) key points of the speech by each speaker on the matters to be reviewed;~~
- ~~(5) voting results on each matter to be reviewed;~~

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| (6) inquiry opinions or recommendations of the shareholder and the relevant replies or explanations by the directors and supervisors; | (6) inquiry opinions or recommendations of the shareholder and the relevant replies or explanations by the directors and supervisors; |
| (7) the counting result if vote counting is conducted at the general meeting; | (7) the counting result if vote counting is conducted at the general meeting; |
| (8) other matters which, in the opinion of the general meeting or as required by the Articles of Association, shall be recorded in the meeting minutes. | (8) other matters which, in the opinion of the general meeting or as required by the Articles of Association, shall be recorded in the meeting minutes. |
| | (1) <u>time, venue and agenda of the meeting and the name(s) of its convener(s);</u> |
| | (2) <u>names of the chairman of the meeting and of the directors, supervisors, president and other senior management members attending or observing the meeting;</u> |
| | (3) <u>number of the shareholders and proxies present at the meeting, total number of the shares carrying voting rights held by such shareholders and proxies and percentage of such shares in the total shares of the Company;</u> |
| | (4) <u>proceeding of deliberations, key points of speech and voting result pertaining to each proposal;</u> |
| | (5) <u>inquiry opinions or recommendations of the shareholders and relevant replies or explanations;</u> |
| | (6) <u>names of lawyers, vote counters and scrutineers;</u> |
| | (7) <u>other matters required to be included in the meeting minutes by the Articles of Association.</u> |

The minutes shall be kept for at least ten years, together with the attendance book signed by the attending shareholders, the proxy forms of the attending proxies, and valid materials pertaining to the vote particulars of online voting and other methods of voting.

CHAPTER 9 ADJOURNING

Article 57

The board of directors of the Company shall ensure that a general meeting is being held smoothly without being interrupted within reasonable working hours until final resolutions are adopted. The chairman of the meeting is entitled to adjourn the meeting according to the arrangement and progress of the meeting. The chairman of the meeting is also entitled to adjourn the meeting as he/she considers necessary.

Article 58

If, during the meeting, disputes arise among the shareholders present on the identity of any shareholder and the counting results which cannot be resolved on site, and for this reason the order of the meeting is affected and the meeting cannot be continued, the chairman of the meeting shall declare an adjournment of the meeting. After the aforementioned situation disappears, the chairman of the meeting shall notify the shareholders to resume the meeting as soon as practicable.

Article ~~57~~67

~~The board of directors of the Company~~ convener shall ensure that a general meeting is being held smoothly without being interrupted within reasonable working hours until final resolutions are adopted. The chairman of the meeting is entitled to adjourn the meeting according to the arrangement and progress of the meeting. The chairman of the meeting is also entitled to adjourn the meeting as he/she considers necessary.

Article ~~58~~68

If, during the meeting, disputes arise among the shareholders present on the identity of any shareholder and the counting results which cannot be resolved on site, and for this reason the order of the meeting is affected and the meeting cannot be continued, the chairman of the meeting shall declare an adjournment of the meeting. After the aforementioned situation disappears, the chairman of the meeting shall notify the shareholders to resume the meeting as soon as practicable.

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Article 59

If, due to force majeure or any other extraordinary reasons, a general meeting is adjourned for one working day or more and it is prevented from being properly convened or making any resolution, the board of directors of the Company shall report to the stock exchange and issue an announcement and shall take all necessary measures to resume the general meeting as soon as possible.

Article ~~59~~69

If, due to force majeure or any other extraordinary reasons, a general meeting is adjourned ~~for one working day or more~~ and ~~it is prevented from being properly convened or making any resolution,~~ making resolutions, the convener shall report to the local CSRC of the Company and the stock exchange(s) and shall issue announcements without delay. The board of directors of the Company shall ~~report to the stock exchange and issue an announcement and shall take all~~ take necessary measures to resume the general meeting as soon as ~~possible~~ practicable or directly terminate the general meeting.

CHAPTER 10 POST-MEETING EVENTS AND ANNOUNCEMENTS

Article 60

The secretary of the board of directors shall be responsible for submitting the meeting minutes, the resolutions passed at the meeting and other relevant materials to the relevant regulatory authorities in accordance with laws, regulations and the requirements of the securities regulatory authorities of the State Council and the stock exchange where the shares of the Company are listed, and for arranging the announcement to be published in the designated media.

Article ~~60~~70

The secretary of the board of directors shall be responsible for submitting the meeting minutes, the resolutions passed at the meeting and other relevant materials to the relevant regulatory authorities in accordance with laws, regulations and the requirements of the securities regulatory authorities of the State Council and the stock exchange where the shares of the Company are listed, and for arranging the announcement to be published in the designated media.

New Article 74

Where the general meeting has adopted resolutions on the election of directors and supervisors, the date of approval of such resolutions of the general meeting shall be the date on which such newly elected Directors and Supervisors shall take office.

Where the general meeting has adopted a resolution on cash dividend, bonus issue or capitalization of capital reserves, the Company will implement the specific plan within two (2) months from the conclusion of the general meeting.

New Article 75

Resolutions of the general meetings whose content contravenes laws and administrative regulations shall be null and void.

The controlling shareholders and the actual controllers of the Company shall neither restrict or impede the lawful exercise by small and medium investors of their voting rights nor prejudice the legitimate rights and interests of the Company and small and medium investors.

If the procedures of convening a general meeting or the methods of voting at a general meeting are in violation of laws, administrative regulations or the Articles of Association of the Company, or the content of the resolutions of a general meeting contravenes with the Articles of Association, then a shareholder may make petition to the people's court requesting to rescind such resolutions within 60 days of their passage.

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CHAPTER 11 SUPPLEMENTAL PROVISIONS

Article 64

These Rules shall come into force upon the adoption by the general meeting by a special resolution.

Article 68

The references “or more” and “not more than” shall include the given number; the references “more than one-half” and “more than” shall exclude the given number.

Article ~~64~~76

These Rules shall ~~come into force upon the adoption~~be adopted by the general meeting by a special resolution. Provisions of these Rules pertaining to the domestic listing shall come into force from the date on which the shares of the Company are publicly offered and listed on a domestic stock exchange.

Article ~~68~~80

The references “or more” and ~~“not more than”~~ shall include the given number; the references “not more than”, “more than one-half” and “more than” shall exclude the given number.

The English version of the Procedural Rules for the Board in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to ensure that the board of directors (hereinafter referred to as the “**Board**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) fulfils the duties and powers conferred by all the shareholders of the Company, conducts discussions efficiently and makes scientific, expeditious and prudent decisions, and to regulate the work procedures of the Board, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Code of Corporate Governance for Listed Companies, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (such listing rules of the exchanges on which the Shares of the Company are listed, hereinafter together referred to as the “**Listing Rules**”) and other relevant laws and regulations governing domestic and overseas listed companies and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).

CHAPTER 2 POWERS AND AUTHORITIES OF BOARD

Article 2 The Board shall be accountable to the general meeting and shall exercise the following powers:

- (1) to be responsible for convening general meetings and report its work to the general meeting;
- (2) to implement the resolutions of the general meeting;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plans and loss recovery plans of the Company;

- (6) to formulate the proposal for increase or reduction of the registered capital of the Company and issue of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and conversion of corporate form of the Company;
- (8) to decide on the internal management structure of the Company and to decide on the establishment or revocation of branch companies or branch offices of the Company;
- (9) to elect the chairman of the Board and the vice-chairman of the Board, and to nominate, appoint or dismiss the president of the Company;
- (10) to appoint or dismiss the secretary of the Board and to appoint or dismiss the chairman of each Board committee;
- (11) according to the nomination of the president, to appoint or dismiss the vice president(s), the chief financial officer, the chief human resources officer, the chief technology officer, the chief sales officer and the chief marketing and strategy officer of the Company, and to decide on their remunerations, incentives and punishments;
- (12) to formulate the basic management regulations of the Company;
- (13) to formulate proposals for any amendment to the Articles of Association;
- (14) to propose to the general meeting to engage or replace the accounting firm which undertakes auditing work of the Company;
- (15) decide on (among others) external investment, purchase and sale of assets, assets mortgage, external guarantees, entrusted wealth management and related party transactions of the Company within the scope of authorization granted by the general meeting;
- (16) to manage information disclosure matters of the Company;
- (17) to receive the work report of the president and inspect the work of the president of the Company;
- (18) to exercise any other powers stipulated by laws, regulations and the listing rules of the stock exchange where the shares of the Company are listed, or conferred by the general meeting and the Articles of Association.

Article 3 The directors may request the president, or, through the president, relevant departments of the Company, to provide materials and explanations required for them to make decisions. The president shall provide the directors with necessary information and materials to facilitate the decision-making of the Board.

The independent directors may, if they think necessary, appoint (an) independent institution(s) to issue an independent opinion to be relied upon by them in making decisions. Costs incurred in the engagement of such (an) independent institution(s) shall be borne by the Company.

Article 4 Any matter to be submitted by the Board to the general meeting for approval as required by the laws, administrative rules, regulations of the competent government department(s) or the Articles of Association shall first be considered and resolved on by the Board.

The Board shall review the interim proposals put forward by shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights for deliberation at general meetings and decide whether such proposals shall be submitted to the general meeting for consideration.

Article 5 In order to improve the efficiency of the day-to-day operation of the Company, transactions of the Company which need not be submitted to the general meeting for approval but are required to be disclosed under the Listing Rules shall be approved by the Board, or by the management of the Company if such transactions do not meet the thresholds pursuant to which the deliberation and approval by Board is required.

Article 6 The Board shall set the scope of authorities in respect of external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management, securities trading and related party transactions and establish strict review and decision-making procedures. The Board shall, in the case of a material investment project, arrange for experts and professionals to appraise such project and submit it to the general meeting for approval.

Article 7 As authorized by the Board, during the period when the Board is not in session, the chairman of the Board may exercise part of the functions and powers of the Board (including, requesting the senior management personnel to implement the matters approved by the Board; making reasonable and appropriate adjustments and amendments to the matters approved by the Board in light of the actual circumstances of the market and the Company within the scope then agreed by the Board; and executing agreements and instruments in relation to the aforesaid adjustments and amendments), the scope of which shall be further determined by the Board.

CHAPTER 3 BOARD COMPOSITION AND BOARD ORGANS

Article 8 The Board shall be composed in accordance with laws, regulations, the Listing Rules and the Articles of Association and shall include an appropriate portion of independent directors and external directors.

The appointment, removal and term of office of the directors shall be in compliance with the Articles of Association. A director shall not be removed by the general meeting without any reason prior to the expiry of his/her term of office. The term of office of a director shall commence on the date his/her appointment is approved by a resolution of the general meeting and end upon expiry of the term of the relevant session of the Board.

If the term of office of all the members of a session of the Board has expired and if the new session of the Board is yet to be composed, the members of such existing session of Board shall continue to perform their duties until the new session of the Board is composed.

Article 9 The Board shall have one chairman and one vice-chairman.

Pursuant to the Articles of Association and the relevant resolutions and/or authorizations of the general meeting, the Board shall establish an audit committee, a nomination and remuneration committee and a strategy committee. These special committees shall, pursuant to the arrangement of the Board and as proposed by the chairman of the Board and the president, convene meetings from time to time to conduct research on specific issues and provide opinions and recommendations on these matters to the Board for its reference in connection with its decision-making.

CHAPTER 4 SECRETARY OF THE BOARD

Article 10 The Company shall have one secretary of the Board. The secretary of the Board shall be a senior management personnel of the Company, a natural person with requisite professional knowledge and experience, and appointed by the Board. His/her primary duties include:

- (1) to be responsible for the communication and coordination between the Company and related parties, and the stock exchange and other securities regulatory authorities, and to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;
- (2) to be responsible for affairs in connection with information disclosure of the Company, procuring the Company to formulate and implement the information disclosure system and material information internal reporting system, procuring the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and submitting regular reports and temporary reports to the stock exchange in accordance with the relevant regulations;
- (3) to coordinate the relationship between the Company and its investors, handling visits of the investors, answering questions raised by the investors, and providing the investors with information disclosed by the Company;
- (4) to prepare for general meetings and the Board meetings pursuant to legal procedures and to prepare and submit relevant documents and materials of the meetings;
- (5) to attend the Board meetings and prepare and sign on the minutes of the meetings;
- (6) to be responsible for confidentiality in relation to the information disclosure of the Company, to formulate confidentiality measures to procure the directors, supervisors, the president and other senior management personnel, and the relevant insiders to keep confidential all information before disclosure thereof, to make remedial measures in a timely manner in the event of divulgence of inside information and report to the stock exchange;

- (7) to be responsible for keeping the register of members, the register of directors, information on the shares of the Company held by major shareholders, directors, supervisors, the president and other senior management personnel, and documents and minutes of the general meetings and Board meetings, to ensure that the Company has a complete set of constitutional documents and records, and to ensure that the persons who are entitled to have access to relevant records and documents of the Company are able to obtain such records and documents in a timely manner;
- (8) to assist the directors, supervisors, the president and other senior management personnel to understand the relevant requirements of information disclosure under the laws, regulations, rules, listing rules and other rules of the stock exchange and the Articles of Association, and their liabilities under the listing agreements;
- (9) to procure the Board to exercise its powers in compliance with the law; to remind the directors present at the meeting where the resolutions to be made by the Board violate the relevant laws, regulations, rules, listing rules or other rules of the stock exchange and the Articles of Association, and request the supervisors present at meeting to express their opinions; The secretary of the Board shall record the individual opinions of relevant supervisors and persons in the meeting minutes if the Board insists on making the above-mentioned resolutions, and report to the stock exchange;
- (10) to fulfill other duties as required by the applicable laws, regulations, rules, the listing rules and other rules of the stock exchange and the Articles of Association.

Article 11 The Company shall formulate regulations in relation to the work of the secretary the Board to procure his/her satisfactory implementation of information disclosure, investors relations and other work. Such regulations shall be submitted to the Board and become effective upon approval by the Board.

CHAPTER 5 REGULATIONS OF THE BOARD MEETINGS

Article 12 There are two types of the Board meetings, namely regular meetings and interim meetings.

The Board meetings shall, in principle, be convened on-site. If necessary, upon consent of its convener (chairman) and its initiator, a Board meeting may be convened by video conference, telephone conference, or voting via facsimiles or emails, provided that the directors shall be able to fully express their opinions. The Board meetings may also be convened on-site and off-site simultaneously.

Where a Board meeting is convened off-site, the number of directors present at a meeting shall be calculated based on the number of the directors present by video, the number of the directors expressing their opinions during conference calls, the number of valid votes casted by means of fax, email or otherwise received within the prescribed period, or the number of post-meeting written confirmations submitted by the directors confirming their attendance.

In a meeting convened by video conference, should any director not be able to sign on the resolutions of such meeting immediately, such director shall vote orally and complete the signature in writing as soon as possible. The oral vote by the director shall have equal effect as his/her written signature.

If the matters to be considered at a Board meeting are of a procedural or case-specific nature, such meeting may be convened by way of written proposals, namely, resolutions will be made by circulation and consideration of written proposals. Unless otherwise specified on the resolutions by a director, the signing on the resolutions by such director shall be deemed as he/she has voted for such resolutions.

Article 13 Regular Meetings:

The Board shall convene at least one regular meeting in both the first half and the second half of each year. Such meetings include without limitation:

(I) Annual Board meetings

The annual Board meetings shall be convened within three months after the end of the accounting year of the Company. The directors shall mainly review and consider the annual report of the Company and deal with other relevant matters at such meetings. The time of convening the annual Board meetings shall ensure that the annual reports of the Company will be despatched to the shareholders within the time limit prescribed by applicable regulations and the Articles of Association, and shall ensure that the preliminary annual financial results will be announced within the time limit prescribed by applicable regulations, and shall also ensure that the annual general meeting will be convened within six months from the end of the accounting year of the Company.

(II) Semi-annual Board meetings

The semi-annual Board meetings shall be convened within two months from the end of the first six months of the accounting year of the Company. The directors shall mainly review and consider the interim reports of the Company and deal with other relevant matters at such meetings.

Article 14 Interim meetings

In the event of any of the following circumstances, the chairman of the Board shall issue a notice convening an interim meeting within 10 days:

- (1) when it is proposed by shareholders representing not less than ten percent (10%) of the voting rights;
- (2) when it is jointly proposed by not less than one-third of the directors;
- (3) when it is proposed by the board of supervisors;
- (4) when it is proposed by the Company's president;
- (5) when it is proposed by not less than one half of the independent directors;

- (6) when the chairman of the board considers it necessary;
- (7) when it is required by securities regulatory authorities;
- (8) other circumstances prescribed by laws, regulations, Listing Rules or the Articles of Association.

CHAPTER 6 PROCEEDING OF THE BOARD MEETINGS

Article 15 Collecting Proposals

Prior to the issue of a notice convening a regular meeting, the secretary of the Board shall be responsible for collecting draft proposals in respect of the matters to be considered at such meeting. Each proposer who puts forward the relevant proposal(s) shall submit the proposals and relevant explanatory materials to the secretary of the Board no later than 10 days before the convening of such meeting. Proposals concerning material related party transactions (as determined in accordance with the standards promulgated by competent regulatory authorities from time to time) which are required to be reviewed by the Board or the general meeting in compliance with law shall first be approved by the independent directors. The secretary of the Board shall sort out relevant materials and submit a preliminary draft of the meeting proposals which set out the time, venue and agenda of the meeting to the chairman of the Board for finalization.

Before finalizing such proposals, the chairman of the Board shall solicit, as he/she deems necessary, comments from the president and other senior management personnel. If an interim meeting is proposed to be convened, a written proposal signed and chopped by the proposer shall be submitted to the chairman of the Board, either directly or through the working organ of the Board, which shall set out the following items:

- (1) name of the proposer;
- (2) reason or objective basis for the proposal;
- (3) time or duration, venue and form for convening the proposed meeting;
- (4) clear and specific proposals;
- (5) contact information of the proposer and date of proposal, etc.

The content of the proposals shall fall within the scope of powers and functions of the Board as stipulated under the Articles of Association and any materials in relation to a proposal shall be submitted together with such proposal.

The working organ of the Board shall forward the aforesaid written proposals and relevant materials to the chairman of the Board on the same day it receives the same. Where the chairman of the Board is of the view that the content of the proposals is not clear or specific, or the relevant materials are not sufficient, he/she may request the proposer to make revisions or supplements.

The chairman of the Board shall convene the Board meeting within 15 days after the receipt of the proposal and shall preside over such meeting.

Article 16 Putting forward Proposals

The proposals of the Board meetings shall be put forward in relation to the following:

- (1) matters proposed by the directors;
- (2) matters proposed by the board of supervisors;
- (3) proposals from the special committees of the Board;
- (4) matters proposed by the president;
- (5) matters required to be considered and approved at shareholders' (general) meetings of the Company's subsidiaries or companies in which the Company holds equity interest.

Article 17 Convening the Meetings

The Board meetings shall be convened by the chairman of the Board. If the chairman of the Board is not able to convene a meeting, such meeting shall be convened by the vice-chairman of the Board. If neither the chairman of the Board nor the vice-chairman of the Board is able to convene the meeting, such meeting shall be convened by a director jointly elected by more than a half of the directors.

Article 18 Notice of the Meetings

The notice of a Board meeting shall be despatched in accordance with the following requirements and methods:

- (1) where the time and venue of a regular meeting have been determined and notified by the Board by giving at least 14 days' notice in advance, unless such time and venue of such regular meeting are changed for cause, no further notice will be required to be served in relation to the convening of such meeting. The agenda and relevant documents of such regular meeting shall be provided to all the directors and supervisors and other personnel in attendance at least three days before the date of the meeting;
- (2) where the time and venue of a regular Board meeting are not determined by the Board in advance, the administrative department of the Board shall notify all the directors, supervisors and other personnel in attendance of the time, venue and agenda of such meeting, either by hand, facsimile, email or other means, at least fourteen days before the date of the meeting. If a notice is not despatched by hand, a telephone call shall be made for confirmation and a record shall be kept accordingly. Where an interim Board meeting is to be held, the administrative department of the Board shall notify all the directors, supervisors and other personnel in attendance at least 10 days in advance pursuant to the preceding requirement.
- (3) the notice of a Board meeting shall be written in both Chinese and English and shall set out the meeting agenda. Any director may waive the right to receive the notice of a Board meeting.

In case of emergency, where an interim meeting is required to be convened as soon as possible, the notice of such meeting may be despatched by phone or other oral methods at any time, provided that the convener of the meeting shall provide explanations at the meeting.

A written notice of a meeting shall include at least the following information:

- (1) the time, venue and duration of the meeting;
- (2) the means of convening the meeting;
- (3) matters to be reviewed and considered (i.e. meeting proposals);
- (4) the convener and chairman of the meeting, the proposer of the interim meeting and his/her written proposals;

- (5) meeting materials necessary for voting by the directors;
- (6) requests as to whether a director shall attend the meeting in person or may authorize another director to attend on his/her behalf;
- (7) contact person and his/her contact information;
- (8) issue date of the notice.

An oral notice of a meeting shall include at least the information set out in paragraphs (1) and (2) above and the explanations for the reasons why an interim meeting shall be convened as a matter of emergency.

A director shall, upon receipt of the notice of a meeting, confirm to the Board office in writing in a timely manner but no later than two days before the meeting.

If a director has attended a meeting without raising any objections either before the meeting or at the meeting relating to his/her failure of receiving the notice of such meeting, he or she shall be deemed to have received the notice of such meeting.

Article 19 Communications before the Meetings

After the issue of the notice of a meeting and before the convening of such meeting, the secretary of the Board shall, in light of the circumstances, communicate and liaise with relevant directors to seek their comments or recommendations on relevant proposals and shall forward the same in a timely manner to the proposers of such proposals for improvement. The secretary of the Board also shall provide supplemental materials as required by the directors.

Article 20 Changes to the Notice of the Meetings

After the written notice of a regular meeting has been despatched, if there are any changes to the time and venue of such meeting, any additional proposals, any amendment to or removal of any proposals, a supplementary notice in writing shall be despatched three days before the date of the originally scheduled meeting, which shall contain an explanatory statement of the circumstances, the content of the new proposals and relevant materials, as applicable. If such supplementary notice fails to be despatched three days before the date of the originally scheduled meeting, either such meeting shall be postponed accordingly, or, upon unanimous consent of all directors present at the meeting, be convened as originally scheduled.

After the written notice of an interim meeting has been despatched, if there are any changes to the time and venue of such meeting, any additional proposals, any amendment to or removal of any proposals, unanimous consent shall be obtained from all the directors present at the meeting in advance and records shall be made accordingly.

Article 21 Attendance of the Meetings

Except where connected transactions shall be reviewed by the Board during a meeting, a Board meeting shall not be held unless more than a half of the directors (inclusive of directors who authorize another director to attend the Board meetings on their behalf pursuant to the Articles of Association) are present.

If (a) director(s) refuse(s) or fail(s) to attend a meeting, the quorum of such meeting, as a result, is not met, the chairman and the secretary of the Board shall report to the regulatory authorities in a timely manner.

The supervisors are entitled to attend the Board meetings. The president and the secretary of the Board who is not a director shall attend the Board meetings. To the extent he/she deems it necessary, the chairman of the meeting may notify other relevant persons to attend the Board meetings.

The directors shall attend a Board meeting in person in principle. Where a director is unable to attend a meeting for any reason, he/she may by a written power of attorney appoint another director to attend the meeting as his/her proxy (where an independent director is unable to attend in person, he/she shall appoint another independent director to attend the meeting as his/her proxy). The power of attorney shall set out:

- (1) the name of such director and his/her attorney;
- (2) brief opinions of such director on each of the proposals;
- (3) the scope of authorization and the instruction by such director on his/her voting intention on the proposals;
- (4) the execution by such director and the execution date; etc.

Where a director authorizes another director to sign on periodic reports on his/her behalf, a specific authorization shall be set out in the power of attorney.

The director being authorized shall submit the power of attorney to the chairman of the meeting and shall specify his/her presence as a proxy of another director in the attendance sheet of the meeting.

Article 22 Restrictions on Attendance by Proxy

The appointment of a proxy to attend a Board meeting and the attendance by such proxy of such Board meeting shall comply with the following principles:

- (1) where connected transactions are reviewed at a meeting, a director who is not a related party shall not authorize a director who is a related party to attend such meeting and vote at such meeting on his/her behalf; nor shall any director who is a related party accept such authorization by any director who is not a related party;
- (2) an independent director shall not authorize a non-independent director to attend a meeting and vote at such meeting on his/her behalf; nor shall any non-independent director accept such authorization by any independent director;
- (3) a director shall not authorize another director with full powers to attend a meeting and vote at such meeting on his/her behalf without having specified his/her personal opinions and voting intentions on the proposals, nor shall any director accept authorizations with full powers or without specific scope by another director;
- (4) a director shall not accept the authorizations from more than two directors to attend a meeting and vote at such meeting on their behalf; nor shall any director authorize a director who has accepted authorizations by another two directors to attend a meeting and vote at such meeting on his/her behalf.

If a director fails to attend the Board meetings in person or by proxy twice consecutively, the Board may propose to the general meeting to replace such director.

Article 23 Board meetings shall be chaired by the chairman of the Board. If the chairman of the Board is unable to chair a meeting, such meeting shall be chaired by the vice-chairman of the Board. If neither the chairman of the Board nor the vice-chairman of the Board is able to chair a meeting, such meeting shall be chaired by a director jointly elected by more than a half of the directors.

After a new session of the Board has been elected at the general meeting, the director obtaining the largest number of affirmative votes at the general meeting (in case there are more than one such director, one director to be elected out of them) shall chair the meeting for electing the chairman of such new session of the Board.

Article 24 Consideration of Proposals

The chairman of the meeting shall declare the meeting open at the scheduled time.

Upon the directors present at the meeting reaching a consensus on the meeting agenda, the meeting presided by the chairman shall consider the proposals one by one, and the proposers or their proxies shall report work or explain the proposals to the Board.

With respect to the proposal that shall be approved by independent directors in advance according to the regulations, the chairman shall read out the written confirmation of independent directors before discussion of relevant proposals.

Any director who obstructs the normal proceeding of a meeting or interferes with the speech by another director shall be restrained from doing so by the chairman without delay.

Except as approved unanimously by all directors present, the Board meeting shall not vote on any proposal that is not included in the meeting notice. A director entrusted by other director to attend the meeting shall not vote on the proposal beyond the meeting notice on his/her behalf.

During review of proposals and listening to relevant reports, to understand the key points and process in detail, the Board may require persons in charge of relevant departments to attend the meeting as non-voting attendees to listen to and inquire about relevant matters, for the purpose of making correct resolutions. Directors may learn information necessary for decision-making from relevant persons and institutions such as the liaison department of special committees, the meeting convener, the president and other senior management personnel, the special committees, accounting firms and law firms. They may also suggest the chairman at the meeting to invite above persons and institution representatives to attend the meeting and make explanations.

If unclear statement or problematic feasibility is found in review, the Board may require relevant departments to give an explanation, and may defer voting if necessary.

Directors shall read meeting documents earnestly, and express independent and prudent opinions based on full understanding of relevant circumstances.

Article 25 The independent directors shall present independent opinions to the Board on the following matters:

- (1) nomination, appointment and removal of directors;
- (2) appointment and removal of senior management personnel;
- (3) remuneration of the directors and senior management personnel of the Company;
- (4) the matters that independent directors consider may damage the interests of small and medium shareholders;
- (5) material cash transactions (as may be defined under the listing rules of the stock exchange where the shares of the Company are listed) between the Company and its shareholders or its affiliated companies;
- (6) the decision by the Board of not preparing a cash profit distribution plan;
- (7) other matters specified by applicable laws, regulations, Listing Rules, or the Articles of Association.

Article 26 With respect to the foregoing matters the independent directors shall explicitly state their opinions as follows:

- (1) approval;
- (2) qualified opinion and reasons;
- (3) disapproval and reasons;
- (4) inability to give opinions and reasons.

Article 27 Voting of Proposals

After a proposal is fully discussed, the chairman of the meeting shall request in due time the directors in attendance to vote on it.

Directors have three options for voting on a proposal, in favor, against, or abstention. Directors present shall select one of the above-mentioned options. If a director selects no or two or above options, the chairman of the meeting shall request the director to reselect. Any director refusing to reselect shall be deemed abstention. Any director who leaves the venue in the course of the meeting and does not return for voting shall be deemed abstention. Any director who neither attends a Board meeting in person nor appoints a proxy to attend the meeting on his/her behalf shall be deemed to have waived his/her voting right at such meeting.

Matters set out in paragraphs (6), (7) and (13) of Article 2 hereof shall require the affirmative vote of two-thirds or more of the directors; guarantee matters within the scope of authority of the Board shall, in addition to being passed by more than one half of the Directors, require the affirmative vote of not less than two-thirds of all the Directors attending the Board meeting; all other proposals considered by the Board may be adopted by the majority vote of the directors.

Voting at the Board meetings may take the form of either a show of hands or ballot. Each director shall be entitled to one vote.

Article 28 Abstention

In the event of any of the following circumstances, a director shall abstain from voting on the relevant proposal(s):

- (1) where a director shall abstain from voting as required by the listing rules of the stock exchange where the shares of the Company are listed;
- (2) where a director shall, in his/her own opinion, abstain from voting;
- (3) where a director shall abstain from voting as a result of his/her being connected to the company(ies) under a proposal pursuant to the Articles of Association.

If any director shall abstain from voting at a Board meeting, such meeting shall be duly convened so long as more than a half of the non-connected directors are present. Resolutions at such meeting shall be adopted by the affirmative vote of more than a half of all non-connected directors. Resolutions concerning matters which shall be approved by more than two-thirds of the directors, shall be adopted by the affirmative vote of more than two-thirds of all non-connected directors. If the number of non-connected directors present at such meeting is less than three, relevant proposals shall not be voted on at such meeting and shall be submitted to the general meeting for consideration.

If a director or his/her associate (as defined in the Listing Rules) has a material interest in a contract, transaction, arrangement or other matters that require the approval by the Board, such director shall not vote on such matter at such Board meeting, nor shall such director be counted towards the quorum of the meeting. If a resolution fails to be adopted as a result of abstention by the relevant directors, the relevant proposal shall be submitted to the general meeting for consideration.

Article 29 Special Provisions on Profit Distribution

When a Board meeting needs to resolve on matters pertaining to the distribution of the profits of the Company, it may first notify the certified public accountant of the distribution plan proposed to be submitted to the Board for consideration and request such accountant to produce a draft audit report (with all financial data determined, other than those related to distributions) on the basis of said plan. After the resolution on the distribution is passed by the Board, the Board shall request the certified public accountant to produce a formal audit report, on the basis of which the Board will resolve on other matters in relation to periodic reports.

Article 30 Proposals which are not passed

If a proposal is not passed at the Board Meeting, unless there are material changes in the relevant conditions and factors, the Board shall not reconsider a proposal containing the same content within one month.

Article 31 Postponement of Voting

If, in the opinion of one half or more of the attending directors or of two or more independent directors, a certain proposal is unclear or unspecific, or they being unable to form a judgment on the relevant matter due to the meeting materials are inadequate or other reasons, then the chairman of the meeting shall demand that the voting be postponed in the meeting.

The directors requesting the vote postponement shall lay out the specific requirements that such proposal needs to satisfy in order for it to be re-submitted for consideration.

Article 32 Directors shall take responsibilities for resolutions adopted by the Board. In case a resolution of the Board violates laws, administrative regulations or the Articles of Associations and caused heavy losses to the Company, the directors who have voted on the resolutions shall be liable for the compensation thereof; provided, however, that the director proved to vote against and kept a record in the minutes may be immune from the liability.

Article 33 Meeting Resolutions

Resolutions shall generally be adopted on all matters discussed and considered at Board meetings. The opinions expressed by the directors shall be set out in the resolutions of the Board.

Article 34 Meeting Minutes

The Board shall keep detailed minutes of the matters discussed at Board meetings. Such Board meeting minutes shall include the following information:

- (1) date and venue of the meeting and the names of its convener and chairman;
- (2) names of the directors attending in person and names of the directors attending through proxy and the names of such proxies;
- (3) meeting agenda;
- (4) key points of the speeches of the directors (where a meeting is held by way of circulation and consideration of written proposals, the written opinions from the directors);
- (5) voting method and results of each matter being considered and discussed (the voting results shall specify the number of votes in favor, against, abstention on each proposal).

The secretary of the Board shall diligently prepare meeting minutes. The minutes of each Board meeting shall be provided to all directors present at the meeting for review and signing. A director having different opinion on the minutes may insert explanatory note at the time of signing. Where necessary, such director shall promptly report to regulatory authorities; or make a public announcement. Any director who neither signifies his/her confirmation by signing, nor makes a written statement of his/her dissent, nor reports to the regulatory authority or makes a public announcement pursuant to the foregoing shall be deemed to have fully consented to the content of the minutes. Board meeting resolutions and minutes shall be properly maintained as important records of the Company at the domicile of the Company for 10 years.

CHAPTER 7 INFORMATION DISCLOSURE RELATING TO THE BOARD MEETINGS

Article 35 The Board shall strictly comply with the requirements of the stock exchange where the shares of the Company are listed in relation to the disclosure of information. It shall disclose the matters considered or resolutions made during the Board meeting which are required to be disclosed fully, timely and accurately. Information relating to significant matters shall be reported to the stock exchange as soon as possible and shall be filed with relevant regulatory authorities for record. The secretary of the Board and the department in charge of the Board affairs shall be responsible for implementing the foregoing.

The directors present at the meeting and other persons who are in attendance, taking notes or providing services at the meeting shall be obliged to keep the contents of the resolutions confidential until the resolutions are disclosed by a public announcement.

Article 36 Where a matter which requires independent opinions of the independent directors is discloseable, the Company shall disclose such opinions in an announcement. If the independent directors have different opinions and cannot reach any consensus, the Board shall disclose the respective opinions of each independent director.

CHAPTER 8 IMPLEMENTATION AND FEEDBACKS OF BOARD RESOLUTIONS

Article 37 The following matters shall not be implemented until they have been reviewed and approved by the Board and the general meeting:

- (1) to decide on the business plans and investment plans of the Company;
- (2) to formulate the annual financial budgets and final accounts of the Company;
- (3) to formulate the profit distribution plans and loss recovery plans of the Company;
- (4) to formulate the proposal for increase or reduction of the registered capital of the Company (including the repurchase of the shares of the Company) and issue of bonds or other securities of the Company and listing thereof;
- (5) to formulate plans for substantial acquisition, merger, division, dissolution, liquidation and conversion of corporate form of the Company;

- (6) to formulate proposals for any amendment to the Articles of Association;
- (7) to propose to the general meeting to engage or replace the accounting firm which undertakes auditing work of the Company.

Article 38 The chairman of the Board shall be entitled to inspect and supervise, or authorize the vice-chairman of the Board or a Director to inspect and supervise, the implementation of meeting resolutions.

Article 39 At each Board meeting, the president shall present a written report to such meeting in relation to the status of implementation of the matters which must be implemented pursuant to the resolutions of the previous Board meeting.

Article 40 The secretary of the Board shall, under the direction of the Board and the chairman of the Board, take initiative to obtain the information relating to the progress of the implementation of the Board resolutions and shall, in a timely matter, report to and provide recommendations to the Board and the chairman of the Board in relation to the material issues arising thereof.

CHAPTER 9 SUPPLEMENTAL PROVISIONS

Article 41 Upon the approval by the affirmative votes of more than two-thirds of all the directors of the Company, the formulation of and any amendment to these Rules shall be submitted to the general meeting for approval by a special resolution. Provisions of these Rules pertaining to the domestic listing shall come into force from the date on which the shares of the Company are publicly offered and listed on the domestic stock exchange.

Article 42 The Board shall be responsible for interpreting these Rules.

Article 43 If there are any matters not dealt with in these Rules or there are any matters in these Rules which are inconsistent with any laws, administrative regulations, other relevant normative documents and the regulatory provisions of the place where the shares of the Company are listed as promulgated from time to time, such laws, administrative regulations, other relevant normative documents and regulatory provisions of the place where the shares of the Company are listed shall prevail.

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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Appropriate consequential changes to the numbering and sequence of the relevant chapter, article, paragraph and sub-paragraph will be made, if required, but are not specifically described herein.

The English version of the Procedural Rules for the Board in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

**Existing Procedural Rules
for the Board**

**Draft Amended Procedural Rules
for the Board**

CHAPTER 1 GENERAL PROVISIONS

Article 1

In order to ensure that the board of directors (hereinafter referred to as the “**Board**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) fulfils the duties and powers conferred by all the shareholders of the Company, conducts discussions efficiently and makes scientific, expeditious and prudent decisions, and to regulate the work procedures of the Board, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “**Mandatory Provisions**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and other relevant laws and regulations governing domestic and overseas listed companies and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).

Article 1

In order to ensure that the board of directors (hereinafter referred to as the “**Board**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) fulfils the duties and powers conferred by all the shareholders of the Company, conducts discussions efficiently and makes scientific, expeditious and prudent decisions, and to regulate the work procedures of the Board, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Code of Corporate Governance for Listed Companies, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (~~hereinafter referred to as the “**Mandatory Provisions**”~~), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (~~and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange~~ (such listing rules of the stock exchanges on which the Shares of the Company are listed, hereinafter together referred to as the “**Listing Rules**”) and other relevant laws and regulations governing domestic and overseas listed companies and the Articles

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).

CHAPTER 2 POWERS AND AUTHORITIES OF BOARD

Article 2

The Board shall be accountable to the general meeting and shall exercise the following powers:

- (1) to be responsible for convening general meetings and report its work to the general meeting;
- (2) to implement the resolutions of the general meeting;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plans and loss recovery plans of the Company;
- (6) to formulate the proposal for increase or reduction of the registered capital of the Company and issue of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and conversion of corporate form of the Company;

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- (1) to be responsible for convening general meetings and report its work to the general meeting;
- (2) to implement the resolutions of the general meeting;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plans and loss recovery plans of the Company;
- (6) to formulate the proposal for increase or reduction of the registered capital of the Company and issue of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and conversion of corporate form of the Company;

<p>APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD</p>

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| <p>(8) to decide on the internal management structure of the Company and to decide on the establishment or revocation of branch companies or branch offices of the Company;</p> | <p>(8) to decide on the internal management structure of the Company and to decide on the establishment or revocation of branch companies or branch offices of the Company;</p> |
| <p>(9) to elect the chairman of the Board and the vice-chairman of the Board, and to nominate, appoint or dismiss the general manager of the Company;</p> | <p>(9) to elect the chairman of the Board and the vice-chairman of the Board, and to nominate, appoint or dismiss the general manager<u>president</u> of the Company;</p> |
| <p>(10) to appoint or dismiss the secretary of the Board and to appoint or dismiss the chairman of each Board committee;</p> | <p>(10) to appoint or dismiss the secretary of the Board and to appoint or dismiss the chairman of each Board committee;</p> |
| <p>(11) according to the nomination of the general manager, to appoint or dismiss the deputy general manager, the chief financial officer, the chief technology officer, the chief sales officer and the chief marketing and strategy officer of the Company, and to decide on their remunerations, incentives and punishments;</p> | <p>(11) according to the nomination of the general manager<u>president</u>, to appoint or dismiss the deputy general manager<u>vice president(s)</u>, the chief financial <u>officer</u>, the <u>chief human resources</u> officer, the chief technology officer, the chief sales officer and the chief marketing and strategy officer of the Company, and to decide on their remunerations, incentives and punishments;</p> |
| <p>(12) to formulate the basic management regulations of the Company;</p> | <p>(12) to formulate the basic management regulations of the Company;</p> |
| <p>(13) to formulate proposals for any amendment to the Articles of Association;</p> | <p>(12) to formulate the basic management regulations of the Company;</p> <p>(13) to formulate proposals for any amendment to the Articles of Association;</p> |
| <p>(14) to propose to the general meeting to engage or replace the accounting firm which undertakes auditing work of the Company;</p> | <p>(13) to formulate proposals for any amendment to the Articles of Association;</p> <p>(14) to propose to the general meeting to engage or replace the accounting firm which undertakes auditing work of the Company;</p> |

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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(15) to exercise any other powers stipulated by laws, regulations and the listing rules of the stock exchange where the shares of the Company are listed, or conferred by the general meeting and the Articles of Association.

(15) decide on (among others) external investment, purchase and sale of assets, assets mortgage, external guarantees, entrusted wealth management and related party transactions of the Company within the scope of authorization granted by the general meeting;

(16) to manage information disclosure matters of the Company;

(17) to receive the work report of the president and inspect the work of the president of the Company;

(15)18)to exercise any other powers stipulated by laws, regulations and the listing rules of the stock exchange where the shares of the Company are listed, or conferred by the general meeting and the Articles of Association.

Article 3

The directors may request the general manager, or, through the general manager, relevant departments of the Company, to provide materials and explanations required for them to make decisions. The general manager shall provide the directors with necessary information and materials to facilitate the decision-making of the Board.

The independent directors may, if they think necessary, appoint (an) independent institution(s) to issue an independent opinion to be relied upon by them in making decisions. Costs incurred in the engagement of such (an) independent institution(s) shall be borne by the Company.

Article 3

The directors may request the ~~general manager~~president, or, through the ~~general manager~~president, relevant departments of the Company, to provide materials and explanations required for them to make decisions. The ~~general manager~~president shall provide the directors with necessary information and materials to facilitate the decision-making of the Board.

The independent directors may, if they think necessary, appoint (an) independent institution(s) to issue an independent opinion to be relied upon by them in making decisions. Costs incurred in the engagement of such (an) independent institution(s) shall be borne by the Company.

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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Article 5

In order to ensure the efficiency of the operation of the Company, the Board may, pursuant to the Articles of Association and the authorizations granted by the general meeting, consider and approve relevant matters within the scope prescribed below.

(I) Investment plans

1. The Board shall be responsible for reviewing and deciding on the medium and long-term investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval.
2. The Board shall be responsible for reviewing and deciding on the annual investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval. The Board may make adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.

Article 5

In order to ~~ensure~~improve the efficiency of the day-to-day operation of the Company, ~~the Board may, pursuant to the Articles of Association and the authorizations granted by the general meeting, consider and approve relevant matters within the scope prescribed below.~~transactions of the Company which need not be submitted to the general meeting for approval but are required to be disclosed under the Listing Rules shall be approved by the Board, or by the management of the Company if such transactions do not meet thresholds pursuant to which the deliberation and approval by Board is required.

~~(I) Investment plans~~

- ~~1. The Board shall be responsible for reviewing and deciding on the medium and long-term investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval.~~
- ~~2. The Board shall be responsible for reviewing and deciding on the annual investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval. The Board may make adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.~~

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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| <p>(II) External investments (including entrusted wealth management, securities transactions, entrusted loans, etc.), purchase or sale of assets, lease of assets (either as lessor or lessee), entrusted management of assets and businesses (either as entrustor or trustee), etc. (except for connected transactions)</p> <p>1. When reviewing such transaction, the Company shall consider the percentage ratios as set out in the Listing Rules, including the assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio (hereinafter referred to as the “Five Percentage Ratios”).</p> <p>2. The Board has the authority to approve a transaction if, in respect of such transaction: (a) any of the Five Percentage Ratios is 5% or more, but less than 25%; and (b) each of the following percentage ratios is less than 50%: (i) the total amount of the assets in relation to the transaction (the book value or the appraised value, whichever is the higher) divided by the latest audited total asset value of the Company; (ii) the amount of the acquired assets (taking into account of the assumed liabilities and costs) divided by the total amount of the latest audited net asset value of the Company; (iii) the profit resulting from the transaction divided by the audited net</p> | <p>(II) External investments (including entrusted wealth management, securities transactions, entrusted loans, etc.), purchase or sale of assets, lease of assets (either as lessor or lessee), entrusted management of assets and businesses (either as entrustor or trustee), etc. (except for connected transactions)</p> <p>1. When reviewing such transaction, the Company shall consider the percentage ratios as set out in the Listing Rules, including the assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio (hereinafter referred to as the “Five Percentage Ratios”).</p> <p>2. The Board has the authority to approve a transaction if, in respect of such transaction: (a) any of the Five Percentage Ratios is 5% or more, but less than 25%; and (b) each of the following percentage ratios is less than 50%: (i) the total amount of the assets in relation to the transaction (the book value or the appraised value, whichever is the higher) divided by the latest audited total asset value of the Company; (ii) the amount of the acquired assets (taking into account of the assumed liabilities and costs) divided by the total amount of the latest audited net asset value of the Company; (iii) the profit resulting from the transaction divided by the audited net</p> |
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APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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profit of the Company for the preceding financial year; (iv) the revenue from the major business operation attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited revenue of the Company from its major business operation for the preceding financial year; and (v) the net profit attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited net profit of the Company for the preceding financial year; and (c) the aggregate amount in relation to the purchase or sales of material assets (including any connected transactions) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

(III) Disposal of fixed assets

Disposals of fixed assets will be decided by the Board where the aggregate value of the expected value of the fixed assets to be disposed of and the value of the fixed assets which have been disposed of in the four months prior to such proposed disposal does not exceed 33% of the value of the fixed assets as shown in the latest balance sheet adopted by the general meeting.

~~profit of the Company for the preceding financial year; (iv) the revenue from the major business operation attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited revenue of the Company from its major business operation for the preceding financial year; and (v) the net profit attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited net profit of the Company for the preceding financial year; and (c) the aggregate amount in relation to the purchase or sales of material assets (including any connected transactions) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.~~

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~~Disposals of fixed assets will be decided by the Board where the aggregate value of the expected value of the fixed assets to be disposed of and the value of the fixed assets which have been disposed of in the four months prior to such proposed disposal does not exceed 33% of the value of the fixed assets as shown in the latest balance sheet adopted by the general meeting.~~

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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(IV) Borrowings

Any single loan transaction with an amount representing less than 25% of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the Board.

Notwithstanding the foregoing:

If any loan agreement entered into by the Company or any of its subsidiaries (as defined under the Listing Rules) includes a condition which imposes on any controlling shareholder specific performance obligations (such as a requirement to maintain a specified minimum holding in the share capital of the Company) and a breach of such an obligation will cause a default in respect of loans that are significant to the operation of the Company and its subsidiaries, such loan agreement shall be subject to approval by the Board.

If a controlling shareholder of the Company pledges its interests in the shares of the Company either to secure the indebtedness of the Company or as a security for the Company to obtain guarantees or other support for the liabilities of the Company, the relevant loan shall be subject to approval by the Board.

~~(IV) Borrowings~~

~~Any single loan transaction with an amount representing less than 25% of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the Board.~~

~~Notwithstanding the foregoing:~~

~~If any loan agreement entered into by the Company or any of its subsidiaries (as defined under the Listing Rules) includes a condition which imposes on any controlling shareholder specific performance obligations (such as a requirement to maintain a specified minimum holding in the share capital of the Company) and a breach of such an obligation will cause a default in respect of loans that are significant to the operation of the Company and its subsidiaries, such loan agreement shall be subject to approval by the Board.~~

~~If a controlling shareholder of the Company pledges its interests in the shares of the Company either to secure the indebtedness of the Company or as a security for the Company to obtain guarantees or other support for the liabilities of the Company, the relevant loan shall be subject to approval by the Board.~~

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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- (V) Provision of guarantee to external parties and provision of financial assistance

Provision by the Company of guarantees to external parties shall be reviewed by the Board and shall be approved by the affirmative vote of two-thirds or more of the directors present at the meeting; if such provision of guarantee is subject to approval by the general meeting in accordance with the applicable laws, regulations, the Articles of Association and the resolutions of the general meeting, the provision of the guarantee shall be submitted to general meeting for approval.

When reviewing and approving any parent company performance guarantee to be provided by the Company to its subsidiaries (as defined under the Listing Rules) in relation to a project within the principal business scope, the Board may impose an annual cap such that performance guarantees within such annual cap is not subject to a separate review by the Board, provided that a written report shall be submitted to the Board in a timely manner and the terms of such guarantees shall be consistent with market practices. Nevertheless, performance guarantees exceeding the aforesaid annual cap, or terms of which are either inconsistent with market practices, or imposing additional onerous obligations or liabilities on the Company, shall be submitted to the Board for review, and, where approval by the general meeting is required, shall be submitted to the general meeting for approval accordingly.

- ~~(V) Provision of guarantee to external parties and provision of financial assistance~~

~~Provision by the Company of guarantees to external parties shall be reviewed by the Board and shall be approved by the affirmative vote of two-thirds or more of the directors present at the meeting; if such provision of guarantee is subject to approval by the general meeting in accordance with the applicable laws, regulations, the Articles of Association and the resolutions of the general meeting, the provision of the guarantee shall be submitted to general meeting for approval.~~

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APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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If, the financial assistance provided by the Company or its subsidiaries to the affiliated companies of the Company (as defined under the Listing Rules), and guarantees given for facilities granted to affiliated companies of the Company by the Company or its subsidiaries, together in aggregate exceeds 8% under the assets ratio as defined under the Listing Rules, such financial assistance and/or guarantees shall be subject to approval by the Board.

~~If, the financial assistance provided by the Company or its subsidiaries to the affiliated companies of the Company (as defined under the Listing Rules), and guarantees given for facilities granted to affiliated companies of the Company by the Company or its subsidiaries, together in aggregate exceeds 8% under the assets ratio as defined under the Listing Rules, such financial assistance and/or guarantees shall be subject to approval by the Board.~~

(VI) Connected transactions

~~(VI) Connected transactions~~

In relation to a connected transaction (as defined under the Listing Rules) conducted on normal commercial terms or better:

~~In relation to a connected transaction (as defined under the Listing Rules) conducted on normal commercial terms or better:~~

all the percentage ratios calculated pursuant to the Listing Rules are less than 0.1% or 1% (if such transaction is a connected transaction only because it involves connected person(s) at the subsidiary level), the transaction amount of such transaction represents less than 5% of the absolute value of the most recent audited net assets of the Company, and the aggregate amount in relation to the purchase or sales of material assets (including transactions in the ordinary course of business) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

~~all the percentage ratios calculated pursuant to the Listing Rules are less than 0.1% or 1% (if such transaction is a connected transaction only because it involves connected person(s) at the subsidiary level), the transaction amount of such transaction represents less than 5% of the absolute value of the most recent audited net assets of the Company, and the aggregate amount in relation to the purchase or sales of material assets (including transactions in the ordinary course of business) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.~~

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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Article 6

The Board shall set the scope of authorities in respect of external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management, securities trading and connected transactions and establish strict review and decision-making procedures. The Board shall, in the case of a material investment project, arrange for experts and professionals to appraise such project and submit it to the general meeting for approval.

Article 6

The Board shall set the scope of authorities in respect of external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management, securities trading and ~~connected~~related party transactions and establish strict review and decision-making procedures. The Board shall, in the case of a material investment project, arrange for experts and professionals to appraise such project and submit it to the general meeting for approval.

CHAPTER 3 BOARD COMPOSITION AND BOARD ORGANS**Article 8**

The Board shall be composed in accordance with the Articles of Association and shall include an appropriate portion of independent directors and external directors.

Article 8

The Board shall be composed in accordance with laws, regulations, the Listing Rules and the Articles of Association and shall include an appropriate portion of independent directors and external directors.

The appointment, removal and term of office of the directors shall be in compliance with the Articles of Association. A director shall not be removed by the general meeting without any reason prior to the expiry of his/her term of office. The term of office of a director shall commence on the date his/her appointment is approved by a resolution of the general meeting and end upon expiry of the term of the relevant session of the Board.

The appointment, removal and term of office of the directors shall be in compliance with the Articles of Association. A director shall not be removed by the general meeting without any reason prior to the expiry of his/her term of office. The term of office of a director shall commence on the date his/her appointment is approved by a resolution of the general meeting and end upon expiry of the term of the relevant session of the Board.

If the term of office of all the members of a session of the Board has expired and if the new session of the Board is yet to be composed, the members of such existing session of Board shall continue to perform their duties until the new session of the Board is composed.

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APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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Article 9

The Board shall have one chairman and one vice-chairman.

Pursuant to the Articles of Association and the relevant resolutions and/or authorizations of the general meeting, the Board shall establish an audit committee, a nomination and remuneration committee and a strategy committee. These special committees shall, pursuant to the arrangement of the Board and as proposed by the chairman of the Board and the general manager, convene meetings from time to time to conduct research on specific issues and provide opinions and recommendations on these matters to the Board for its reference in connection with its decision-making.

Article 9

The Board shall have one chairman and one vice-chairman.

Pursuant to the Articles of Association and the relevant resolutions and/or authorizations of the general meeting, the Board shall establish an audit committee, a nomination and remuneration committee and a strategy committee. These special committees shall, pursuant to the arrangement of the Board and as proposed by the chairman of the Board and the ~~general manager~~president, convene meetings from time to time to conduct research on specific issues and provide opinions and recommendations on these matters to the Board for its reference in connection with its decision-making.

CHAPTER 4 SECRETARY OF THE BOARD**Article 10**

The Board office shall be responsible for the daily work of the Board.

Article 11

The Company shall have one secretary of the Board. The secretary of the Board shall be a senior management personnel of the Company, a natural person with requisite professional knowledge and experience, and appointed by the Board. His/her primary duties include:

- (1) to be responsible for the communication and coordination between the Company and related parties, and the stock exchange and other securities regulatory authorities, and to ensure that the Company legally prepares and

Article 10

~~The Board office shall be responsible for the daily work of the Board.~~

Article ~~11~~10

The Company shall have one secretary of the Board. The secretary of the Board shall be a senior management personnel of the Company, a natural person with requisite professional knowledge and experience, and appointed by the Board. His/her primary duties include:

- (1) to be responsible for the communication and coordination between the Company and related parties, and the stock exchange and other securities regulatory authorities, and to ensure that the Company legally prepares and

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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submits reports and documents as required by the competent authorities;

submits reports and documents as required by the competent authorities;

(2) to be responsible for affairs in connection with information disclosure of the Company, procuring the Company to formulate and implement the information disclosure system and material information internal reporting system, procuring the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and submitting regular reports and temporary reports to the stock exchange in accordance with the relevant regulations;

(2) to be responsible for affairs in connection with information disclosure of the Company, procuring the Company to formulate and implement the information disclosure system and material information internal reporting system, procuring the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and submitting regular reports and temporary reports to the stock exchange in accordance with the relevant regulations;

(3) to coordinate the relationship between the Company and its investors, handling visits of the investors, answering questions raised by the investors, and providing the investors with information disclosed by the Company;

(3) to coordinate the relationship between the Company and its investors, handling visits of the investors, answering questions raised by the investors, and providing the investors with information disclosed by the Company;

(4) to prepare for general meetings and the Board meetings pursuant to legal procedures and to prepare and submit relevant documents and materials of the meetings;

(4) to prepare for general meetings and the Board meetings pursuant to legal procedures and to prepare and submit relevant documents and materials of the meetings;

(5) to attend the Board meetings and prepare and sign on the minutes of the meetings;

(5) to attend the Board meetings and prepare and sign on the minutes of the meetings;

<p>APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD</p>

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| <p>(6) to be responsible for confidentiality in relation to the information disclosure of the Company, to formulate confidentiality measures to procure the directors, supervisors, general manager and other senior management personnel, and the relevant insiders to keep confidential all information before disclosure thereof, to make remedial measures in a timely manner in the event of divulgence of inside information and report to the stock exchange;</p> | <p>(6) to be responsible for confidentiality in relation to the information disclosure of the Company, to formulate confidentiality measures to procure the directors, supervisors, general manager<u>the president</u> and other senior management personnel, and the relevant insiders to keep confidential all information before disclosure thereof, to make remedial measures in a timely manner in the event of divulgence of inside information and report to the stock exchange;</p> |
| <p>(7) to be responsible for keeping the register of members, the register of directors, information on the shares of the Company held by major shareholders, directors, supervisors, general manager and other senior management personnel, and documents and minutes of the general meetings and Board meetings, to ensure that the Company has a complete set of constitutional documents and records, and to ensure that the persons who are entitled to have access to relevant records and documents of the Company are able to obtain such records and documents in a timely manner;</p> | <p>(7) to be responsible for keeping the register of members, the register of directors, information on the shares of the Company held by major shareholders, directors, supervisors, general manager<u>the president</u> and other senior management personnel, and documents and minutes of the general meetings and Board meetings, to ensure that the Company has a complete set of constitutional documents and records, and to ensure that the persons who are entitled to have access to relevant records and documents of the Company are able to obtain such records and documents in a timely manner;</p> |
| <p>(8) to assist the directors, supervisors, general manager and other senior management personnel to understand the relevant requirements of information disclosure under the laws, regulations, rules, listing rules and other rules of the stock exchange and the Articles of Association, and their liabilities under the listing agreements;</p> | <p>(8) to assist the directors, supervisors, general manager<u>the president</u> and other senior management personnel to understand the relevant requirements of information disclosure under the laws, regulations, rules, listing rules and other rules of the stock exchange and the Articles of Association, and their liabilities under the listing agreements;</p> |

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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| <p>(9) to procure the Board to exercise its powers in compliance with the law; to remind the directors present at the meeting where the resolutions to be made by the Board violate the relevant laws, regulations, rules, listing rules or other rules of the stock exchange and the Articles of Association, and request the supervisors present at meeting to express their opinions; The secretary of the Board shall record the individual opinions of relevant supervisors and persons in the meeting minutes if the Board insists on making the above-mentioned resolutions, and report to the stock exchange;</p> <p>(10) to fulfill other duties as required by the applicable laws, regulations, rules, the listing rules and other rules of the stock exchange and the Articles of Association.</p> | <p>(9) to procure the Board to exercise its powers in compliance with the law; to remind the directors present at the meeting where the resolutions to be made by the Board violate the relevant laws, regulations, rules, listing rules or other rules of the stock exchange and the Articles of Association, and request the supervisors present at meeting to express their opinions; The secretary of the Board shall record the individual opinions of relevant supervisors and persons in the meeting minutes if the Board insists on making the above-mentioned resolutions, and report to the stock exchange;</p> <p>(10) to fulfill other duties as required by the applicable laws, regulations, rules, the listing rules and other rules of the stock exchange and the Articles of Association.</p> |
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CHAPTER 5 REGULATIONS OF THE BOARD MEETINGS

Article 15

Interim meetings

In the event of any of the following circumstances, the chairman of the Board shall issue a notice convening an interim meeting within 10 days:

- (1) where jointly proposed by two or more directors;
- (2) where proposed by the general manager; or
- (3) such other circumstances as provided by the Articles of Association or the Company Law.

Article ~~15~~14

Interim meetings

In the event of any of the following circumstances, the chairman of the Board shall issue a notice convening an interim meeting within 10 days:

- (1) where proposed by shareholders representing not less than ten percent (10%) of the voting rights;
- ~~(1)~~ (2) where jointly proposed by ~~two or more~~ not less than one-third of the directors;
- (3) where proposed by the board of supervisors;

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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- (24) where proposed by the ~~general manager~~Company's president; or
- (5) where proposed by not less than one half of the independent directors;
- (6) where the chairman of the board considers it necessary;
- (7) where required by securities regulatory authorities;
- (38) such other circumstances as ~~provided by the~~prescribed by laws, regulations, the Listing Rules or the Articles of Association or the Company Law.

CHAPTER 6 PROCEEDING OF THE BOARD MEETINGS

Article 16

Collecting Proposals

Prior to the issue of a notice convening a regular meeting, the secretary of the Board shall be responsible for collecting draft proposals in respect of the matters to be considered at such meeting. Each proposer who puts forward the relevant proposal(s) shall submit the proposals and relevant explanatory materials to the secretary of the Board no later than 10 days before the convening of such meeting. Proposals concerning material connected transactions (as determined in accordance with the standards promulgated by competent regulatory authorities from time to time) which are required to be reviewed by the Board or the general meeting in compliance with law shall first be approved by the independent directors. The secretary of the Board shall sort out relevant materials and submit a preliminary draft of the meeting proposals which set out the time, venue and agenda of the meeting to the chairman of the Board for finalization.

Article ~~16~~15

Collecting Proposals

Prior to the issue of a notice convening a regular meeting, the secretary of the Board shall be responsible for collecting draft proposals in respect of the matters to be considered at such meeting. Each proposer who puts forward the relevant proposal(s) shall submit the proposals and relevant explanatory materials to the secretary of the Board no later than 10 days before the convening of such meeting. Proposals concerning material related party transactions (as determined in accordance with the standards promulgated by competent regulatory authorities from time to time) which are required to be reviewed by the Board or the general meeting in compliance with law shall first be approved by the independent directors. The secretary of the Board shall sort out relevant materials and submit a preliminary draft of the meeting proposals which set out the time, venue and agenda of the meeting to the chairman of the Board for finalization.

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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Before finalizing such proposals, the chairman of the Board shall solicit, as he/she deems necessary, comments from the general manager and other senior management personnel. If an interim meeting is proposed to be convened, a written proposal signed and chopped by the proposer shall be submitted to the chairman of the Board, either directly or through the working organ of the Board, which shall set out the following items:

- (1) name of the proposer;
- (2) reason or objective basis for the proposal;
- (3) time or duration, venue and form for convening the proposed meeting;
- (4) clear and specific proposals;
- (5) contact information of the proposer and date of proposal, etc.

The content of the proposals shall fall within the scope of powers and functions of the Board as stipulated under the Articles of Association and any materials in relation to a proposal shall be submitted together with such proposal.

The working organ of the Board shall forward the aforesaid written proposals and relevant materials to the chairman of the Board on the same day it receives the same. Where the chairman of the Board is of the view that the content of the proposals is not clear or specific, or the relevant materials are not sufficient, he/she may request the proposer to make revisions or supplements.

Before finalizing such proposals, the chairman of the Board shall solicit, as he/she deems necessary, comments from the ~~general manager~~president and other senior management personnel. If an interim meeting is proposed to be convened, a written proposal signed and chopped by the proposer shall be submitted to the chairman of the Board, either directly or through the working organ of the Board, which shall set out the following items:

- (1) name of the proposer;
- (2) reason or objective basis for the proposal;
- (3) time or duration, venue and form for convening the proposed meeting;
- (4) clear and specific proposals;
- (5) contact information of the proposer and date of proposal, etc.

The content of the proposals shall fall within the scope of powers and functions of the Board as stipulated under the Articles of Association and any materials in relation to a proposal shall be submitted together with such proposal.

The working organ of the Board shall forward the aforesaid written proposals and relevant materials to the chairman of the Board on the same day it receives the same. Where the chairman of the Board is of the view that the content of the proposals is not clear or specific, or the relevant materials are not sufficient, he/she may request the proposer to make revisions or supplements.

APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES FOR THE BOARD AGAINST THE DRAFT AMENDED PROCEDURAL RULES FOR THE BOARD
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The chairman of the Board shall convene the Board meeting within 15 days after the receipt of the proposal and shall preside over such meeting.

Article 17

Putting forward Proposals

The proposals of the Board meetings shall be put forward in relation to the following:

- (1) matters proposed by the directors;
- (2) matters proposed by the board of supervisors;
- (3) proposals from the special committees of the Board;
- (4) matters proposed by the general manager.

Article 18

Convening the Meetings

The Board meetings shall be convened by the chairman of the Board. If the chairman of the Board is not able to convene a meeting, such meeting shall be convened by the vice-chairman of the Board or another designated director. If neither the chairman of the Board nor the vice-chairman of the Board is able to convene the meeting, nor any specific person has been designated to convene the meeting, such meeting shall be convened by a director jointly elected by more than a half of the directors.

The chairman of the Board shall convene the Board meeting within 15 days after the receipt of the proposal and shall preside over such meeting.

Article ~~17~~16

Putting forward Proposals

The proposals of the Board meetings shall be put forward in relation to the following:

- (1) matters proposed by the directors;
- (2) matters proposed by the board of supervisors;
- (3) proposals from the special committees of the Board;
- (4) matters proposed by the ~~general manager~~ president;
- (5) matters required to be considered and approved at the shareholders' (general) meetings of the Company's subsidiaries or companies in which the Company holds equity interest.

Article ~~18~~17

Convening the Meetings

The Board meetings shall be convened by the chairman of the Board. If the chairman of the Board is not able to convene a meeting, such meeting shall be convened by the vice-chairman of the Board ~~or another designated director~~. If neither the chairman of the Board nor the vice-chairman of the Board is able to convene the meeting, ~~nor any specific person has been designated to convene the meeting~~, such meeting shall be convened by a director jointly elected by more than a half of the directors.

**APPENDIX XIII COMPARISON OF THE EXISTING PROCEDURAL RULES
FOR THE BOARD AGAINST THE DRAFT AMENDED
PROCEDURAL RULES FOR THE BOARD**

Article 19

Article ~~19~~18

Notice of the Meetings

Notice of the Meetings

The notice of a Board meeting shall be despatched in accordance with the following requirements and methods:

The notice of a Board meeting shall be despatched in accordance with the following requirements and methods:

- (1) where the time and venue of a regular meeting have been determined and notified by the Board by giving at least 14 days' notice in advance, unless such time and venue of such regular meeting are changed for cause, no further notice will be required to be served in relation to the convening of such meeting. The agenda and relevant documents of such regular meeting shall be provided to all the directors and supervisors and other personnel in attendance at least three days before the date of the meeting;
- (2) where the time and venue of a Board meeting are not determined by the Board in advance, the administrative department of the Board shall notify all the directors, supervisors and other personnel in attendance of the time, venue and agenda of such meeting, either by hand, facsimile, email or other means, at least ten days before the date of the meeting. If a notice is not despatched by hand, a telephone call shall be made for confirmation and a record shall be kept accordingly;

- (1) where the time and venue of a regular meeting have been determined and notified by the Board by giving at least 14 days' notice in advance, unless such time and venue of such regular meeting are changed for cause, no further notice will be required to be served in relation to the convening of such meeting. The agenda and relevant documents of such regular meeting shall be provided to all the directors and supervisors and other personnel in attendance at least three days before the date of the meeting;
- (2) where the time and venue of a regular Board meeting are not determined by the Board in advance, the administrative department of the Board shall notify all the directors, supervisors and other personnel in attendance of the time, venue and agenda of such meeting, either by hand, facsimile, email or other means, at least ~~ten~~fourteen days before the date of the meeting. If a notice is not despatched by hand, a telephone call shall be made for confirmation and a record shall be kept accordingly; Where an interim Board meeting is to be held, the administrative department of the Board shall notify all the directors, supervisors and other personnel in attendance at least 10 days in advance pursuant to the preceding requirement.

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(3) the notice of a Board meeting shall be written in both Chinese and English and shall set out the meeting agenda. Any director may waive the right to receive the notice of a Board meeting.

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In case of emergency, where an interim meeting is required to be convened as soon as possible, the notice of such meeting may be despatched by phone or other oral methods at any time, provided that the convener of the meeting shall provide explanations at the meeting.

In case of emergency, where an interim meeting is required to be convened as soon as possible, the notice of such meeting may be despatched by phone or other oral methods at any time, provided that the convener of the meeting shall provide explanations at the meeting.

A written notice of a meeting shall include at least the following information:

A written notice of a meeting shall include at least the following information:

- (1) the time and venue of the meeting;
- (2) the means of convening the meeting;
- (3) matters to be reviewed and considered (i.e. meeting proposals);
- (4) the convener and chairman of the meeting, the proposer of the interim meeting and his/her written proposals;
- (5) meeting materials necessary for voting by the directors;
- (6) requests as to whether a director shall attend the meeting in person or may authorize another director to attend on his/her behalf;
- (7) contact person and his/her contact information.

- (1) the time ~~and~~ and ~~venue~~ and duration of the meeting;
- (2) the means of convening the meeting;
- (3) matters to be reviewed and considered (i.e. meeting proposals);
- (4) the convener and chairman of the meeting, the proposer of the interim meeting and his/her written proposals;
- (5) meeting materials necessary for voting by the directors;
- (6) requests as to whether a director shall attend the meeting in person or may authorize another director to attend on his/her behalf;
- (7) contact person and his/her contact information~~;~~;
- (8) issue date of the notice.

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An oral notice of a meeting shall include at least the information set out in paragraphs (1) and (2) above and the explanations for the reasons why an interim meeting shall be convened as a matter of emergency.

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A director shall, upon receipt of the notice of a meeting, confirm to the Board office in writing in a timely manner but no later than two days before the meeting.

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If a director has attended a meeting without raising any objections either before the meeting or at the meeting relating to his/her failure of receiving the notice of such meeting, he or she shall be deemed to have received the notice of such meeting.

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Article 22

Article ~~22~~21

Attendance of the Meetings

Attendance of the Meetings

Except where connected transactions shall be reviewed by the Board during a meeting, a Board meeting shall not be held unless more than a half of the directors (inclusive of directors who authorize another director to attend the Board meetings on their behalf pursuant to Article 111 of the Articles of Association) are present.

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If (a) director(s) refuse(s) or fail(s) to attend a meeting, the quorum of such meeting, as a result, is not met, the chairman and the secretary of the Board shall report to the regulatory authorities in a timely manner.

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The supervisors are entitled to attend the Board meetings. The general manager and the secretary of the Board who is not a director shall attend the Board meetings. To the extent he/she deems it necessary, the chairman of the meeting may notify other relevant persons to attend the Board meetings.

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The directors shall attend a Board meeting in person in principle. Where a director is unable to attend a meeting for any reason, he/she may by a written power of attorney appoint another director to attend the meeting as his/her proxy (where an independent director is unable to attend in person, he/she shall appoint another independent director to attend the meeting as his/her proxy). The power of attorney shall set out:

- (1) the name of such director and his/her attorney;
- (2) brief opinions of such director on each of the proposals;
- (3) the scope of authorization and the instruction by such director on his/her voting intention on the proposals;
- (4) the execution by such director and the execution date; etc.

Where a director authorizes another director to sign on periodic reports on his/her behalf, a specific authorization shall be set out in the power of attorney.

The director being authorized shall submit the power of attorney to the chairman of the meeting and shall specify his/her presence as a proxy of another director in the attendance sheet of the meeting.

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- (2) brief opinions of such director on each of the proposals;
- (3) the scope of authorization and the instruction by such director on his/her voting intention on the proposals;
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Article 25

Consideration of Proposals

The chairman of the meeting shall declare the meeting open at the scheduled time.

Upon the directors present at the meeting reaching a consensus on the meeting agenda, the meeting presided by the chairman shall consider the proposals one by one, and the proposers or their proxies shall report work or explain the proposals to the Board.

With respect to the proposal that shall be approved by independent directors in advance according to the regulations, the chairman shall read out the written confirmation of independent directors before discussion of relevant proposals.

Any director who obstructs the normal proceeding of a meeting or interferes with the speech by another director shall be restrained from doing so by the chairman without delay.

Except as approved unanimously by all directors present, the Board meeting shall not vote on any proposal that is not included in the meeting notice. A director entrusted by other director to attend the meeting shall not vote on the proposal beyond the meeting notice on his/her behalf.

Article 2524

Consideration of Proposals

The chairman of the meeting shall declare the meeting open at the scheduled time.

Upon the directors present at the meeting reaching a consensus on the meeting agenda, the meeting presided by the chairman shall consider the proposals one by one, and the proposers or their proxies shall report work or explain the proposals to the Board.

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During review of proposals and listening to relevant reports, to understand the key points and process in detail, the Board may require persons in charge of relevant departments to attend the meeting as non-voting attendees to listen to and inquire about relevant matters, for the purpose of making correct resolutions. Directors may learn information necessary for decision-making from relevant persons and institutions such as the liaison department of special committees, the meeting convener, the general manager and other senior management personnel, the special committees, accounting firms and law firms. They may also suggest the chairman at the meeting to invite above persons and institution representatives to attend the meeting and make explanations.

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If unclear statement or problematic feasibility is found in review, the Board may require relevant departments to give an explanation, and may defer voting if necessary.

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Directors shall read meeting documents earnestly, and express independent and prudent opinions based on full understanding of relevant circumstances.

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Article 26

Article 2625

The independent directors shall present independent opinions to the Board on the following matters:

The independent directors shall present independent opinions to the Board on the following matters:

- (1) nomination, appointment and removal of directors;
- (2) appointment and removal of senior management personnel;

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- (2) appointment and removal of senior management personnel;

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| <p>(3) remuneration of the directors and senior management personnel of the Company;</p> <p>(4) the matters that independent directors consider may damage the interests of small and medium shareholders;</p> <p>(5) material cash transactions (as may be defined under the listing rules of the stock exchange where the shares of the Company are listed) between the Company and its shareholders or its affiliated companies;</p> <p>(6) the decision by the Board of not preparing a cash profit distribution plan;</p> <p>(7) other matters specified by applicable laws, regulations, the Listing Rules, or the Articles of Association.</p> | <p>(3) remuneration of the directors and senior management personnel of the Company;</p> <p>(4) the matters that independent directors consider may damage the interests of small and medium shareholders;</p> <p>(5) material cash transactions (as may be defined under the listing rules of the stock exchange where the shares of the Company are listed) between the Company and its shareholders or its affiliated companies;</p> <p>(6) the decision by the Board of not preparing a cash profit distribution plan;</p> <p>(7) other matters specified by applicable laws, regulations, <u>the Listing Rules</u>, or the Articles of Association.</p> |
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Article 28

Voting of Proposals

After a proposal is fully discussed, the chairman of the meeting shall request in due time the directors in attendance to vote on it.

Directors have three options for voting on a proposal, in favor, against, or abstention. Directors present shall select one of the above-mentioned options. If a director selects no or two or above options, the chairman of the meeting shall request the director to reselect. Any director refusing to reselect shall be deemed abstention. Any director who leaves the venue in the course of the meeting and does not return for voting shall be deemed abstention. Any director who neither attends a Board meeting in person nor appoints a proxy to

Article ~~28~~27

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attend the meeting on his/her behalf shall be deemed to have waived his/her voting right at such meeting.

Other than the matters set out in paragraphs (6), (7) and (13) of Article 2 hereof, which shall require the affirmative vote of two-thirds or more of the directors, all proposals considered by the Board may be adopted by the majority vote of the directors.

Voting at the Board meetings may take the form of either a show of hands or ballot. Each director shall be entitled to one vote. In the case of a tie, the chairman shall have the casting vote.

attend the meeting on his/her behalf shall be deemed to have waived his/her voting right at such meeting.

~~Other than the~~ Matters set out in paragraphs (6), (7) and (13) of Article 2 hereof, ~~which~~ shall require the affirmative vote of two-thirds or more of the directors, all; guarantee matters within the scope of authority of the Board shall, in addition to being passed by more than one half of the Directors, require the affirmative vote of not less than two-thirds of all the Directors attending the Board meeting; all other proposals considered by the Board may be adopted by the majority vote of the directors.

Voting at the Board meetings may take the form of either a show of hands or ballot. Each director shall be entitled to one vote. ~~In the case of a tie, the chairman shall have the casting vote.~~

New Article 29

Special Provisions on Profit Distribution

When a Board meeting needs to resolve on matters pertaining to the distribution of the profits of the Company, it may first notify the certified public accountant of the distribution plan proposed to be submitted to the Board for consideration and request such accountant to produce a draft audit report (with all financial data determined, other than those related to distributions) on the basis of said plan. After the resolution on the distribution is passed by the Board, the Board shall request the certified public accountant to produce a formal audit report, on the basis of which the Board will resolve on other matters in relation to periodic reports.

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New Article 30

Proposals which are not passed

If a proposal is not passed at the Board Meeting, unless there are material changes in the relevant conditions and factors, the Board shall not re-consider a proposal containing the same content within one month.

New Article 31

Postponement of Voting

If, in the opinion of one half or more of the attending directors or of two or more independent directors, a certain proposal is unclear or unspecific, or they being unable to form a judgment on the relevant matter due to the meeting materials are inadequate or other reasons, then the chairman of the meeting shall demand that the voting be postponed in the meeting.

The directors requesting the postponement shall lay out the specific requirements that such proposal needs to satisfy in order for it to be re-submitted for consideration.

Article 32

Meeting Minutes

The Board shall keep detailed minutes of the matters discussed at Board meetings. Such Board meeting minutes shall include the following information:

- (1) date and venue of the meeting and the names of its convener and chairman;

Article ~~32~~34

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| <p>(2) names of the directors attending in person and names of the directors attending through proxy and the names of such proxies;</p> <p>(3) meeting agenda;</p> <p>(4) key points of the speeches of the directors (where a meeting is held by way of circulation and consideration of written proposals, the written opinions from the directors);</p> <p>(5) voting method and results of each matter being considered and discussed (the voting results shall specify the number of votes in favor, against, abstention on each proposal).</p> | <p>(2) names of the directors attending in person and names of the directors attending through proxy and the names of such proxies;</p> <p>(3) meeting agenda;</p> <p>(4) key points of the speeches of the directors (where a meeting is held by way of circulation and consideration of written proposals, the written opinions from the directors);</p> <p>(5) voting method and results of each matter being considered and discussed (the voting results shall specify the number of votes in favor, against, abstention on each proposal).</p> |
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The secretary of the Board shall diligently prepare meeting minutes. The minutes of each Board meeting shall be provided to all directors present at the meeting for review as soon as possible. Directors wishing to modify or supplement the minutes shall, within one week of receipt thereof, report in writing their revision comments to the chairman of the Board and the secretary of the Board. After the minutes are finalized, all directors in attendance, the secretary of the Board and the keeper of the minutes shall sign on the meeting minutes and the secretary of the Board shall send a complete copy of such minutes to each director as soon as possible. Board meeting resolutions and minutes shall be properly maintained as important records of the Company at the domicile of the Company for 10 years.

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make a public announcement. Any director who neither signifies his/her confirmation by signing, nor makes a written statement of his/her dissent, nor reports to the regulatory authority or makes a public announcement shall be deemed to have fully consented to the content of the minutes. Board meeting resolutions and minutes shall be properly maintained as important records of the Company at the domicile of the Company for 10 years.

CHAPTER 8 IMPLEMENTATION AND FEEDBACKS OF BOARD RESOLUTIONS

Article 37

At each Board meeting, the general manager shall present a written report to such meeting in relation to the status of implementation of the matters which must be implemented pursuant to the resolutions of the previous Board meeting.

Article ~~37~~39

At each Board meeting, the ~~general manager~~president shall present a written report to such meeting in relation to the status of implementation of the matters which must be implemented pursuant to the resolutions of the previous Board meeting.

CHAPTER 9 SUPPLEMENTAL PROVISIONS

Article 39

Upon the approval by the affirmative votes of more than two-thirds of the all directors of the Company, the formulation of and any amendment to these Rules shall be submitted to the general meeting for approval by a special resolution.

Article ~~39~~41

Upon the approval by the affirmative votes of more than two-thirds of the all directors of the Company, the formulation of and any amendment to these Rules shall be submitted to the general meeting for approval by a special resolution. Provisions of these Rules pertaining to the domestic listing shall come into force from the date on which the shares of the Company are publicly offered and listed on the domestic stock exchange.

The English version of the Procedural Rules for the Board of Supervisors in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the operation of the board of supervisors of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) and ensure the performance by the board of supervisors of the Company of the duties and responsibilities conferred upon it by the shareholders as a whole, these rules of the board of supervisors are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, Guide to Articles of Association of Listed Companies, Standards for the Governance of Listed Companies, other relevant domestic and overseas laws and regulations and the Articles of Association of the Company.

Article 2 The board of supervisors is responsible to the general meeting of the shareholders. The board of supervisors shall supervise the financial conditions of the Company and the lawfulness of the performance by the board of directors and its members, the president and other senior management members of their duties and responsibilities and safeguard the legitimate rights and interests of the shareholders and of the Company.

Article 3 The Company shall take measures to ensure the Supervisors’ information rights and shall promptly provide the supervisors with necessary information and materials, so as to facilitate their effective supervision, examination and assessment of the financial conditions and the operating and management conditions of the Company.

The president shall at the request of the board of supervisors report to the board of supervisors on the Company’s signing and implementation of material contracts, fund utilization, and profits and losses. The president shall ensure the truthfulness of such reports.

CHAPTER 2 ORGANIZATION OF THE BOARD OF SUPERVISORS AND ITS OFFICE

Article 4 The board of supervisors shall be composed of three supervisors, including two shareholder representative supervisors and one employee representative supervisor. Of them, one shall act as the chairman of the board of supervisors.

The appointment and dismissal of the chairman of the board of supervisors shall be approved by the affirmative vote of at least two-thirds of its members.

Article 5 The term of office of a supervisor shall be three years. The shareholder representative supervisors shall be elected by the general meeting of the shareholders; the employee representative Supervisors shall be elected by the staff of the Company by a democratic election. Supervisors may be re-elected and re-appointed.

Article 6 In addition to the qualifications required by laws and regulations and the articles of association of the Company, supervisors shall have professional knowledge and working experience in the fields of, among other, law and accounting.

Article 7 A supervisor may apply for resignation prior to the expiry of his/her term of office. A resigning supervisor shall submit a written resignation report to the board of supervisors.

Supervisors shall be subject to relevant requirements of the articles of association of the Company governing the resignation of directors, including but not limited to the requirement that where the resignation of a supervisor will result in the number of supervisors falling below the statutory limit, the resignation report of such resigning supervisor shall become effective only when a succeeding supervisor has been appointed to fill the vacancy, and that until then the incumbent supervisor shall continue to perform his/her duties as a supervisor in accordance with laws, administrative regulations and the articles of association of the Company.

Article 8 The board of supervisors may establish an office that will be responsible to handle the day-to-day affairs of the board of supervisors.

The office established by the board of supervisors shall be accountable to the board of supervisors and shall report to the board of supervisors on its work as required by the board of supervisors.

CHAPTER 3 DUTIES AND POWERS OF THE BOARD OF SUPERVISORS

Article 9 The board of supervisors shall exercise the following duties and powers:

- (1) to examine the Company's financial affairs;
- (2) to review the regular reports of the Company prepared by the board of directors and provide its review opinion in writing;
- (3) to supervise the acts of the directors, the president, and vice president and other senior management members when they perform duties and responsibilities at the Company; and where any director, or the president, or the vice president or another senior management member violates laws, administrative regulations, the articles of association of the Company or resolutions of the general meetings of shareholders, recommend their removal;
- (4) to demand rectification from a director, the president, the vice president and any other senior management members when the acts of such persons are harmful to the Company's interest;
- (5) it has the power to examine the financial reports, business reports, profit distribution plans and other financial information proposed to be submitted by the board of directors to the general meetings of shareholders; and if suspicions arise, it may engage in the name of the Company certified public accountants and practicing auditors to conduct a re-examination;
- (6) to propose the convening of extraordinary general meetings of shareholders; and to convene and chair the general meetings of shareholders where the board of directors fails to fulfill its such duties prescribed by laws and regulations;
- (7) to submit proposals to the general meetings of shareholders;
- (8) to take legal actions against the directors and senior management members in accordance with laws and regulations;
- (9) to propose the convening of an interim meeting of the board of directors;
- (10) it may conduct investigations upon the discovery of irregularities in the operation of the Company; and may engage, if necessary, certified public accountants, law firms and other professional institutions to assist with its work at the expense of the Company;

- (11) to exercise and perform other powers and duties prescribed by laws, regulations and the articles of association of the Company and those conferred by the general meetings of shareholders.

Supervisors shall observe the meetings of the board of directors.

Article 10 The board of supervisors shall deliver at the annual general meeting a special report on its supervision work at the Company over the preceding year, covering the following aspects:

- (1) its review of the financial matters of the Company;
- (2) implementation by the directors, the president, and other senior management members of relevant laws and regulations, the articles of association of the Company, and resolutions of the general meeting of the shareholders;
- (3) appraisal of the integrity and diligence of the directors, the president, and other senior management members during their performance of their duties and functions;
- (4) any other material matters deemed reportable to the general meeting by the board of supervisors. Where it thinks necessary, the board of supervisors may present its opinions on the proposals reviewed by the general meeting and submit an independent report.

Article 11 All reasonable expenses incurred by the board of supervisors during its exercise and performance of its powers and duties in connection with the appointment of lawyers, certified public accountants, practicing auditors and other professionals shall be borne by the Company. Expenses incurred by the supervisors in connection with their attendance of the meetings of the board of supervisors, including out-of-town transportation expenses between the location of the supervisors and the meeting venue, and catering and accommodation expenses during the meeting, shall be paid for by the Company.

Article 12 The chairman of the board of supervisors shall exercise and perform the following powers and duties:

- (1) to convene and chair the meetings of the board of supervisors;
- (2) to organize the exercise of powers and performance of duties by the board of supervisors;
- (3) to review, finalize and sign work reports and other material documents of the board of supervisors;

- (4) to deliver the work report to the general meeting on behalf of the board of supervisors;
- (5) to exercise and perform other powers and duties prescribed by law or the articles of association of the Company.

If, due to any reason, the chairman of the board of supervisors is unable to exercise and perform his/her powers and duties, one supervisor jointly elected by one half or more of the supervisors shall convene and chair the meetings of the board of supervisors.

Article 13 If, in performing its supervision duties and responsibilities, the board of directors uncovers any breach of laws or regulations in the financial matters of the Company or any breach of laws, regulations or the articles of association of the Company in the conduct of any director, or the president, or another senior management member of the Company, it may either bring the matter to the attention of the board of directors and the shareholder's general meeting, or may directly report the same to the securities supervision and administration authority of the State Council and other relevant authorities.

Article 14 Supervisors shall be observant of laws and regulations and the articles of association of the Company and shall fulfill the duty of integrity and the duty of diligence.

CHAPTER 4 RULES OF THE MEETINGS OF THE BOARD OF SUPERVISORS

Article 15 The meetings of the board of supervisors include regular meetings and interim meetings.

Article 16 The meetings of the board of supervisors shall be held at least twice a year. Regular meetings of the board of supervisors shall be held once every 6 months.

Article 17 Under any of the following circumstances, the board of supervisors shall convene an interim meeting within 10 days:

- (1) any supervisor proposes the convening of such extraordinary meeting;
- (2) a general meeting or a meeting of the board of directors has passed a resolution that contravenes laws, or regulations, or the articles of association of the Company, or the resolutions of general meetings of the shareholders, or other relevant rules;

- (3) the misconduct of a director or a senior management member is likely to result in a material damage to the Company or negative impact on the market;
- (4) a shareholder brings a lawsuit against the Company or any of its directors, supervisors or other senior management members;
- (5) the Company or any of its directors, supervisors or other senior management members is sanctioned by securities regulatory authorities or publicly censured by the stock exchanges on which the shares of the Company are listed;
- (6) any securities regulatory authority requires that such a meeting be convened;
- (7) other circumstances prescribed by the articles of association of the Company.

Article 18 The meeting of the board of supervisors shall be convened on-site. In case of emergency, the meeting of the board of supervisors may vote and resolve via means of communication such as video conference, or by way of written resolutions, provided however that the convener (or chairman of the meeting) shall describe the details of the emergency to the attending supervisors. If, at such meeting, the supervisors cannot sign the resolutions on the spot, then the method of voice vote shall be applied and the procedures of affixing written signatures shall be completed as soon as possible.

If, for any reason, the meeting of the board of supervisors cannot take the form of an on-site meeting or a video conference, then it may be held by way of written resolutions, that is to say, draft resolutions subject to deliberation and approval shall be despatched in writing to all supervisors for their voting; and unless he/she has recorded a note to the contrary in the resolutions, any supervisor affixing his/her signature to such resolutions shall be deemed to have voted for and approved such resolutions.

Article 19 The meeting of the board of supervisors may be held only if it is attended by two-thirds or more of the supervisors. The supervisors shall attend the meeting of the board of directors in person; if, for any reason, a supervisor cannot attend a meeting in person, he/she shall appoint by a written power of attorney another supervisor to attend the meeting and exercise his/her powers at the meeting on his/her behalf. Such power of attorney shall indicate the name of the proxy, entrusted matters, the scope of authorization and its term of validity and shall be signed or sealed by the appointer.

Any supervisor who has been absent from two consecutive meetings of the board of supervisors and failed to designate another supervisor as his/her proxy shall be regarded as having failed to fulfill his/her duty and shall be removed by the general meeting or by the congress of workers and staff.

CHAPTER 5 PROCEDURES OF THE MEETINGS OF THE BOARD OF SUPERVISORS

Article 20 The board of supervisors will primarily rely on the matters considered by the board of directors and the matters proposed by the supervisors to form its meeting proposals.

Article 21 The office of the board of supervisors shall be responsible to put together the matters considered by the board of directors and the matters proposed by the supervisors and shall timely submit the same to the chairman of the board of supervisors, who shall then determine, in light of their importance and urgency, if such matters should be submitted to the board of supervisors for its consideration.

Article 22 The meeting of the board of supervisors shall be convened, and its notice shall be signed and issued, by the chairman of the board of supervisors. When a regular meeting or interim meeting of the board of supervisors is to be held, the office of the board of supervisors shall give a 10 day prior written notice to all supervisors.

If, due to urgent circumstances, an interim meeting of the board of supervisors must be convened as soon as possible, then the meeting notice may be sent orally or by phone or by similar means, provided that the convener must provide an explanation at the meeting.

Notices of the meeting of the board of supervisors shall be given by means of one of the following: personal delivery, facsimile, telegraph or post.

A written notice of the meeting of the board of supervisors shall include at least the following information:

- (1) the time, venue and duration of the meeting;
- (2) matters to be considered (i.e. proposals for the meeting);
- (3) the convener and chairman of the meeting, the proposer of the interim meeting and his/her written proposals;
- (4) meeting materials necessary for voting by the supervisors;

- (5) the requirement that the supervisors shall attend the meeting in person;
- (6) contact person and his/her contact information;
- (7) issue date of the notice.

An oral notice of a meeting shall include at least the information set out in paragraphs (1) and (2) above and the explanations for the reasons why an interim meeting shall be convened as a matter of emergency.

Article 23 After the issue of the notice of a meeting and before the convening of such meeting, the office of the board of supervisors shall attend to, or organize and arrange for, the communication and liaising with all supervisors to seek their comments or recommendations on relevant proposals so as to improve such proposals.

If, in the opinion of two or more supervisors, the materials of a certain proposal are inadequate or its arguments are not conclusive, then such supervisors may jointly propose a temporary postponement of the meeting, which proposal must be accepted by the chairman of the board of supervisors.

Article 24 The meeting of the board of supervisors shall be convened and chaired by the chairman of the board of supervisors. Where the chairman of the board of supervisors is unable or fails to fulfill his/her duties, a supervisor elected by one half or more of all supervisors shall convene and chair the meeting.

Article 25 The chairman of the meeting shall declare the meeting open at the scheduled time. Upon formal opening of the meeting, the attending supervisors shall first reach a consensus on the agenda of the meeting.

Upon the supervisors present at the meeting reaching a consensus on the meeting agenda, the meeting, presided over by its chairman, shall consider the proposals one by one.

Article 26 When it considers relevant proposals and reports, the meeting of the board of supervisors may demand the directors, the president and other senior management members, and internal and external auditors to observe the meeting, provide necessary explanations on relevant matters, and respond to questions of concern to the board of supervisors.

Article 27 When the proposals are under the consideration of the meeting of the board of supervisors, the attending supervisors may express any of the following three opinions, namely, in favor, against, or abstention.

A supervisor attending the meeting as a proxy shall exercise the rights on behalf of his/her appointer within the scope of authorization.

Any supervisor who neither attends the meeting of the board of supervisors nor appoints a proxy to attend the meeting on his/her behalf shall be deemed to have waived his/her voting right at such meeting.

Article 28 Resolutions shall generally be adopted on all matters discussed and considered at the meeting of the board of supervisors. Voting at the meeting of the board of supervisors shall take the form of either a poll or a show of hands. Any resolution must obtain an affirmative vote of at least two-thirds of all supervisors in order for it to become effective.

Article 29 The meeting of the board of supervisors shall prepare detailed minutes of the matters discussed at the meeting, which shall serve as formal evidence for such matters.

The minutes shall include the following information:

- (1) the ordinal number of the meeting and its time, venue and form;
- (2) the issue of meeting notices;
- (3) the convener and the chairman of the meeting;
- (4) meeting attendance;
- (5) proposals considered by the meeting, key points of the remarks and opinions of all supervisors on relevant matters, and the vote intentions of all supervisors on the proposals;
- (6) voting method and voting results of each matter (the voting results shall specify the number of affirmative votes, negative votes or abstentions);
- (7) other matters deemed recordable by the attending supervisors.

If a meeting of the board of supervisors is convened via means of communication, the office of the board of supervisors shall put together the minutes with reference to the foregoing.

The office of the board of supervisors shall designate dedicated personnel to diligently organize the minutes and ordering of the matters deliberated at the meeting and the supervisors present at the meeting shall confirm the meeting minutes by affixing their signatures. A supervisor dissenting from the minutes may make a written statement at the time of signing. Where necessary, such supervisor shall promptly report to the regulatory authority; he/she may also make a public announcement. Any supervisor who neither signifies his/her confirmation by signing pursuant to the foregoing, nor makes a written statement of his/her dissent, nor reports to the regulatory authority or makes a public announcement shall be deemed to have fully consented to the content of the minutes.

Article 30 The minutes and resolutions of the meeting of the board of supervisors shall be properly maintained by the office of the board of supervisors as important records of the Company at the domicile of the Company. The meeting materials of the meeting of the board of supervisors shall be kept for at least 10 years.

CHAPTER 6 PROCEDURES OF MEETINGS OF THE BOARD OF SUPERVISORS

Article 31 The board of supervisors shall strictly comply with the requirements of the stock exchanges where the shares of the Company are listed in relation to the disclosure of information. It shall timely and accurately disclose the matters considered or resolutions adopted by the meeting of the board of supervisors which are required to be disclosed.

Article 32 Meeting contents required to be kept confidential must be maintained in confidence by meeting attendees; any person in breach shall be held accountable to his/her breach.

Article 33 The board of supervisors may pass resolutions and make recommendations to the board of directors and the general meeting of the shareholders; and the board of directors shall organize relevant departments to implement the same.

The supervisors shall urge relevant personnel to implement the resolutions of the board of supervisors. The chairman of the board of supervisors shall report at subsequent meetings of the board of supervisors on the implementation of adopted resolutions.

Article 34 The office of the board of supervisors shall, under the direction of the board of supervisors and its chairman, take the initiative to obtain information on the progress of the implementation of relevant resolutions of the board of supervisors, and shall, in a timely matter, report to and provide recommendations to the board of supervisors and its chairman.

Article 35 If any resolution adopted by the board of supervisors involves a request for the convening of an interim meeting of the board of directors or an extraordinary general meeting or the submission of an ad hoc motion to the annual general meeting of the shareholders, then the board of supervisors shall within the prescribed time submit to the board of directors written proposals setting out the agenda and full details of the proposals and shall ensure that the content of such proposals complies with laws, and regulations and the articles of association of the Company.

CHAPTER 7 SUPPLEMENTAL PROVISIONS

Article 36 Upon approval by the affirmative vote of more than two-thirds of all the supervisors of the Company, the formulation of and any amendment to these rules shall be submitted to the general meeting for approval by a special resolution.

Article 37 These rules shall come into force from the date when it is adopted by the general meeting by a special resolution. Provisions of these Rules pertaining to the domestic listing shall come into force from the date on which the shares of the Company are listed on the domestic stock exchange.

Article 38 If there are any matters not dealt with in these rules or there are any matters in these rules which are inconsistent with relevant laws and regulations (as may be promulgated from time to time), the articles of association of the Company or the procedural rules of the general meeting, such laws, regulations, articles of association or procedural rules shall prevail.

The English version of each of the Corporate Governance Rules in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

I. ADMINISTRATIVE MEASURES ON THE USE OF PROCEEDS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the deposit, use and management of the proceeds from the fund-raising activities of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”), enhance the efficiency of and improve the economic benefit derived from the use of proceeds, ensure the safety of proceeds and protect investors’ legitimate rights and interests, these measures (hereinafter referred to as these “**Measures**”) are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, the No. 2 Guideline on the Regulation of Listed Companies – Regulatory Requirements on Management and Use of Proceeds Raised by Listed Companies, the Administrative Measures for Raising Funds by Companies Listed on the Shanghai Stock Exchange (hereinafter referred to as the “**Measures for Raising Funds**”), other relevant laws, regulations, normative documents and the Articles of Association of the Company (hereinafter referred to as the “**Articles of Association**”), and based on the actual circumstances of the Company.

Article 2 Proceeds herein refer to the proceeds raised from public offering of securities (including, among others, initial public offering, share allotment, follow-on offering, offering of convertible corporate bonds, offering of convertible corporate bonds with warrants) and private placement of securities to investors by the Company within the People’s Republic of China, excluding proceeds raised from implementation of share incentive schemes.

Where the actual net Proceeds raised are in excess of the Proceeds planned to be raised, these measures shall also apply to the use and management of the excessive part (hereinafter referred to as the “**Excessive Proceeds**”).

The management of Proceeds raised from the market of H shares shall be governed by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 3 The Proceeds shall be deposited, used and managed in accordance with these Measures and the standardized, disclosed and transparent use of the Proceeds shall be ensured.

CHAPTER 2 DEPOSIT OF PROCEEDS

Article 4 The Proceeds shall be deposited into a special account approved by the board of directors (hereinafter referred to as the “**Proceeds Account**”) for centralized management. The Proceeds Account shall not be used for deposit of funds other than the Proceeds or for any other purposes.

Article 5 As the Proceeds are in place, the Company shall promptly complete procedures for capital verification and the capital verification report shall be issued by an accounting firm qualified to practice in securities-related business.

Article 6 The Company shall enter into tri-party escrow agreement (hereinafter referred to as the “**Escrow Agreement**”) in respect of the Proceeds Account with the sponsor and the commercial bank with which the Proceeds are deposited (hereinafter referred to as the “**Commercial Bank**”) within one month upon receipt of Proceeds. The Escrow Agreement shall include at least the following:

- (1) the Company shall deposit the Proceeds into the Proceeds Account;
- (2) the Commercial Bank shall furnish the Company with and copy to the sponsor(s) monthly the bank statements of the Proceeds Account;
- (3) should the Company withdraw an amount of more than RMB50 million from the Proceeds Account in a lump sum or in aggregate over any 12-month period, and such amount or aggregate amount has reached 20% (or above) of the gross Proceeds net of offering expenses (hereinafter referred to as the “**Net Proceeds**”), the Company shall inform the sponsor(s) in a timely manner;
- (4) the sponsor(s) may make enquiries on information of the Proceeds Account to the Commercial Bank at any time; and
- (5) liabilities of the Company, the Commercial Bank and the sponsor(s) for breach of the Escrow Agreement.

Subject to any applicable laws, regulations, listing rules of the stock exchanges on which the shares of the Company are listed (hereinafter referred to as the “**Listing Rules**”) and the Articles of Association, the Company shall report the Escrow Agreement to the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) for filing and/or publishing an announcement (if so required) of the same within two trading days following the execution thereof.

In case of any early termination of the Escrow Agreement due to any change of the sponsor or Commercial Bank or otherwise prior to its expiration, the Company shall execute a new agreement with the parties concerned within two weeks upon termination of the Escrow Agreement and shall submit to the Shanghai Stock Exchange and the Hong Kong Stock Exchange for filing and/or publishing an announcement (if so required) of the same within two trading days following the execution thereof in accordance with relevant laws, regulations, the Listing Rules and the Articles of Association.

CHAPTER 3 USE OF PROCEEDS

Article 7 The Company shall comply with the following requirements in using Proceeds:

- (1) the application, approval authority at different levels, decision making procedures, risk control measures and information disclosure procedures in relation to use of Proceeds must strictly comply with applicable laws, regulations, the Listing Rules and the Articles of Association.
- (2) the Company shall use the Proceeds in accordance with the plan on the use of Proceeds as set out in the offering application documents.
- (3) should there be any circumstance that materially affects the ordinary implementation of the plan on the use of Proceeds, the Company shall notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange and publish an announcement in a timely manner.

Article 8 The Company shall re-examine the feasibility of and estimated earnings from the investment projects in which the Proceeds are invested in (hereinafter referred to as the “**Proceeds-financed Projects**”), and decide whether or not to continue with such projects, and disclose in the Company’s latest periodic report the development of such project, reasons of irregularity and the adjusted Proceeds-financed Project (if any), if any of the following circumstances arises in connection with the Proceeds-financed Project:

- (1) any material change arises in the market condition involving such Proceeds-financed Project;
- (2) the Proceeds-financed Project has been inactive for more than one year;
- (3) the term of investment as prescribed in the plan on the use of Proceeds has expired and the invested amount is less than 50% of planned investment amount;
- (4) other irregularity arises in the Proceeds-financed Project.

Article 9 The Company shall comply with the following requirements in connection with Excessive Proceeds:

- (1) in case the Company invests the Excessive Proceeds in projects under construction and new projects (including acquisition of assets), in principle, such investment shall be limited to its principal business. The Company shall apply the relevant provisions of Articles 21 to Article 24 of the Measures for Raising Funds to conduct the feasibility analysis of the investment projects in a scientific and prudent manner, and perform the obligation of information disclosure in a timely manner.
- (2) where the Company uses the Excessive Proceeds for the purpose of repayment of bank loans or permanent replenishment of working capital, the amount used in aggregate over each 12-month period shall not exceed 30% of the Excessive Proceeds and the Company shall undertake not to invest in any securities or derivatives, extend any entrusted loans (including provision of financial assistance to others) or make other highly risky investments as defined by the Shanghai Stock Exchange within 12 months upon repayment of bank loan or replenishment of working capital; and such use of Excessive Proceeds for the foregoing purpose shall be subject to consideration and approval by the board of directors and the general meeting of the Company, with the online voting platform provided for shareholders, and the affirmative opinions given expressly by independent directors, the board of supervisors and the sponsor are required. The Company shall notify and publish an announcement of the following within two trading days after the meeting of the board of directors:
 - (1) the basic information on the Proceeds, including, among others, the time of raising, the amount of the Proceeds and the Net Proceeds, the amount of Excessive Proceeds and the investment plan;
 - (2) the information on use of the Proceeds;
 - (3) the necessity of and the detailed plan on the use of the Excessive Proceeds for the purpose of permanent replenishment of working capital or repayment of bank loans;
 - (4) the undertaking not to make any highly risky investment or provide any financial assistance for others within 12 months upon replenishment of working capital;
 - (5) the impact on the Company of permanently replenishing working capital or repaying bank loans with Excessive Proceeds; and

- (6) the opinions issued by the independent directors, the board of supervisors and the sponsor.

Article 10 In using the Proceeds, the Company is prohibited from:

- (1) investing in a financial investment project including, among others, holding financial assets held-for-trade and available-for-sale, lending money to other parties, entrusted wealth management, and directly or indirectly investing in any company which engages in trading of marketable securities as its principal business;
- (2) changing the use of Proceeds by ways of pledge, entrusted loans or otherwise in a disguised manner
- (3) having the Proceeds appropriated or embezzled by the controlling shareholder, actual controller or other related parties to obtain improper advantages through the Proceeds-financed Project for the benefit of the related parties;
- (4) other activities that are prohibited under the applicable laws, regulations, the Listing Rules and the Articles of Association.

Article 11 Where the Company has invested with its own funds in any Proceeds-financed Project prior to its receipt of the Proceeds, such funds shall be replaced with the Proceeds within six months upon receipt thereof.

Such replacement shall be subject to consideration and approval by the board of directors of the Company, with a verification report issued by an accounting firm and the affirmative opinions expressly given by independent directors, the board of supervisors and the sponsor.

The Company shall notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if required) and publish an announcement within two trading days upon approval by the board of directors.

Article 12 The temporarily idle Proceeds may be used for cash management, and the products to invest in shall meet the following conditions:

- (1) the product shall be highly safe, the repayment of its principal amount shall be guaranteed, and its issuer shall be able to make a principal amount-guaranteed commitment;
- (2) the product shall be of good liquidity, and shall not affect the ordinary implementation of the Proceeds investment plan.

The products invested in shall not be pledged, and the special account for settlement of products (if applicable) shall not be used for the deposit of funds other than the Proceeds or for any other purposes. In case of opening or canceling a special account for settlement of the products, the Company shall file with the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if required) and publish an announcement within two trading days.

Article 13 Where the Company invest in any investment product with idle Proceeds, such investment shall be subject to consideration and approval by the board of directors, with the affirmative opinions expressly given by the independent directors, the board of supervisors and the sponsor. The Company shall publish an announcement of the following within two trading days after the meeting of the board of directors:

- (1) the basic information of the Proceeds, including, among others, the time of raising, the amount of the Proceeds and the Net Proceeds and investment plans;
- (2) the information on use of the Proceeds;
- (3) the quota and duration of the products invested in with idle funds, whether there is any act of changing the purposes of use of the Proceeds in a disguised manner and the measures taken to ensure ordinary operation of the Proceeds-financed Projects;
- (4) the profit distribution manner, investment scope and safety of the investment products;
- (5) the opinions issued by the independent directors, the board of supervisors and the sponsor.

Article 14 In addition to applicable laws, regulations, the Listing Rules, the Articles of Association, the Company's use of idle Proceeds to temporarily replenish working capital shall meet the following requirements:

- (1) such working capital shall be limited to financing of production and operation related to the principal business, and shall not be directly or indirectly used to place and/or subscribe for new shares, or used to deal in, including, among others, stocks and any derivative instruments or convertible bonds; and no changes shall be made to the purpose of use of Proceeds nor shall ordinary operation of the Proceeds investment plan be affected;

- (2) the duration of any individual replenishment of working capital shall not exceed 12 months;
- (3) any Proceeds used for previous temporary working capital replenishment is refunded when due (if applicable).

Where the Company temporarily replenish working capital with idle Proceeds, such replenishment shall be subject to the consideration and approval by the board of directors of the Company, with the affirmative opinions expressly given by independent directors, the board of supervisors and the sponsor. The Company shall notify the Shanghai Stock Exchange and make an announcement within two trading days after the meeting of the board of directors.

Prior to the deadline for refund of the working capital to be replenished, the Company shall refund such Proceeds to the Proceeds Account, and notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if required) and publish an announcement within two trading days upon full refund of such Proceeds.

Article 15

Where an individual Proceeds-financed Project is completed and the Company wishes to invest in other Proceeds-financed Projects with the balance of the Proceeds for the completed project (including interest income), it shall be subject to consideration and approval by the board of directors with affirmative opinions expressly given by the independent directors, the board of supervisors and the sponsor. The Company shall notify the Shanghai Stock Exchange and make an announcement within two trading days after the meeting of the board of directors.

If the balance of the Proceeds (including the interest income) is less than RMB1 million or less than 5% of the committed amount of Proceeds to be invested in such Proceeds-financed Project, the Company may be exempted from the above procedures set out in the preceding paragraph, but shall disclose the status of use in its annual report.

If the balance of the Proceeds (including the interest income) of an individual Proceeds-financed Project is used for projects other than Proceeds-financed Projects (including replenishment of working capital), the Company shall comply with relevant procedures and perform disclosure obligations with reference to "Changes in the Proposed Use of Proceeds".

Article 16 Upon completion of all Proceeds-financed Projects, the balance of the Proceeds (including the interest income) equivalent to an amount of 10% or above of the Net Proceeds may be used subject to the consideration and approval of the board of directors and the general meeting and with the affirmative opinions expressly given by the independent directors, the board of supervisors and the sponsor. The Company shall notify the Shanghai Stock Exchange and publish an announcement within two trading days after the meeting of the board of directors.

The balance of the Proceeds (including the interest income) in an amount of less than 10% of the Net Proceeds may be used subject to the consideration and approval by the board and with the affirmative opinions expressly given by the independent directors, the board of supervisors and the sponsor. The Company shall notify the Shanghai Stock Exchange and publish an announcement within two trading days after the meeting of the board of directors.

The balance of the Proceeds (including the interest income) in an amount of less than RMB5 million or less than 5% of the Net Proceeds may be exempted from the above procedures in terms of its use, but the Company shall disclose its status of use in the latest periodic report.

CHAPTER 4 CHANGES IN THE PROPOSED USE OF PROCEEDS

Article 17 Subject to relevant laws, regulations, the Listing Rules and the Articles of Association, any change to a Proceeds-financed Project must be considered and approved by the board of directors and the general meeting, with the affirmative opinions expressly issued by the independent directors, the board of supervisors and the sponsor.

In case the Company merely changes the venue of the Proceeds-financed Projects, such change may be exempted from complying with the procedures set out in the preceding paragraph but shall be subject to the consideration and approval by the board. The Company shall notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if required) and publish an announcement, setting forth the reasons for such change and the opinion of the sponsor, within two trading days upon approval by the board of directors.

Article 18 The modified Proceeds-financed Project shall be an investment in the principal business. The Company shall scientifically and prudently carry out the feasibility analysis of the new Proceeds-financed Project and shall be convinced that such investment projects have promising market prospects and profitability, and effectively prevent investment risks and increase the benefit from the use of the Proceeds.

Article 19 In case the Company proposes to change a Proceeds-financed Project, the Company shall notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if required) and publish an announcement within two trading days upon the submission to the board of directors for consideration:

- (1) background information of the original Proceeds-financed Project and the specific reasons of such change;
- (2) background information, development prospects, feasibility analysis, profitability and risks warning of the new Proceeds-financed Project;
- (3) the investment plan for the new Proceeds-financed Project;
- (4) the statement of any approval obtained or to be obtained from the relevant authorities for the new Proceeds-financed Project (if applicable);
- (5) the opinions of the independent directors, the board of supervisors and the sponsor in respect of the change to the Proceeds-financed Project;
- (6) the statement that the change to the Proceeds-financed Project needs to be submitted to the general meeting for consideration and approval;
- (7) any such other content as required by the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

Where the new Proceeds-financed Project involves any related party transactions, purchase of assets or external investments, the Company shall make disclosure in accordance with relevant rules.

Article 20 Where the Company changes a Proceeds-financed Project to acquisition of assets (including equity) from the controlling shareholders or actual controller of the Company, the Company shall ensure that horizontal competition can be avoided and related party transactions can be reduced effectively after such acquisition.

Article 21 In case the Company proposes to transfer or exchange a Proceeds-financed Project to or with others (except for those that have been entirely transferred or exchanged during any material asset reorganization of the Company), it shall notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange and publish an announcement of the following within two trading days from the submission to the board of directors for consideration:

- (1) specific reasons for the such transfer or exchange of the Proceeds-financed Project;

- (2) the amount of Proceeds invested in the original Proceeds-financed Project;
- (3) completion progress and benefit realized from the project;
- (4) basic information, feasibility analysis and risk warning (if applicable) of the acquired project in exchange;
- (5) the pricing basis of the transfer or exchange and relevant earnings;
- (6) opinions on the transfer or exchange of the Proceeds-financed Project from the independent directors, the board of supervisors and the sponsor;
- (7) statement that the transfer or exchange of the Proceeds-financed Project needs to be submitted to the general meeting for consideration and approval;
- (8) any such other content as required by the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The Company shall give due regard to the receipt and use of the consideration of the transfer, the change in ownership of the acquired assets and the on-going operation of the acquired assets, and fulfill necessary information disclosure obligations.

CHAPTER 5 ADMINISTRATION OF AND SUPERVISION ON USE OF PROCEEDS

Article 22 The board of directors shall comprehensively review the progress of the Proceeds-financed Projects semi-annually, and issue a Special Report on the Deposit and the Actual Use of Raised Proceeds of the Company (“**Special Report**”) with respect to the deposit and use of Proceeds, in such form as is required by the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if any).

Where the actual progress of the Proceeds-financed Projects deviates from the investment plan, the Company shall provide specific reasons in the Special Report. When idle Proceeds are used in investment products during the current period, the Company shall disclose returns for the reporting period and investment share as at the end of the period, counterparties, product names, term and other information in the Special Report.

The Special Report shall be considered and approved by the board of directors and the board of supervisors, and the Company shall notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if required) and publish an announcement thereof within two trading days upon submission to the board for consideration. In an annual audit, the Company shall engage an accounting firm to issue a verification report on the deposit and use of Proceeds of the Company, which shall be submitted to the Shanghai Stock Exchange at the time when the Company disclose its annual report, and such report shall be disclosed on the website of the Shanghai Stock Exchange, concurrently.

Article 23 The sponsor shall conduct at least one on-site inspection on the deposit and use of Proceeds of the Company semi-annually. After the end of every financial year, the sponsor shall issue a special examination report on the deposit and use of Proceeds of the Company for the year, which shall be submitted to the Shanghai Stock Exchange at the time when the Company disclose its annual report. Such report shall contain the following:

- (1) information relating to deposit and use of Proceeds as well as the balance of the Proceeds Account;
- (2) progress of Proceeds-financed Projects, including the difference with the planned investment progress of Proceeds;
- (3) information of the replacement of the Company's own fund invested in the Proceeds-financed Project previously with the Proceeds (if applicable);
- (4) the use of idle Proceeds to replenish working capital and its effect (if applicable);
- (5) any change to the investment target of the Proceeds (if applicable);
- (6) use of Excessive funds (if applicable);
- (7) the conclusive opinion on whether the deposit and use of Proceeds by the Company is in compliance with laws and regulations;
- (8) any such other matter as required by the Shanghai Stock Exchange.

After the end of each financial year, the board of directors of the Company shall disclose in the Special Report the conclusive opinion in the special examination report issued by the sponsor and the verification report issued by the accounting firm.

Article 24 The independent directors, the audit committee of the board of directors and the board of supervisors shall continuously monitor the management and use of Proceeds. An accounting firm may be engaged by the audit committee of the board of directors, the board of supervisors or one half or more of all the independent directors to conduct special audit on the deposit and the use of Proceeds and issue a special audit report. The Company shall actively cooperate with such examination and bear any necessary cost.

The board shall notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange (if required) and release an announcement within two trading days upon the receipt of the special audit report issued by the accounting firm. If the accounting firm's audit report identifies any non-compliance in the management and use of Proceeds of the Company, the board of directors shall also make an announcement of such non-compliance, the consequences of such non-compliance that has occurred or may occur and actions that have been taken or to be taken.

Article 25 The information of the use of the Proceeds shall be disclosed by the board of directors of the Company.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 26 These Measures shall apply to any such Proceeds-financed Project which are effected through the Company's subsidiary or other enterprises controlled by the Company.

Article 27 If there are any matters not dealt with in these Measures or there are any matters in these Measures which are inconsistent with any applicable laws, regulations, the Listing Rules, regulatory rules or the Articles of Association, such applicable laws, regulations, the Listing Rules, regulatory rules and the Articles of Association shall prevail.

Article 28 These Measures shall come into force from the date when it is adopted by the general meeting by as an ordinary resolution. Provisions pertaining to the domestic listing shall come into force from the date on which the shares of the Company are listed on the domestic stock exchange.

Article 29 The board of directors shall be responsible for interpreting these Measures, and any amendments shall be made only upon consideration and approval by the general meeting after such amendments are proposed by the board of directors.

Article 30 The term "or above" shall include the given figure and "more than" shall not when used herein.

II. ADMINISTRATIVE REGULATIONS ON RELATED PARTIES TRANSACTIONS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to ensure that the related party transactions between Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) and related parties are in compliance with the principle of fairness, justness and openness, and to ensure that related party transactions of the Company (referred to as the “**connected transactions**”) under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, same below) will not cause any damage to the legitimate rights and interests of the Company and non-related shareholders, in light of the actual conditions of the Company, these Regulations are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Listing Rules of the Shanghai Stock Exchange (hereinafter referred to as the “**Listing Rules of SSE**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules of SEHK**”) and the Articles of Association of the Company (hereinafter referred as the “**Articles of Association**”).

Article 2 The Company shall carry out the classified management for related party transactions, and shall perform the required approval, information disclosure and other procedures pertaining to the related party transactions in accordance with the scope of related persons and connected persons confirmed based on the Listing Rules of SSE and the Listing Rules of SEHK, as well as other relevant laws and regulations.

When entering into a transaction, the Company shall, in light of concrete circumstances, consider such transaction in accordance with the Listing Rules of SSE and the Listing Rules of SEHK respectively, and shall, based on the stricter provisions of these two listing rules, determine whether the parties involved in the transaction are related persons or connected persons of the Company and whether the transaction constitutes a related party transaction, as well as what decision-making procedures and disclosure requirements will apply.

Article 3 With respect to any related party transaction between the Company and a related person/connected person, a written agreement shall be entered into based on the principle of equality, free will, value equivalence and mutual recompense. The contents of the agreement shall be clear and specific.

Article 4 The related party transactions shall abide by the principle of fairness, justness and openness, and in principle, the price for related party transactions shall not deviate from the price or fee standards of an independent third party in the market.

CHAPTER 2 RELATED PARTY TRANSACTIONS AND RELATED PERSONS

Article 5 A “related party transaction” refer to a transaction where resources or obligations are transferred between the Company or its subsidiaries (as defined in the Listing Rules of SEHK), or controlled subsidiaries and related persons and connected persons of the Company. In accordance with the Listing Rules of SEHK, connected transactions are transactions with connected persons, and specified categories of transactions with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions, which may be one-off transactions or continuing transactions.

Transactions include both transactions of capital nature and transactions of revenue nature, whether or not conducted in the ordinary course of business of the Company. Subject to the exceptions set out in the Listing Rules of SEHK, transactions include the following categories of transactions:

- (1) any acquisition or disposal of assets including a deemed disposal set out in the Listing Rules of SEHK;
- (2) granting, accepting, exercising, transferring, terminating or deciding not to exercise an option to acquire or dispose of assets or an option to subscribe for securities; terminating an option is not a transaction if it is made under the terms of the original agreement and it does not involve the payment by the Company of any penalty, damages or other indemnities;
- (3) entering into or terminating finance leases or operating leases;
- (4) providing or accepting financial assistance; financial assistance includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;
- (5) entering into an agreement or arrangement to establish a joint venture in any form or any other form of joint arrangement;
- (6) issuing new securities of the Company or its subsidiaries;
- (7) external investment (including, among others, entrusted wealth management and entrusted loan);
- (8) providing guarantees;
- (9) lease of assets (either as lessor or lessee);

- (10) entrusted management of assets and businesses (either as entrustor or entrustee);
- (11) donation of assets (either as donor or donee);
- (12) restructuring of creditor's rights or debts;
- (13) transfer of research and development projects (either as transferor or transferee);
- (14) entering into license agreements;
- (15) purchase of raw materials, fuels and power;
- (16) selling products and goods;
- (17) providing or receiving labor services;
- (18) entrusted sales (either as entrustor or entrustee);
- (19) joint investment with related parties;
- (20) depositing money with, or obtaining loans from, financial companies of the related persons;
- (21) other matters which may give rise to transfer of resources or obligations by agreement;
- (22) other matters which shall be considered as related party transactions under the relevant regulations.

Article 6 Related persons of the Company include related legal persons and related natural persons, as defined in the Listing Rules of SSE and the relevant laws and regulations. The definition of connected persons of the Company is subject to the provisions of the Listing Rules of SEHK.

Article 7 Pursuant to the relevant provisions of the Shanghai Stock Exchange of the place where the domestic shares are listed, any legal person or other organization being the subject of any of the following circumstances shall be deemed as a related legal person of the Company:

- (1) legal persons or other organizations who directly or indirectly control the Company;
- (2) legal persons or other organizations (other than the Company and its controlled subsidiaries) under direct or indirect control of the legal persons referred to in the above paragraph (1);

- (3) legal persons or other organizations under direct or indirect control of the related natural persons of the Company listed in Article 9 hereof, or legal persons or other organizations (other than the Company and its controlled subsidiaries) with whom the related natural persons serve as directors or senior management members;
- (4) legal persons or other organizations holding 5% or more of the shares of the Company;
- (5) legal persons or other organizations considered by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”), the Shanghai Stock Exchange or the Company, based on the principle of substance over form, to have special relationship with the Company, which may result in any bias of the Company’s interests towards them.

Article 8 There shall be no related party relationship between the Company and the legal persons listed in subparagraph (2) of Article 7 if it constitutes the circumstances of subparagraph (2) of Article 7 is due to the fact that the Company and such legal persons are controlled by the same state-owned asset management institution, except where the legal representatives, presidents or one half or more of the directors of such legal persons concurrently serve as director, supervisor or senior management member of the Company.

Article 9 Pursuant to the relevant provisions of the Shanghai Stock Exchange on which the domestic shares are listed, any natural person being the subject of any of the following circumstances shall be deemed as related natural persons of the Company:

- (1) natural persons directly or indirectly holding 5% or more of the shares of the Company;
- (2) directors, supervisors and senior management members of the Company;
- (3) directors, supervisors and senior management members of the related legal persons listed in subparagraph (1) of Article 7;
- (4) close family members of the persons described in paragraphs (1) and (2) of this Article, including spouses, parents, parents of their spouses, siblings and their spouses, children aged at least 18 and their spouses, siblings of their spouses, as well as parents of children’s spouses;

- (5) natural persons considered by the CSRC, the Shanghai Stock Exchange or the Company, based on the principle of substance over form, to have special relationship with the Company, which may result in any bias of the Company's interests towards them.

Article 10 Pursuant to the relevant provisions of the Shanghai Stock Exchange on which the domestic shares are listed, any legal person, other organization or natural person being the subject of any of the following circumstances shall be deemed as a related person of the Company:

- (1) pursuant to an agreement or arrangement with the Company or the related persons of the Company, such legal persons, other organizations or natural persons will become the subject of any of the circumstances prescribed in Article 7 or Article 9 hereof upon effectiveness of such agreement or arrangement or in 12 months thereafter;
- (2) such legal persons, other organizations or natural persons have been the subject of any of the circumstances prescribed in Article 7 or Article 9 hereof in the past 12 months.

CHAPTER 3 ABSTENTION SYSTEM

Article 11 When the board of directors of the Company considers the related party transactions, the related directors shall abstain from voting, and shall not act as proxy of another director to exercise the voting right. Where the related directors fail to make the declaration and abstain from voting on their own initiative, the directors with knowledge of such case shall require the abstention of the related directors. The meeting of the board of directors may be held when more than one half of the unrelated directors are present, and the resolutions made at such meeting of the board of directors shall be adopted by the affirmative vote of more than one half of the unrelated directors. Where the number of unrelated directors present at the meeting of the board of directors is less than three, the Company shall submit the transactions to the general meeting for consideration.

The related directors referred in the preceding paragraph include the following directors or the directors being the subject of any of the following circumstances:

- (1) the counterparty;
- (2) persons holding a position with the counterparty, or with a legal person or other organization capable of directly or indirectly controlling the counterparty or directly or indirectly controlled by the counterparty;

- (3) direct or indirect controller(s) of the counterparty;
- (4) a close family member(s) of the counterparty or its direct or indirect controller (see the provisions of subparagraph (4) of Article 9 hereof for specific scope of close family members);
- (5) a close family member(s) of the directors, supervisors and senior management members of the counterparty or its direct or indirect controller (see the provisions of subparagraph (4) of Article 9 hereof for specific scope);
- (6) other directors whose independent business judgment may be affected as determined by the CSRC or the Shanghai Stock Exchange or the Company based on the principle of substance over form;
- (7) other directors who shall abstain from voting in accordance with the Listing Rules of SEHK.

Article 12 When the general meeting considers the related party transactions, the following shareholders shall abstain from voting:

- (1) the counterparty;
- (2) director or indirect controller of the counterparty;
- (3) shareholders who are under direct or indirect control of the counterparty;
- (4) shareholders who are under direct or indirect control of the same legal person, other organization or natural person as the counterparty;
- (5) shareholders whose voting rights are restricted or affected due to any equity transfer agreements or other agreements between such shareholders and the counterparty or its related persons the obligations under which are being performed;
- (6) shareholders who may cause any bias of Company's interests towards them as determined by the CSRC or the Shanghai Stock Exchange;
- (7) other shareholders who shall abstain from voting in accordance with the Listing Rules of SEHK.

Article 13 With respect to any related party transaction for which the related shareholders fail to explain their related party relationship and abstain from voting on their own initiative, or for which the notice from the board of directors fails to provide an explanation, other shareholders may require the related shareholders to make explanations and abstain from voting.

Article 14 If, after the conclusion of the general meeting, other shareholders find out that the related shareholders have participated in the voting on the related party transactions, or the shareholders have different opinions on whether the abstention system shall apply, the shareholders shall be entitled to file a lawsuit with the people's courts in respect of the relevant resolutions according to the provisions of the Articles of Association.

Article 15 The resolutions of the general meeting shall fully record the votes of the unrelated shareholders.

CHAPTER 4 PROCEDURES REQUIRED FOR RELATED PARTY TRANSACTIONS

Article 16 Pursuant to the relevant provisions of the Shanghai Stock Exchange on which the domestic shares are listed, related party transactions between the Company and the related parties requires the performance of the following procedures:

- (1) the related party transactions between the Company and the related natural persons, if the amount involved is between RMB300,000 and RMB3,000,000, shall be approved by the board of directors and disclosed in a timely manner.

The related party transactions described in the preceding paragraph shall be authorized by the general meeting and disclosed in a timely manner if the amount involved is not less than RMB3,000,000.

- (2) the related party transactions between the Company and the related legal persons shall be approved by the board of directors and disclosed in a timely manner if the amount involved is not less than RMB3,000,000 and represents 0.5% or more of the absolute value of the audited net assets of the Company for the most recent period.

The related party transactions described in the preceding paragraph shall be approved by the general meeting of the Company and disclosed in a timely manner if the amount involved is RMB30,000,000 or more and represents 5% or more of the absolute value of the audited net assets of the Company for the most recent period.

Article 17 The Company shall perform the relevant reporting, announcement or approval procedures for the connected transactions in accordance with the relevant provisions of the Listing Rules of SEHK.

With respect to any material related party transactions between the Company and the related parties which are subject to the approval by the general meeting pursuant to the relevant provisions by the Shanghai Stock Exchange on which the domestic shares are listed, the Company shall engage an intermediary qualified to conduct securities and futures-related business to appraise or audit the subject matter of the transaction, except where such related party transactions are entered into during the ordinary course of business of the Company.

The Company may engage an independent financial adviser to give its opinions on whether any material related party transactions subject to the approval by the general meeting are fair and reasonable to the shareholders as a whole and issue an independent financial adviser's report.

Article 18 Subject to the provisions of the relevant listing rules, the related party transactions which are not subject to the approval by the board of directors or general meeting shall be approved by the president meeting of the Company; persons having an interest in such transactions shall abstain from voting at the president meeting. The board of supervisors shall give its opinions expressly on whether the related party transactions subject to the approval by the board of directors or general meeting are fair and reasonable and whether the transactions may harm the legitimate rights and interests of the Company and the non-related shareholders.

Article 19 Any provision by the Company of guarantees in favor of the related persons, irrespective of the amount concerned, shall be submitted to the general meeting for consideration after being considered and approved by the board of directors.

Any provision by the Company of guarantees in favor of the shareholders who hold less than 5% of the shares of the Company shall be dealt with by reference to the terms of the preceding paragraph. The related shareholders shall abstain from voting at the general meeting. The Company shall not directly or indirectly provide loans to its directors, supervisors and senior management members. Where the Company provides loans to its connected persons, it shall, in accordance with relevant provisions of the Listing Rules of SEHK, make relevant declaration or announcement or carry out relevant approval procedures.

Article 20 Where the Company's related party transactions involve matters such as provision of financial assistance, entrusted wealth management, the amount incurred shall be taken as the basis of calculation, and the amount of the same type of transaction carried out for every 12 consecutive months shall be aggregated. If the aggregated amount of such related party transactions reach the thresholds prescribed herein, these Regulations shall apply. Any related party transactions for which the relevant obligations under these Regulations have been fulfilled shall no longer be included in the relevant scope of aggregation.

Article 21 These Regulations shall apply to the following related party transactions conducted by the Company within a period of 12 consecutive months based on the aggregation principle:

- (1) transactions conducted with the same related person;
- (2) transactions conducted with different related persons but with related subject matters.

The same related person as stated above includes another related person that is under direct or indirect control of the same entity as such related person, or that has a mutual controlling relationship with such related person, or with whom the same related natural persons serve as directors or senior management members. Any related party transactions for which the relevant obligations under these Regulations have been fulfilled shall no longer be included in the relevant scope of aggregation.

Article 22 Subject to the provisions of the relevant listing rules, any related party transactions between the Company and its related persons/connected persons conducted in the ordinary course of business of the Company (the "**routine related party transactions**") shall be subject to the deliberation and approval procedures as follows:

- (1) with respect to the routine related party transactions to be conducted for the first time, the Company shall enter into a written agreement with the related persons/connected persons and submit the same to the board of directors or the general meeting for consideration based on the transaction amount under the agreement. If no specific transaction amount is provided in the agreements, such agreements shall be submitted to the general meeting for consideration.

- (2) with respect to any routine related party transaction agreements which have been considered and approved by the board of directors or the general meeting of the Company and the obligations under which are being performed, if no material changes have been made to their major terms during the course of performing the obligations thereunder, the Company shall disclose the actual performance of obligations under such agreements in its periodic reports based on the relevant requirements and shall specify whether their obligations thereunder were performed in compliance with such agreements; if material changes have been made to the major terms of the agreements in the course of performing the obligations thereunder or the agreements need to be renewed upon their expiration, the Company shall submit the revised or renewed agreements in respect of the routine related party transaction to the board of directors or the general meeting for consideration based on the transaction amount under the agreements. If no specific transaction amount is provided in the agreements, such agreements shall be submitted to the general meeting for consideration.
- (3) if, due to the considerable amount of routine related party transactions conducted each year and the need to enter into new routine related party transaction agreements frequently, it is difficult for the Company to submit each agreement to the board of directors or the general meeting for consideration as required in paragraph (1) of this Article, the Company may, prior to its disclosure of the annual report for the previous year, make reasonable estimates of the aggregate amount of routine related party transactions to be conducted by the Company in the current year, and submit the transactions to the board of directors or the general meeting for consideration based on the estimated amount, and make relevant disclosure. If the aggregate amount of the routine related party transactions falls within the estimated range, the Company shall make disclosure of such transactions in its annual and interim reports; if during the course of transactions the amount of the routine related party transactions exceeds the estimated aggregate amount, the Company shall re-submit such transactions to the board of directors or the general meeting for consideration based on the excess amount, and make relevant disclosure.

Article 23 Routine related party transaction agreements shall at least include transaction price, pricing principle and basis, total transaction volume or how the total transaction volume shall be determined, terms of payment and other major terms.

Article 24 Subject to the provisions of the relevant listing rules, the Company may be exempt from performing the relevant obligations prescribed in this Chapter when entering into the following related party transactions with related persons/connected persons:

- (1) one party receives dividends, bonuses or remunerations in accordance with the resolutions of the general meeting of shareholders of the other party;
- (2) one party subscribes in cash for the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly offered by the other party;
- (3) one party, as a member of the underwriting syndicate, underwrites the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly offered by the other party;
- (4) other transactions recognized under the relevant regulations.

In respect of whether the Company is exempted from requirements in this Chapter, if different conclusions are reached by applying the Listing Rules of SSE and by applying the Listing Rules of SEHK, then the Company shall be subject to requirements in this Chapter so long as the stricter rule between the Listing Rules of SSE and the Listing Rules of SEHK requires so. Relevant approval and disclosure requirements shall be fulfilled accordingly.

CHAPTER 5 INTERNAL CONTROL OF RELATED PARTY TRANSACTIONS

Article 25 Shareholders who hold 5% or more of the shares of the Company, directors, supervisors and senior management members of the Company shall promptly inform the secretary to the board of directors of any change in the relevant related natural persons or related legal persons. The secretary to the board of directors shall update the list of related parties in a timely manner to ensure that the list is true, accurate and complete.

When a subsidiary (as defined in the Listing Rules of SEHK) or controlled subsidiary of the Company conducts any transaction, the relevant in-charge person shall carefully read through the list of related parties and make a prudent decision on whether such transaction constitutes a related party transaction. If such transaction constitutes a related party transaction, it shall be deemed as an act of the Company and the approval procedure shall be completed according to these Regulations.

Article 26 Where the Company is to consider a related party transaction subject to prior approval by the independent directors, the relevant persons shall submit through the secretary to the board of directors relevant materials to the independent directors for pre-approval as soon as practicable. Prior to making their decisions, the independent directors may engage an intermediary to issue a special report to serve as basis for their decision-making.

Article 27 The Company shall perform the following duties when considering related party transactions:

- (1) to obtain detailed information on the subject matter of the transaction, including current operating conditions and profitability of the subject matter of the transaction, and whether there are any mortgage, freezing or other title defects and litigation, arbitration and other legal disputes;
- (2) to obtain detailed information on the counterparty, such as credit records, status of creditworthiness, ability to perform the agreement, and to select the counterparty prudently;
- (3) to determine the transaction price on the basis of adequate pricing grounds;
- (4) to engage intermediaries to audit or assess the subject matter of the transaction according to the relevant requirements or when the Company deems it necessary.

The Company shall not consider nor make decision on any related party transaction if the conditions of the subject matter of the transaction are uncertain, the transaction price is yet to be determined, or the information on the counterparty is unclear.

CHAPTER 6 MISCELLANEOUS

Article 28 In these Regulations, the term “not less than” includes the figure itself while the term “more than” does not include the figure itself.

Article 29 If there are any matters not dealt with in these Regulations, such matters shall be dealt with in accordance with applicable PRC laws, regulations, the Articles of Association, the Listing Rules of SEHK and the Listing Rules of SSE. If there are any matters in these Regulations which are inconsistent with applicable PRC laws, regulations, the Articles of Association, the listing rules of the place where the shares of the Company are listed, such applicable laws, regulations, the Articles of Association or the listing rules of the place where the shares of the Company are listed shall prevail.

Article 30 These Regulations shall come into force from the date when it is adopted by the general meeting by way of an ordinary resolution. Provisions pertaining to the domestic listing shall come into force from the date on which the shares of the Company are listed on the domestic stock exchange.

Article 31 The board of directors of the Company shall be responsible for interpreting these Regulations, and any amendments shall be made only upon consideration and approval by the general meeting after such amendments are proposed by the board of directors.

III. ADMINISTRATIVE MEASURES ON THE PROVISION OF EXTERNAL GUARANTEES

CHAPTER 1 GENERAL PROVISIONS

Article 1 These measures (hereinafter referred to as these “**Measures**”) are hereby formulated to regulate the provision of external guarantees by Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”), to efficiently control the risks involved in providing guarantees and protect the legitimate rights and interest of shareholders and other stakeholders, in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China (hereinafter referred to as the “**Guarantee Law**”), the Notice Concerning Certain Issues on Regulating the Funds between Listed Companies and Related Parties and Listed Companies’ Provision of External Guarantee, the Circular on Regulating External Guarantees Provided by Listed Companies and other laws, regulations and normative documents, and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).

Article 2 For the purpose of these Measures, external guarantees refer to guarantees provided by the Company for others, including those for the subsidiaries wholly-owned or controlled by the Company (hereinafter collectively referred to as “**Subsidiaries**”). Guarantees may take the form of suretyship, mortgage, pledge or otherwise.

Article 3 The Company shall provide external guarantees based on the principle of equality, free will, fairness, faithfulness and mutual benefit. No entities or individuals may compel the Company to provide guarantees for others and the Company shall have the right to refuse to provide guarantees for others if it is compelled to do so.

Article 4 The Company’s provision of external guarantees shall be subject to centralized management and no one shall have the right to execute, in the Company’s name, any contract, agreement or similar document in connection with provision of external guarantees, unless approved by the board of directors or the general meeting of the Company by way of resolutions.

Article 5 The independent directors of the Company shall render a special explanation and issue an independent opinion in the annual report of the Company in relation to the aggregate amount of external guarantees provided by the Company and the particular of the external guarantees provided by the Company for the current period and the compliance with relevant requirements, and may engage an accounting firm to conduct review, if necessary. The Company shall promptly notify the board of directors and the regulatory authority and make an announcement of any irregularity identified.

Article 6 These Measures shall be applicable to the external guarantees provided by the Subsidiaries. A Subsidiary shall inform the Company promptly after relevant resolutions are adopted at the meeting of its board of directors or general meeting/assembly of shareholders, in order for the Company to perform the obligations to disclose the relevant information.

In the event that a company in which the Company has an equity interest provides external guarantees for others, which may have a material effect on the price of the Company's shares or its derivatives, the Company shall perform its obligations of information disclosure with reference to the provisions hereof.

CHAPTER 2 CONDITIONS AND GENERAL PRINCIPLES

Article 7 Any obligor for which the Company provides external guarantee shall be sound in its operation and financial position, and shall not be exposed to significant operational or financial risks, and shall be in compliance with the provisions of laws, regulations and other departmental rules.

Article 8 To provide a guarantee, the Company shall require the obligor to provide a counter-guarantee and assess in a prudent manner the actual affordability of the counter-guarantee provider and the enforceability of such counter-guarantee. A counter-guarantee may not be required for a guarantee provided by the Company for the Subsidiary.

Article 9 The Company shall not provide guarantees for the obligors being the subject of any of the following circumstances:

- (1) the information provided by the obligor contains false or misleading representation or material omissions;
- (2) the debt that the obligor applies for guarantee by the Company is in violation of laws or regulations;
- (3) the Company suffers losses from a guarantee provided for the obligor, as the debt in relation thereto became overdue or the obligor failed to repay the principal amount in time;

- (4) the operation or financial position of the obligor has deteriorated or will deteriorate, and the obligor may become unable to repay the debts concerned in a timely manner;
- (5) the obligor incurred material losses in the preceding year or it is estimated that the obligor will incur material losses in the current year;
- (6) the obligor has committed fraudulent acts when applying for the guarantee, or there has been malicious conspiracy among the obligor, counter-guarantee provider and the creditor;
- (7) the counter-guarantee is inadequate, or the right to the property subject to counter-guarantee is defective or such property is prohibited or restricted from being exchanged, or is non-transferable according to laws and regulations;
- (8) the obligor is involved in any pending or foreseeable material litigation, arbitration or administrative punishment, which may affect its solvency; or
- (9) other circumstances under which the general meeting or the board of directors believes that the Company may not provide a guarantee.

CHAPTER 3 ACCEPTANCE AND PRELIMINARY REVIEW OF APPLICATIONS

Article 10 Applications for external guarantees shall be submitted to the finance department of the Company in a centralized manner. The obligor shall provide the letter of application for guarantee and attachments thereto within the term required by the finance department. Prior to making an decision by the Company on whether to provide the guarantee, the Company shall learn the operation and credit status of the obligor and make detailed analysis with regard to the benefit and risks in providing such guarantee, including but not limited to verification of the following:

- (1) the obligor shall be an enterprise legal person duly incorporated and valid continuance and there shall be no circumstances requiring the obligor to be terminated;
- (2) the obligor shall be in good shape in terms of operation, financial position and credit status, and the obligor shall have stable cash flow or good prospects;
- (3) no creditor has ever requested the Company to assume the joint and several liabilities, in connection with a guarantee previously provided by the Company to the obligor;

- (4) the obligor shall have assets that can be mortgaged (pledged) and have the ability to provide a counter-guarantee (except for the Subsidiaries);
- (5) the financial information provided by the obligor shall be true, complete and valid; and
- (6) there shall be no other legal risks.

Article 11 The letter of application for guarantee submitted by the obligor shall contain at least the following:

- (1) basic information of the obligor;
- (2) information of the principal debts to be guaranteed;
- (3) type and duration of the guarantee;
- (4) major terms of the guarantee agreement;
- (5) information on the obligor's repayment plan provided by the obligor and its funding sources for repayment of the guaranteed debts; and
- (6) the counter-guarantee plan.

Article 12 The following documents shall be attached to the letter of application for guarantee submitted by the obligor:

- (1) a copy of the business license of the obligor as an enterprise legal person;
- (2) the audited financial statements of the obligor for the preceding year and for the most recent period;
- (3) the principal debt agreement in connection with the guarantee;
- (4) the form of the guarantee agreement provided by the creditor;
- (5) statement that there is no potential or ongoing material litigation, arbitration or administrative punishment; and
- (6) any such other information as deemed necessary by the department of the Company.

- Article 13** Upon receipt of an application from the obligor, the finance department shall promptly investigate the credit status of the obligor, evaluate the risks involved in providing guarantees to such obligor, the counter-guarantee provider's actual ability to provide guarantees and the enforceability of the counter-guarantee, and further prepare a written report of the foregoing and deliver the same to the secretary to the board of directors together with copies of the letter of application for guarantee and the attachments thereto.
- Article 14** Upon receipt of the written report, the letter of application for guarantee and other relevant materials from the finance department, the secretary to the board of directors shall conduct compliance review and review on the aggregate amount of external guarantees provided.
- Article 15** As the compliance review of the application for guarantee has been completed, the secretary to the board of directors shall arrange for the consideration and approval by the board of directors or the general meeting, in accordance with the Articles of Association, these Measures, listing rules of the stock exchanges on which the Company's shares are listed and other relevant normative documents.

CHAPTER 4 CONSIDERATION AND APPROVAL

- Article 16** The provision by the Company of the following external guarantees shall be considered and approved by the general meeting:
- (1) any additional external guarantee to be provided subsequent to the aggregate amount of the external guarantees provided by the Company and its subsidiaries having reached or exceeded 50% of its most recent audited net assets;
 - (2) any additional external guarantee to be provided subsequent to the aggregate amount of the external guarantees provided by the Company having reached or exceeded 30% of its most recent audited total assets;
 - (3) any guarantee to any obligor whose asset-liability ratio is greater than 70%;
 - (4) any guarantee the individual guarantee amount of which exceeds 10% of the most recent audited net assets;
 - (5) any guarantee provided for any of shareholders, the actual controller or their related parties; or

- (6) any such other guarantee as are required by laws, regulations, normative documents, listing rules of the stock exchanges on which the Company's shares are listed or the Articles of Association to be considered by the general meeting.

The total amount of external guarantees provided by the Company and the Subsidiaries mentioned in the preceding paragraph refers to the sum of the total amount of external guarantees provided by the subsidiaries and the total amount of external guarantees provided by the Company, including those provided by the Company to the Subsidiaries.

When the general meeting considers any guarantee defined in Item (2) of paragraph 1 of this Article, such guarantee shall be approved by an affirmative vote representing not less than two-thirds of the voting rights held by the shareholders present at the general meeting. When the general meeting considers any guarantee defined in Item (5) of paragraph 1 of this Article, the shareholder concerned or the shareholder controlled by the actual controller concerned shall abstain from voting on such guarantee, and such guarantee may be approved by an affirmative vote representing not less than one half of the voting rights held by the shareholders (excluding the shareholder concerned or the shareholder controlled by the actual controller concerned) present at the meeting.

Article 17 Any guarantee subject to consideration and approval by the general meeting may be submitted to the general meeting only upon approval by the board of directors after consideration. When the general meeting or the board of directors resolves upon such guarantee, the interested shareholders or directors shall abstain from voting thereon.

Article 18 All external guarantees other than those set out in Article 16 hereof shall be considered and approved by the board of directors. Guarantees to be considered by the board of directors may be approved by an affirmative vote of not less than one half of all the directors and not less than two-thirds of the directors present at the meeting of the board of directors.

Article 19 To improve efficiency in decision-making, the general meeting or the board of directors may, within the scope of its authority for approval, consider and determine at the beginning of each year a maximum amount of guarantees to be provided between the Company and the Subsidiaries or within the subsidiaries for the year, and further authorize the chairman of the board of directors or the president of the Company to make decisions on and deal with specific matters related to such guarantees within the specified range. The aforesaid guarantees or transactions shall comply with the requirements of applicable laws, regulations, listing rules of the stock exchanges on which the Company's shares are listed, the Articles of Associations and other terms or rules on related-party transactions or connected transactions.

Article 20 In considering the obligor's application for guarantee, the general meeting or the board of directors shall act prudently and strictly control the credit risk arising from external guarantees, carefully consider and analyze the financial position, operation status, industrial prospects and credit status of the obligor, and make decisions prudently in accordance with laws. An external professional institution may be engaged, if necessary, to conduct assessment of the risks in providing external guarantee, which may be taken as the basis for decision-making.

Article 21 The secretary to the board of directors shall keep record in detail of the discussion and voting particulars in respect of guarantee-related matters at the general meeting or the meeting of the board of directors.

CHAPTER 5 REVIEW AND EXECUTION OF GUARANTEE CONTRACTS

Article 22 The Company shall execute a written guarantee agreement and a written counter-guarantee agreement in compliance with the Guarantee Law and other applicable laws and regulations to provide external guarantees, the major terms of which shall be clear without ambiguity.

Article 23 The finance department of the Company and relevant departments and personnel must carefully review relevant provisions of such agreement in executing a guarantee agreement. Guarantee agreements and counter-guarantee agreements shall be reviewed by the legal personnel of the Company. If necessary, guarantee agreements other than the standard form issued by banks shall be reviewed by the law firm engaged by the Company or a legal opinion thereon shall be issued by such law firm. In case of any terms that are mandatory or obviously adverse to the interest of the Company, or otherwise involve unpredictable risks, the Company shall require the obligor to modify such terms or otherwise, refuse to provide guarantee for such obligor.

Article 24 When the Company accepts counter-guarantee of mortgage or pledge, the finance department together with legal personnel of the Company (or lawyers engaged by the Company) shall complete relevant legal procedures, including, in particular, completing registration of such mortgage or pledge in a timely manner.

Article 25 The chairman of the board of directors or a person authorized by the Company shall execute the guarantee agreement on behalf of the Company in accordance with the resolutions of the board of directors or the general meeting. In the absence of any proposals considered and approved by the general meeting or the board of directors, no external guarantee agreement shall be executed by anyone on behalf of the Company or its branches.

Article 26 The Company shall complete the registration of guarantee with relevant authority, if so required by laws and regulations.

CHAPTER 6 DAILY MANAGEMENT

- Article 27** The finance department of the Company is the department responsible for daily management of external guarantees provided by the Company and shall be responsible for centralized registration of external guarantees provided by the Company and the Subsidiaries controlled by the Company.
- Article 28** The finance department shall properly keep and administer all documents and information related to external guarantees provided by the Company (including but not limited to the letters of application for guarantees and the attachments thereto, the review opinions from the finance department, the secretary to the board of directors, other departments of the Company or the board of directors/general meeting, and the executed guarantee agreements), sort out and examine the same in a timely manner, check with banks or other relevant institutions on a regular basis to make sure the recorded information are complete, accurate and valid, monitor the validity of guarantees, prepare the fact sheet of the Company's external guarantees on a regular basis with copies sent to the president of the Company and the secretary to the board of directors.
- Article 29** If any agreement not duly approved by the board of directors or general meeting is identified by the finance department in administration of the said documents, the finance department shall promptly report to the board of directors and the board of supervisors.
- Article 30** Where the term of a guaranteed debt needs to be extended after such debt becomes due and further guarantee is required to be provided from the Company, such further guarantee shall be deemed as a new guarantee to be provided and shall be subject to the application, review and approval procedures as prescribed in these Measures.

CHAPTER 7 RISK CONTROL

Article 31 The Company shall follow the principle of compliance, prudence, mutual benefit and safety in terms of its internal control of external guarantees, and strictly control the risks arising from guarantees.

Article 32 The Company shall investigate the operation and credit status of the obligor and track and supervise the operation and financial condition of the obligor over the term of the guarantee for the purpose of risk control, specifically:

- (1) the finance department of the Company shall designate a person (hereinafter referred to as the “**Designated Person**”) to continuously monitor the status of the obligor, collect the financial information and audit report of the obligor for the most recent period, analyze the financial position and solvency of the obligor on a regular basis, pay attention to its production and operation, assets and liabilities, external guarantees provided to others, division and consolidation or change in legal representative, keep relevant financial records and report to the board of directors on a regular basis;
- (2) in case the Designated Person becomes aware of serious deterioration in the operation of the obligor or any occurrence of dissolution, division or other material issues or any circumstances that have or may have a material adverse effect on the solvency of the obligor, the Designated Person shall report to the board of directors promptly. The board of directors is obligated to take effective measures to minimize the losses; and
- (3) the finance department shall make assessment of the solvency of the obligor in writing 15 days prior to the date on which the debt of the obligor becomes due, and gain an insight into the financial arrangements made by the obligor for repayment of the debts and the evidence thereof. Any issue identified shall be reported to the board of directors promptly.

Article 33 To provide a guarantee, the Company shall require from the obligor a counter-guarantee to be provided by such person who shall be able to assume such guarantee liability. The Company shall assess in a prudent manner the actual ability of the counter-guarantee provider to provide guarantee and the enforceability of the counter-guarantee. Where the obligor default on its debt and the creditor claims such debt against the Company, the Designated Person shall make a proposal to the Company to immediately initiate the counter-guarantee recourse procedure.

Article 34 The Company shall not assume its guarantee liability, as a general surety, before a dispute over the guarantee agreement undergoes judicial or arbitrary procedures and the obligor remains incapable of paying his debt despite the lawful enforcement against the debtor's assets.

Article 35 If any creditor fails to declare the creditor's rights after a people's court accepts and hears the debtor's bankruptcy case, the Designated Person shall apply to the Company to participate in the distribution of bankruptcy assets and exercise its right of recourse in advance.

CHAPTER 8 INFORMATION DISCLOSURE

Article 36 Upon adoption of resolutions on guarantee-related matters by the board of directors or the general meeting, the secretary to the board of directors shall submit relevant documents to the stock exchange and disclose relevant information on the designated media in a timely manner, in accordance with laws, regulations, listing rules of the stock exchanges on which the Company's shares are listed and normative documents.

Article 37 Information to be disclosed in connection with an external guarantee shall include, without limitation, resolutions of the board of directors or the general meeting, the total amount of external guarantees provided by the Company and the Subsidiaries as of the date of disclosure and the total amount of guarantees provided by the Company for the Subsidiaries.

Article 38 For any disclosed guarantee, relevant responsible departments and personnel shall notify the secretary to the board of directors promptly upon occurrence of any of the following, so as for the Company to perform the obligation of information disclosure in a timely manner:

- (1) the obligor's failure to perform its obligations within 15 working days following the date on which the debt becomes due; or
- (2) bankruptcy or liquidation of the obligor, or other event that has a material effect on its solvency.

Article 39 The financial management department of the Company shall furnish the certified public accountant that is responsible for the Company's financial audit with true information of all external guarantees provided by the Company according to regulations.

CHAPTER 9 ACCOUNTABILITY

Article 40 All directors of the Company shall consider matters involving external guarantees by the Company strictly in accordance with these Measures and relevant laws, regulations and normative documents.

Article 41 Where any director or senior management members of the Company provides guarantee for others with the property of the Company without approval by the general meeting or the board of directors and in violation of these Measures, any proceeds earned therefrom shall belong to the Company and such director or senior management member shall be liable for compensation of any loss thus caused to the Company or shareholders according to laws.

Where the said circumstance arises with any director or senior management member of the Company, the supervisors or shareholders may file a lawsuit with a people's court against such director or senior management member concerned. The Company may impose punishment or remove such director or senior management member depending on the seriousness of the case. In case the director or senior management member is suspected of any crimes, he/she shall be transferred to the judiciary authority and subject to criminal prosecution according to laws.

CHAPTER 10 SUPPLEMENTARY PROVISIONS

Article 42 If there are any matters not dealt with in these Measures, such matters shall be dealt with in accordance with applicable PRC laws, regulations, normative documents and the Articles of Association. If there are any matters in these Measures which are inconsistent with any PRC laws, regulations or normative documents that may be adopted thereafter or the Articles of Association as amended in accordance with legal procedures or the listing rules of the stock exchanges on which the shares of the Company are listed, such future PRC laws, regulations or normative documents or the amended Articles of Association or the listing rules of the stock exchanges on which the shares of the Company are listed shall prevail and these Measures shall be modified accordingly in a timely manner.

Article 43 The board of directors shall be responsible for interpreting these Measures. Any amendment to these Measures shall be proposed by the board of directors and shall be submitted to the general meeting for consideration and approval.

Article 44 These Measures shall come into force from the date when it is adopted by the general meeting by way of an ordinary resolution; Provisions pertaining to the domestic listing shall come into force from the date on which the shares of the Company are listed on the domestic stock exchange.

IV. ADMINISTRATIVE REGULATIONS ON EXTERNAL INVESTMENT

CHAPTER 1 GENERAL PROVISIONS

Article 1 These regulations (hereinafter referred to as these “**Regulations**”) are hereby formulated to regulate the investment decision-making procedures of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”), to ensure that the decisions are made in a scientific, standard and transparent manner, to improve the efficiency of capital operation of the Company and protect the rights and interests of the Company and the shareholders, in accordance with the Company Law of the People’s Republic of China and other laws, regulations and normative documents and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).

Article 2 For the purpose of these Regulations, external investment by the Company refers to all kinds of investment activities conducted by the Company with a certain amount of monetary capital, equity or evaluated physical or intangible assets for the purpose of generating profit in the future, including, among others, equity investment, entrusted wealth management, entrusted loans, investment in marketable financial assets and financial assets available for sale.

Article 3 These Regulations are applicable to the business operation and investment activities of the subsidiaries wholly-owned or controlled by the Company (hereinafter referred to as the “**Subsidiaries**”).

In the event that the business operation or investment activities of a company in which the Company has an equity interest may have a material effect on the price of the Company’s shares or its derivatives, the Company shall refer to the regulations herein.

CHAPTER 2 DECISION-MAKING PROCEDURES

Article 4 The Company’s authority for review and approval of any external investment is as follows:

- (I) any such external investment made by the Company that meets any of the following thresholds, shall be submitted to the general meeting for consideration upon approval by the board of directors and shall be disclosed in a timely manner:
 - (1) the total assets (the higher of the book value and the appraised value, if both available) involved in the transaction account for more than 50% of the latest audited total assets of the Company;

- (2) the amount (including the debts and expenses incurred) of the transaction accounts for more than 50% of the latest audited net assets of the Company, and exceeds RMB50 million in its absolute value;
 - (3) profit derived from the transaction accounts for more than 50% of the audited net profit of the Company for the most recent financial year, and exceeds RMB5 million in its absolute value;
 - (4) operating income of the target of the transaction (e.g. equity interests) for the most recent financial year accounts for more than 50% of the audited operating income of the Company for the same period, and exceeds RMB50 million in its absolute value;
 - (5) net profit of the target of the transaction (e.g. equity interests) for the most recent financial year accounts for more than 50% of the audited net profit of the Company for the same period, and exceeds RMB5 million in its absolute value;
 - (6) other circumstances under which an investment is required to be submitted to the general meeting for consideration as prescribed in laws, regulations, normative documents, relevant rules of stock exchange(s) on which the shares of the Company are listed or the Articles of Association.
- (II) any such external investment to be made by the Company that meets any of the following thresholds, shall be considered and approved by the board of directors and disclosed in a timely manner:
- (1) the total assets (the higher of the book value and the appraised value, if both available) involved in the transaction account for more than 10% of the latest audited total assets of the Company;
 - (2) the amount (including the debts and expenses incurred) of the transaction accounts for more than 10% of the latest audited net assets of the Company and exceeds RMB10 million in its absolute value;
 - (3) profit derived from the transaction accounts for more than 10% of the audited net profit of the Company for the most recent financial year, and exceeds RMB1 million in its absolute value;

- (4) operating income of the target of the transaction (e.g. equity interests) for the most recent financial year accounts for more than 10% of the audited operating income of the Company for the same period, and exceeds RMB10 million in its absolute value;
 - (5) net profit of the target of the transaction (e.g. equity interests) for the most recent financial year accounts for more than 10% of the audited net profit of the Company for the same period, and exceeds RMB1 million in its absolute value;
 - (6) other circumstances under which an investment is required to be submitted to the board of directors for consideration as prescribed in laws, regulations, normative documents, relevant rules of stock exchange(s) on which the shares of the Company are listed or the Articles of Association.
- (III) any investment the transaction amount of which fails to meet the thresholds which require a matter to be submitted to the general meeting or board of directors for consideration and approval, shall be subject to the approval by the Company's management.

Article 5 Any securities investment, entrusted wealth management or derivatives investment to be made by the Company shall be subject to consideration and approval by the board of directors or the general meeting of the Company and no individual director or management of the Company may be granted such authority for review and approval thereof.

Article 6 In connection with any significant business or investment transaction to be submitted to the general meeting for consideration, if the target of the transaction is equity interest, the Company shall engage an accounting firm qualified to practice in securities and futures-related business to conduct audit on the financial accounting reports of the target for the most recent year and the most recent period, and the benchmark date for the audit shall be no more than six months preceding the date of the general meeting at which such business or investment transaction is considered; if the target of the transaction is any asset other than equity interest, the Company shall engage an asset appraisal institution qualified to practice in securities and futures-related business to appraise the asset and the benchmark date for the appraisal shall be no more than one year preceding the date of the general meeting at which such business or investment transaction is considered.

For any significant business or investment transaction that fails to meet the thresholds which require a matter to be submitted to the general meeting for consideration, the Company shall also follow the requirements in the preceding paragraph to engage an accounting firm or an asset appraisal institution for audit or appraisal, if deemed necessary by the stock exchanges on which the Company's shares are listed.

Article 7 The Company shall arrange relevant experts and professionals to evaluate and review the feasibility of any significant external investment project.

Article 8 The Company shall perform the obligations of information disclosure with regard to significant business or investment matters in accordance with relevant laws, regulations and normative documents.

Article 9 Where a business or investment transaction of the Company involves related party transaction and the Administrative Regulations on Related Parties Transactions of the Company requires otherwise, relevant provisions of the Administrative Regulations on Related Parties Transactions shall prevail.

Article 10 Any business or investment transaction between the Company and its consolidated Subsidiaries or among such consolidated Subsidiaries shall be exempt from the disclosure and relevant procedures prescribed herein, unless otherwise required by the China Securities Regulatory Commission or the stock exchanges on which the Company's shares are listed.

CHAPTER 3 IMPLEMENTATION OF DECISIONS

Article 11 The departments and relevant personnel of the Company shall ensure the implementation of the decisions on significant business or investment projects:

- (1) in connection with any significant business and investment decision resolved by the general meeting or the board of directors, relevant documents or agreements shall be executed by the chairman of the board of directors or an authorized person.
- (2) the department that made the business or investment proposal shall be responsible for the implementation of the significant business or investment decisions considered and approved and shall prepare specific implementation plan, steps and measures for the significant business or investment projects pursuant to the decisions made by the general meeting or the board of directors.

- (3) the department that made the business or investment proposal shall set up a project team that will be responsible for implementation of the project, and such department shall sign a project responsibility contract with the project manager (or the responsible person), who shall provide regular written update on the progress of the project and such project shall be subject to audit with regard to financial income and expenses.
- (4) the financial controller of the Company shall prepare the funding plan and allocate the funds reasonably based on the implementation plan, steps and measures prepared by the relevant implementation body, to ensure smooth implementation of the project decision.
- (5) the strategy committee of the board of directors shall supervise the implementation progress of the project and shall promptly report to the board of directors, if any irregularities are noted.
- (6) the board of supervisors shall perform its duty to supervise the whole process of the project and may directly report to the general meeting if it deems necessary.
- (7) for fixed asset investment projects (including infrastructure building projects and technology reform projects), the Company shall carry out open bidding in accordance with the relevant PRC regulations and arrange for experts to strictly review the bidders and their bidding documents; the Company shall execute a written contract with the winning bidder and cause relevant departments or designated personnel to assist with the project supervision company to follow up with the management and supervision of the project and provide a regular update on the project; upon completion of the project, the Company shall have relevant departments to carry out the inspection and acceptance procedure in strict compliance with the PRC regulations and the provisions of the construction contract for the project and audit the final accounts of the project.
- (8) Upon completion of a significant business or investment project, the project team shall submit to the finance department documents in relation to the settlement of the project, including the report on the settlement of such investment and the report on the completion and acceptance of the project, and apply for conclusion and settlement of the project. Such documents shall be further submitted to the president for consideration and approval after being consolidated and reviewed by the finance department. Upon consideration and approval by the finance department, the progress of the settlement of the investment and the progress of the project shall be reported by the president to the board of directors and then to the general meeting, in accordance with the scope of authority required for approving such investment project. Relevant documents shall be filed with the finance department for record.

CHAPTER 4 INTERNAL CONTROL

Article 12 The Company shall follow the principle of compliance, prudence, safety and effectiveness in its internal control of significant external investment, to control the investment risks and emphasize on investment returns.

Article 13 To make an investment by way of entrusted wealth management, the Company shall select a trustee that is a qualified and professional financial management institution in good shape in terms of credit status and financial conditions, without any bad credit record and with strong profitability, and shall further execute a written contract with such trustee, specifically setting out the amount, duration, category of investment, rights and obligations and legal responsibilities of both parties with regard to the entrusted wealth management.

Article 14 The board of directors shall designate a person to follow up with the progress of the use of the funds under the entrusted wealth management and the safety of such funds. Any irregularity shall be promptly reported, so as for the board of directors to take immediate and effective measures to withdraw the funds to avoid or reduce losses of the Company.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 15 If there are any matters not dealt with in these Regulations, such matters shall be dealt with in accordance with applicable PRC laws, regulations, normative documents, the listing rules of the stock exchanges on which the shares of the Company are listed, and the Articles of Association. If there are any matters in these Regulations which are inconsistent with any PRC laws, regulations or normative documents that may be adopted thereafter, or the listing rules of the stock exchanges on which the shares of the Company are listed or the Articles of Association as amended in accordance with legal procedures, such future PRC laws, regulations, normative documents, listing rules of the stock exchanges on which the shares of the Company are listed or the amended Articles of Association shall prevail, and these Regulations shall be modified accordingly in a timely manner.

Article 16 The board of directors shall be responsible for interpreting these Regulations, and any amendments shall be made only upon consideration and approval by the general meeting after such amendments are proposed by the board of directors.

Article 17 These Regulations shall come into force from the date when it is adopted by the general meeting by way of an ordinary resolution; Provisions pertaining to the domestic listing shall come into force from the date on which the shares of the Company are listed on the domestic stock exchange.

V. WORKING RULES FOR INDEPENDENT DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

- Article 1** These work rules (hereinafter referred to as these “**Rules**”) are hereby formulated to further improve the corporate governance structure of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”), to ensure the operation of the Company be in compliance and to protect the legitimate rights and interests of the Company and the shareholders, especially the small and medium shareholders, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Guidelines on Establishing the Independent Director System in Listed Companies, the Standards of Corporate Governance of Listed Companies and other laws, regulations and normative documents, as well as the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).
- Article 2** An independent director refers to a director who holds no post in the Company other than the office of director and has no such relationship with the Company or its substantial shareholders that may prevent him/her from making an independent and objective judgment.
- Article 3** An independent director owes fiduciary duty and duty of diligence to the Company and all the shareholders. An independent director shall carefully perform his/her duty, protect the interest of the Company as a whole, and in particular, pay close attention to the legitimate rights and interests of small and medium shareholders and protect such rights and interests from any infringement, in accordance with relevant laws, regulations, normative documents and the Articles of Association. An independent director shall perform his/her duty independently free from influence from any substantial shareholder or the actual controller of the Company or any other entity or individual interested in the Company.
- Article 4** Generally, an independent director of the Company is allowed to concurrently serve as an independent director at up to five companies (including the Company), whether listed or to be listed, and shall ensure that he/she has time and energy enough to perform the duty of an independent director in an efficient manner.
- Article 5** The independent directors appointed by the Company shall include at least one accounting professional with a senior professional title or certified public accountant qualifications.

Article 6 In the event that any independent director fails to meet the criteria of independence or otherwise become inappropriate to perform the duty of an independent director and as a result the number of independent directors of the Company falls below the number of independent directors required by laws, regulations, normative documents or these Rules, the Company shall appoint additional independent directors to make up for the number as required.

Article 7 Anyone who serves as or is to be appointed as an independent director of the Company, shall attend the relevant training as required by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) and the listing rules of the stock exchange(s) on which the shares of the Company are listed.

CHAPTER 2 QUALIFICATIONS

Article 8 An independent director shall satisfy the following basic qualification requirements:

- (1) he/she shall be qualified to serve as a director of the Company in accordance with relevant requirements of laws, regulations, normative documents and the Articles of Association;
- (2) he/she shall be independent as required by laws, regulations and normative documents;
- (3) he/she shall be equipped with the basic knowledge of the operations of a listed company and be familiar with relevant laws, administrative regulations, rules and procedures;
- (4) he/she shall have more than five years of work experience in the field of law, economics or otherwise as necessary to perform the duty of an independent director; and
- (5) any such other qualification requirements as set out in laws, regulations, normative documents and the Articles of Association.

Article 9 None of the following persons shall be nominated as a candidate for the post of independent director of the Company:

- (1) any person who holds a post in the Company or its subsidiaries, or any immediate family member of such person or a person with principal social connections to such person (an immediate family member refers to, among others, the spouse, parent or child; and a person with principal social connections refers to, among others, a sibling, parent-in-law, child-in-law, or the spouse of a sibling and a sibling of the spouse);

- (2) any natural person who directly or indirectly holds more than 1% of the issued shares of the Company or is one of the top 10 natural person shareholders of the Company in respect of the number of shares held, or any immediate family member of such natural person;
- (3) any person who serves at an organization that directly or indirectly holds more than 5% of the issued shares of the Company or at one of the top five institutional shareholders of the Company, or any immediate family member of such person;
- (4) any person who serves at the Company's controlling shareholder or actual controller or its subsidiaries, or any immediate family member of such person;
- (5) any person who provides financial, legal or consulting services to the Company or its controlling shareholder or any of their respective subsidiaries, including but not limited to all members of the project team, reviewing officers at all levels, signatories of report, partners or principal responsible persons of the intermediary professional institutions;
- (6) any person who serves at an organization that has material business dealings with the Company or its controlling shareholder, actual controller or any of their respective subsidiaries, or serves at the controlling shareholder of such organization;
- (7) any person who was once any of the listed in Items (1) to (6) above in the previous year;
- (8) any person who is banned by the CSRC from entry into the securities market for a period that has not expired;
- (9) any person who has been subject to any administrative punishment by the CSRC in the past three years;
- (10) any person who has been publicly condemned by the stock exchange or has been criticized by circulating a notice of criticism by the stock exchange for more than three times, in the past three years;
- (11) any person who is publicly identified by the stock exchange as inappropriate to serve as a director, supervisor or senior management member of a listed company; or
- (12) any other person specified by laws, regulations, normative documents, the CSRC or the stock exchanges, the Articles of Association.

CHAPTER 3 APPOINTMENT/REMOVAL PROCEDURES

Article 10 The board of directors, the board of supervisors or any such shareholder or shareholders who individually or jointly hold more than 1% of the issued shares of the Company may nominate independent director candidates, who shall be subject to election at the general meetings.

Article 11 Prior to nominating a candidate for the post of independent director, consent shall be obtained from such candidate. The nominator shall have adequate knowledge of the occupation, educational background, professional title, detailed work experience of the candidate and all part-time jobs the nominee has been taking, and give his/her opinion on the qualification and independence of such nominee as an independent director. The nominee shall make a public statement that there is no such relationship between the nominee and the Company that may affect the nominee's independent and objective judgment. The said information shall be disclosed by the board of directors of the Company as required prior to the general meeting at which such independent director will be elected.

Article 12 Prior to the general meeting at which independent directors will be elected, information related to all nominees shall be submitted by the Company to the CSRC, the local CSRC of the Company and the stock exchange. In case the board of directors of the Company has any objection against the nominee in any respect, the written opinion of the board of directors shall be submitted in tandem.

In case the CSRC has any objection against any nominee, such nominee shall not stand as a candidate for the post of independent director, but may serve as a candidate for the post of director of the Company. At the general meeting at which independent directors are elected, the board of directors of the Company shall make statements on whether the CSRC has any objection against any independent director candidate in terms of his/her qualification and independence.

Article 13 An independent director shall have the same tenure with the other directors of the Company and may be re-elected upon expiration of the tenure, provided that no independent director may serve for more than six consecutive years.

Article 14 Any independent director who fails to attend three meetings of the board of directors consecutively in person, shall be subject to removal proposed by the board of directors to the general meeting. Subject to the foregoing or any other circumstance specified in laws, regulations, normative documents or these Rules under which a person may not serve as an independent director, an independent director shall not be removed without cause prior to expiration of his/her tenure. In case of early termination, the Company shall disclose the same as a special disclosure matter. The independent director being removed may make a public statement if he/she thinks that such removal is not justified.

Article 15 An independent director may offer to resign prior to expiration of his/her tenure by submitting written resignation report to the board of directors setting forth any matter related to his/her resignation or other matters that shall be brought to the attention of the shareholders or creditors of the Company.

In case the proportion of independent directors in the board of directors of the Company falls below the statutory limit required by laws, regulations or normative documents due to resignation of any independent director, the resignation of such independent director shall not take effect until the succeeding independent director fills the position.

CHAPTER 4 CODE OF CONDUCT

Article 16 When the board of directors are considering certain matters where any independent director believes that his/her independence may be affected, he/she shall make declaration to the Company and abstain from voting on such matter. Where his/her independence is obviously affected during his/her tenure, he/she shall promptly notify the Company and submit resignation report.

Article 17 In addition to the powers granted to a director by the Company Law and other relevant laws, regulations and normative documents, an independent director shall have the following special powers:

- (1) to grant prior approval of any material related party transaction or otherwise;
- (2) to make a proposal to the board of directors to engage or remove an accounting firm;
- (3) to propose to convene an extraordinary general meeting to the board of directors;
- (4) to propose to convene a meeting of the board of directors;

- (5) to engage external auditor or advisor independently;
- (6) to gather voting rights from shareholders prior to the commencement of a general meeting; and
- (7) to exercise any other power granted by the Articles of Association and listing rules of the stock exchange(s).

If any of the said proposals is not adopted or any of the said power may not be duly exercised, relevant information shall be disclosed by the Company.

Article 18

In addition to the said power, independent directors shall express their independent opinion on the following material issues to the board of directors or at the general meeting:

- (1) nomination, appointment and removal of directors;
- (2) appointment or dismissal of senior management members;
- (3) remuneration of the directors or senior management members of the Company;
- (4) whether the formulation, adjustment and decision-making procedure, implementation and information disclosure of the cash dividend policy of the Company, as well as the profit distribution policy may harm the legitimate rights and interest of small and medium investors;
- (5) any disclosable related-party transaction, entrusted wealth management, external financial assistance provided, change of the use of the proceeds, investment in stocks or its derivatives and other material issues;
- (6) existing or newly incurred borrowings owed to the Company by the shareholders of the Company, the actual controller of the Company and its related enterprises, or other capital dealings between the shareholders of the Company, the actual controller of the Company and its related enterprises on the one hand, and the Company on the other, the total amount of which is required to be considered and approved by the board of directors or the general meeting (in accordance with the listing rules of the stock exchange), and whether the Company has taken effective measures to collect the amount outstanding;
- (7) material asset restructuring plans, share incentive schemes;

- (8) the Company's proposal for delisting of its securities from the stock exchange or applying for trading or transfer of its securities on another stock exchange;
- (9) any such other matter that, in the opinion of the independent directors, may damage the legitimate rights and interest of the small and medium shareholders; and
- (10) other matters specified by laws, regulations, normative documents, rules of the stock exchanges or the Articles of Association.

An independent director shall issue an independent opinion of one of the following categories: consent, qualified opinion and the reasons therefor, objection and the reasons therefor, or inability to give an opinion and the obstacles to do so. The opinions given shall be clear and definite.

For any disclosable matter, the Company shall make an announcement of the opinion of independent directors. Where there are conflicting views among independent directors, the board of directors shall disclose each of their opinions, respectively.

Article 19 Independent opinions issued by the independent directors with regard to any material issue shall include at least the following:

- (1) basic information of the material issue;
- (2) the basis of such opinions, including, among others, the procedures performed, documents reviewed or information of on-site investigation;
- (3) compliance of the material issue;
- (4) the impact of such material issues on the rights and interests of the Company and the small and medium shareholders, any potential risks and whether the measures taken by the Company are effective; and
- (5) the conclusive opinion issued. Any independent director who renders a qualified opinion or an objection, or is unable to give an opinion in respect of any material issue, shall clearly explain the reasons therefor.

An independent director shall confirm his/her independent opinion by signature and promptly notify the board of directors of the same, and such independent opinion shall be disclosed together with the relevant announcement of the Company.

Article 20 Any independent director who becomes aware of any of the following shall actively perform the obligation of due diligence and report to the stock exchange in a timely manner, and engage an intermediary professional institution to carry out special investigations if necessary:

- (1) any material issue fails to be submitted to the board of directors or the general meeting for consideration as required;
- (2) any obligation of information disclosure fails to be performed in a timely manner;
- (3) the information disclosed by the Company contains any false statement, misleading representation or material omission; or
- (4) any other circumstances under which the Company is suspected to be in violation of laws or regulations or harm the legal rights and interest of the small and medium shareholders.

Article 21 In addition to attending the meetings of the board of directors, an independent director shall ensure that reasonable time is spared to carry out on-site investigations on the Company's production and operation, establishment and implementation of management and internal control systems, as well as implementation of the resolutions of the board of directors. Any irregularity identified during the on-site investigations shall be promptly reported to the board of directors of the Company and the stock exchanges.

Article 22 An independent director shall notify the CSRC, the stock exchange and the local CSRC of the Company, if any of the following event arises:

- (1) such independent director is removed by the Company, while he/she believes that such removal is not justified;
- (2) such independent director resigns from his/her office due to the fact that the Company hinders his/her exercise of power in accordance with laws;
- (3) the materials for a meeting of the board of directors are inadequate and more than two independent directors have made a written proposal to adjourn a meeting or postpone the consideration of relevant matters, and such proposal has not been adopted;

- (4) the board of directors fails to take effective measures after the independent director has reported to the board of directors in respect of any suspected violation of laws or regulations on the part of the Company or any of its directors, supervisors or senior management members; or
- (5) any other circumstances that seriously hinders the independent director from performing his/her duties.

The independent directors shall notify the stock exchange prior to his/her public disclosure of any statement in connection with the foregoing.

Article 23 The Company shall set up and maintain an archive of independent director work records, and an independent director shall record his/her performance of duty in writing in the Independent Director Work Records.

CHAPTER 5 WORKING PROCEDURE OF INDEPENDENT DIRECTORS RELATED TO ANNUAL REPORTS

Article 24 An independent director shall duly perform his/her obligations and duties with due diligence in the process of preparation and disclosure of an annual report of the Company in accordance with the requirements of the CSRC and the stock exchanges and subject to the duty and power granted by the Articles of Association.

Article 25 During the preparation of the annual report, independent directors shall assume obligations of confidentiality and shall not leak the content of the annual report to the public by any means prior to its publication.

Article 26 An independent director shall actively perform his/her duty as an independent director according to the work plan by way of interview, on-site investigation, communication with the accounting firm or other approaches. A written record shall be maintained in respect of independent directors' performance of duty in connection with the annual report and important documents shall be signed by the person concerned.

Article 27 Where there are conflicting views among the independent directors with respect to any specific matter of the annual report, an external auditor may be engaged independently if agreed by one half or more of the independent directors, to provide audit and consulting services in respect of such specific matter at the Company's expense.

- Article 28** Independent directors shall provide their written confirmation opinion on the annual report and sign thereon. They shall present the reasons and render comments if they cannot ensure, or have any doubts about the authenticity, accuracy or completeness of the content of the annual report, and disclose such reasons and comments.
- Article 29** Independent directors shall prepare and disclose the annual work report of independent directors in line with the format and requirements specified by the stock exchange, and further submit the report to shareholders at the annual general meeting of the Company.
- Article 30** Independent directors shall submit the work report at the annual general meeting of the Company and file the same with the stock exchange for record. The work report shall include the following:
- (1) information about the attendance of the meetings of the board of directors and general meetings in the previous year, including the reasons and times that any independent director failed to attend in person;
 - (2) information about opinions given and votes cast at the meetings of the board of directors, including the occasions that anyone abstains from voting or casts negative vote and reasons therefor;
 - (3) information about the investigation on the Company's production and operation, the development of systems and the implementation of the resolutions of the board of directors; information about the discussion with the Company's management and information about the on-site investigation and study on the significant investment, production and construction projects;
 - (4) efforts made to protect the legitimate rights and interest of the public shareholders;
 - (5) attendance of trainings;
 - (6) other work done to perform the duty as an independent director in accordance with relevant regulations, rules, normative documents and the Articles of Association;
 - (7) self-inspection conclusion as to whether or not he/she still satisfies the independence requirement and whether there's any changes to the candidate's representations and undertakings.

CHAPTER 6 WORKING CONDITIONS

Article 31 The Company shall ensure that an independent director shall have the same right to information that the other directors are entitled to. The Company must give prior notice to independent directors and furnish sufficient information within the statutory time limit. Any independent director may demand supplement if he/she believes that the information are inadequate.

The information provided by the Company to independent directors shall be kept by the Company and the independent directors for at least five years.

Article 32 The Company shall provide independent directors with working conditions necessary for their performance of duty. The secretary to the board of directors of the Company shall actively assist independent directors in his/her performance of duty, such as introduction of relevant information and provision of materials. The secretary to the board of directors shall promptly deal with the announcement of any such independent opinion, proposal and written explanation as are required to be announced, at the stock exchange.

Article 33 Relevant personnel of the Company shall actively cooperate with independent directors in the course of their exercise of powers, and shall not reject, obstruct or conceal any information or interfere with any independent director's independently exercise of powers.

Article 34 Any expense incurred out of independent directors' engagement of an intermediary professional institution or otherwise necessary for the independent directors to exercise power shall be borne by the Company.

Article 35 The Company shall offer appropriate allowances to the independent directors. The allowance standards shall be proposed by the board of directors and approved by the general meeting after consideration, which shall be disclosed in the annual report of the Company.

In addition to the said allowances, no independent director shall receive any additional and undisclosed benefit from the Company, any substantial shareholder of the Company or any organization or individual who is interested in the Company.

Article 36 The Company may establish the independent director's liability insurance system as necessary, so as to reduce the risks that may arise in the independent directors' duly performance of their duty.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

- Article 37** If there are any matters not dealt with in these Rules, such matters shall be dealt with in accordance with applicable PRC laws, regulations, normative documents and the Articles of Association. If there are any matters in these Rules which are inconsistent with any PRC laws, regulations or normative documents that may be adopted thereafter or the Articles of Association as amended in accordance with legal procedures, such future PRC laws, regulations, normative documents or the amended Articles of Association shall prevail and these Rules shall be modified accordingly in a timely manner.
- Article 38** The board of directors shall be responsible for interpreting these Rules, and any amendments shall be made only upon consideration and approval by the general meeting after such amendments are proposed by the board of directors.
- Article 39** These Rules shall come into force from the date when it is adopted by the general meeting by way of an ordinary resolution; Provisions pertaining to the domestic listing shall come into force from the date on which the shares of the Company are listed on the domestic stock exchange.

NOTICE OF THE AGM



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2016

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**” or “**Meeting**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) for the year 2016 will be held on Monday, May 22, 2017 at 10:00 a.m. at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the work report of the board of directors for the year ended December 31, 2016.
2. To consider and approve the work report of the board of supervisors of the Company for the year ended December 31, 2016.
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2016.
4. To consider and approve the profit distribution plan of the Company for the year ended December 31, 2016.
5. To re-appoint KPMG and KPMG Huazhen LLP as the international auditors and domestic auditors of the Company respectively for the year of 2017.

SPECIAL RESOLUTION

6. “**THAT** the proposed amendments to the Articles of Association as set out in Appendix I to the circular of the Company dated April 6, 2017 be and are hereby approved and the Board be and is hereby authorised to make amendments to the Articles of Association which may be necessary as any regulatory authority may require.”

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 6, 2017

NOTICE OF THE AGM

Notes:

(1) CIRCULAR

Details of the above proposals and resolutions to be considered at the AGM are set out in the circular of the Company dated April 6, 2017 (the “Circular”), including, among others, information regarding the 2016 profit distribution plan and the proposed amendments to the Articles of Association as set out in Appendix I thereto. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

(2) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE AGM

Holders of H shares of the Company (the “H Shares”) are advised that the register of members will be closed from Saturday, April 22, 2017 to Monday, May 22, 2017 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at close of business on Friday, April 21, 2017 are entitled to attend the AGM. Holders of H Shares who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Friday, April 21, 2017.

(3) RECOMMENDATION OF DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has recommended a dividend of RMB0.255 per share (before tax) for the year ended December 31, 2016 and, if such dividend is declared by the shareholders passing Resolution 4, such dividend will be paid on Friday, July 28, 2017 to those shareholders whose names appear on the register of members of the Company after close of trading on Monday, June 5, 2017. The register of members of H Shares will be closed from Wednesday, May 31, 2017 to Monday, June 5, 2017 (both days inclusive). In order to be entitled to the dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Monday, May 29, 2017.

In accordance with the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules effective on January 1, 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from January 1, 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the final dividend as enterprise income tax, distribute the final dividend to non-resident enterprise shareholders, i.e. any shareholders who hold the Company’s shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups. Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)) (the “Tax Treaties Notice”), the Notice of the State Administration of Taxation on the Questions Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), other relevant laws and regulations and other regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H Shares in respect of the dividend to be distributed to them. However, the individual holders of H Shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H Shares are domiciled and the tax arrangements between Mainland China, Hong Kong or Macau. For individual holders of H Shares in general, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares in the distribution of the dividend. However, the tax rates applicable to individual holders of H Shares overseas may vary depending on the tax treaties between the PRC and the countries (regions) in which the individual holders of H Shares are domiciled, and the Company will withhold and pay individual income tax on behalf of the individual holders of H Shares in the distribution of the dividend accordingly.

NOTICE OF THE AGM

The Company will identify the country of domicile of the individual holders of H Shares according to their registered address on the H Share register of members of the Company on Monday, June 5, 2017 (the “Registered Address”). If the domicile of an individual holder of H Shares is not the same as the Registered Address or if the individual holders of H Shares would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual holders of H Shares shall notify and provide relevant supporting documents to the Company on or before Monday, May 29, 2017. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding provisions and arrangements. Individual holders of H Shares may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Company within the time period stated above.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H shares and for any claims arising from or in connection with any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H Shares or any disputes over the withholding mechanism or arrangements.

Shareholders are recommended to consult their tax advisors regarding the PRC, Hong Kong and other tax implications arising from or in connection with their holding and disposal of the H Shares.

(4) PROXY

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company for holder of H Shares and to the Company’s Board of Directors’ Office for holders of domestic shares of the Company (the “Domestic Shares”) by hand or by post not later than 10:00 a.m. (Hong Kong time) on Sunday, May 21, 2017. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The H Share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. The Company’s Board of Directors’ Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073).

(5) REPLY SLIP

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip by hand, by fax or by post to the H Share registrar of the Company, Tricor Investor Services Limited, for holder of H Shares or the Company’s Board of Directors’ Office for holder of Domestic Shares on or before Monday, May 1, 2017. The address of Tricor Investor Services Limited is Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong (Tel: (852) 2980 1333, Fax: (852) 2810 8185). The Company’s Board of Directors’ Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) (Tel: (86 27) 6878 9000, Fax: (86 27) 6878 9100).

(6) JOINT HOLDER OF SHARES

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

NOTICE OF THE AGM

(7) VOTING BY POLL

On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the Meeting at which the poll was so taken.

(8) OTHER ISSUES

The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identification documents.

The AGM starts at 10:00 a.m.. Registration for admission to the AGM will take place from 9:00 a.m. to 10:00 a.m..

* *For identification purposes only*

NOTICE OF THE FIRST EGM



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON MONDAY, MAY 22, 2017

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**First EGM**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) will be held on Monday, May 22, 2017 at 11:00 a.m. or immediately after the AGM at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolution, which was submitted by Draka Comteq B.V. (being a shareholder holding 26.37% of the total issued share capital of the Company):

SPECIAL RESOLUTION

1. “**THAT:**
 - (a) To fully ensure the participation rights of all the shareholders of the Company and allow them to fully voice their opinions, the principle of “one proposal for one matter” will be adopted for the Company’s future new equity financing plans (including new share issuance, placement, issuance, allotment, and/or grant of the shares of the Company, securities convertible into the shares of the Company, share options, warrants, convertible bonds, convertible notes, preferred shares and other securities with right to subscribe for or convertible into the shares of the Company, etc) (the “**Equity Financing Plans**”). The Board of Directors will prudently discuss and formulate the Equity Financing Plans suitable for the Company’s development and accountable for all the shareholders of the Company, and will further submit the formulated plans to the general meeting and class shareholders’ meetings for consideration, and allow all shareholders to fully voice their opinions. The Equity Financing Plans will only be implemented after they have been considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll.

NOTICE OF THE FIRST EGM

- (b) To fully ensure the participation rights of all its existing shareholders in relation to the Equity Financing Plans, the Company will not consider conducting in the future new issuance of equity securities by way of issuing, upon approval by a special resolution at a general meeting, Domestic Shares (whether private or domestically listed) or Overseas Listed Foreign Shares (as defined in the Articles of Association of the Company) once every twelve (12) months, either separately or concurrently, with the respective numbers of Domestic Shares and Overseas Listed Foreign Shares proposed to be issued not exceeding 20% of the respective numbers of issued Domestic Shares and Overseas Listed Foreign Shares (a “**general mandate**”) or consider proposing a general mandate to issue and allot any new shares of the Company to the general meeting for approval in the future.

This proposal needs to be considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll (the “**Special Resolutions**”). Any revision and/or revocation of the contents of the Special Resolutions, or the adoption of any subsequent resolution inconsistent with or contradicting the contents of the Special Resolutions also needs to be considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll.”

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 6, 2017

Notes:

(1) CIRCULAR

Details of the above proposal and resolution to be considered at the First EGM are set out in the circular of the Company dated April 6, 2017 (the “**Circular**”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

(2) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE FIRST EGM

Holder of H shares of the Company (the “**H Shares**”) are advised that the register of members will be closed from Saturday, April 22, 2017 to Monday, May 22, 2017 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at close of business on Friday, April 21, 2017 are entitled to attend the First EGM. Holders of H Shares who wish to attend the First EGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricolor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Friday, April 21, 2017.

NOTICE OF THE FIRST EGM

(3) PROXY

Shareholders entitled to attend and vote at the First EGM may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company for holder of H Shares and to the Company's Board of Directors' Office for holders of domestic shares of the Company (the "Domestic Shares") by hand or by post not later than 11:00 a.m. (Hong Kong time) on Sunday, May 21, 2017. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the First EGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The H Share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073).

(4) REPLY SLIP

Shareholders who intend to attend the First EGM in person or by proxy should return the reply slip by hand, by fax or by post to the H Share registrar of the Company, Tricor Investor Services Limited, for holder of H Shares or the Company's Board of Directors' Office for holder of Domestic Shares on or before Monday, May 1, 2017. The address of Tricor Investor Services Limited is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (Tel: (852) 2980 1333, Fax: (852) 2810 8185). The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) (Tel: (86 27) 6878 9000, Fax: (86 27) 6878 9100).

(5) JOINT HOLDER OF SHARES

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above First EGM, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the First EGM, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

(6) VOTING BY POLL

On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the First EGM at which the poll was so taken.

(7) OTHER ISSUES

The First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting are expected to last for half a day. Shareholders (in person or by proxy) attending the First EGM are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the First EGM shall produce their identification documents.

The First EGM starts at 11:00 a.m.. Registration for admission to the First EGM will take place from 10:00 a.m. to 11:00 a.m..

* For identification purposes only

NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that a Domestic Share class meeting (the “**First Domestic Share Class Meeting**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) will be held on Monday, May 22, 2017 at 11:30 a.m. or immediately after the First EGM at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolution, which was submitted by Draka Comteq B.V. (being a shareholder holding 26.37% of the total issued share capital of the Company):

SPECIAL RESOLUTION

1. “**THAT:**
 - (a) To fully ensure the participation rights of all the shareholders of the Company and allow them to fully voice their opinions, the principle of “one proposal for one matter” will be adopted for the Company’s future new equity financing plans (including new share issuance, placement, issuance, allotment, and/or grant of the shares of the Company, securities convertible into the shares of the Company, share options, warrants, convertible bonds, convertible notes, preferred shares and other securities with right to subscribe for or convertible into the shares of the Company, etc) (the “**Equity Financing Plans**”). The Board of Directors will prudently discuss and formulate the Equity Financing Plans suitable for the Company’s development and accountable for all the shareholders of the Company, and will further submit the formulated plans to the general meeting and class shareholders’ meetings for consideration, and allow all shareholders to fully voice their opinions. The Equity Financing Plans will only be implemented after they have been considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll.

NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING

- (b) To fully ensure the participation rights of all its existing shareholders in relation to the Equity Financing Plans, the Company will not consider conducting in the future new issuance of equity securities by way of issuing, upon approval by a special resolution at a general meeting, Domestic Shares (whether private or domestically listed) or Overseas Listed Foreign Shares (as defined in the Articles of Association of the Company) once every twelve (12) months, either separately or concurrently, with the respective numbers of Domestic Shares and Overseas Listed Foreign Shares proposed to be issued not exceeding 20% of the respective numbers of issued Domestic Shares and Overseas Listed Foreign Shares (a “**general mandate**”) or consider proposing a general mandate to issue and allot any new shares of the Company to the general meeting for approval in the future.

This proposal needs to be considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll (the “**Special Resolutions**”). Any revision and/or revocation of the contents of the Special Resolutions, or the adoption of any subsequent resolution inconsistent with or contradicting the contents of the Special Resolutions also needs to be considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll.”

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 6, 2017

Notes:

(1) **CIRCULAR**

Details of the above proposal and resolution to be considered at the First Domestic Share Class Meeting are set out in the circular of the Company dated April 6, 2017 (the “**Circular**”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

(2) **ELIGIBILITY FOR ATTENDING THE FIRST DOMESTIC SHARE CLASS MEETING**

Holders of domestic shares of the Company (the “**Domestic Shares**”) whose names appear on the register of domestic shareholders of the Company maintained in the Company’s Board of Directors’ Office at the close of business (Hong Kong time) on Friday, April 21, 2017 are entitled to attend the First Domestic Share Class Meeting.

(3) **PROXY**

Shareholders entitled to attend and vote at the First Domestic Share Class Meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed

NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING

under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged to the Company's Board of Directors' Office by hand or by post not later than 11:30 a.m. (Hong Kong time) on Sunday, May 21, 2017. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the First Domestic Share Class Meeting if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073).

(4) REPLY SLIP

Shareholders who intend to attend the First Domestic Share Class Meeting in person or by proxy should return the reply slip by hand, by fax or by post to the Company's Board of Directors' Office on or before Monday, May 1, 2017. The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) (Tel: (86 27) 6878 9000, Fax: (86 27) 6878 9100).

(5) JOINT HOLDER OF SHARES

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

(6) VOTING BY POLL

On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the Meeting at which the poll was so taken.

(7) OTHER ISSUES

The First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting are expected to last for half a day. Shareholders (in person or by proxy) attending the First Domestic Share Class Meeting are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the First Domestic Share Class Meeting shall produce their identification documents.

The First Domestic Share Class Meeting starts at 11:30 a.m.. Registration for admission to the First Domestic Share Class Meeting will take place from 10:30 a.m. to 11:30 a.m..

* *For identification purposes only*

NOTICE OF THE FIRST H SHARE CLASS MEETING



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE FIRST H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that an H Share class meeting (the “**First H Share Class Meeting**” or “**Meeting**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) will be held on Monday, May 22, 2017 at 12:00 noon or immediately after the First Domestic Share Class Meeting at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolution, which was submitted by Draka Comteq B.V. (being a shareholder holding 26.37% of the total issued share capital of the Company):

SPECIAL RESOLUTION

1. “**THAT:**
 - (a) To fully ensure the participation rights of all the shareholders of the Company and allow them to fully voice their opinions, the principle of “one proposal for one matter” will be adopted for the Company’s future new equity financing plans (including new share issuance, placement, issuance, allotment, and/or grant of the shares of the Company, securities convertible into the shares of the Company, share options, warrants, convertible bonds, convertible notes, preferred shares and other securities with right to subscribe for or convertible into the shares of the Company, etc) (the “**Equity Financing Plans**”). The Board of Directors will prudently discuss and formulate the Equity Financing Plans suitable for the Company’s development and accountable for all the shareholders of the Company, and will further submit the formulated plans to the general meeting and class shareholders’ meetings for consideration, and allow all shareholders to fully voice their opinions. The Equity Financing Plans will only be implemented after they have been considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll.

NOTICE OF THE FIRST H SHARE CLASS MEETING

- (b) To fully ensure the participation rights of all its existing shareholders in relation to the Equity Financing Plans, the Company will not consider conducting in the future new issuance of equity securities by way of issuing, upon approval by a special resolution at a general meeting, Domestic Shares (whether private or domestically listed) or Overseas Listed Foreign Shares (as defined in the Articles of Association of the Company) once every twelve (12) months, either separately or concurrently, with the respective numbers of Domestic Shares and Overseas Listed Foreign Shares proposed to be issued not exceeding 20% of the respective numbers of issued Domestic Shares and Overseas Listed Foreign Shares (a “**general mandate**”) or consider proposing a general mandate to issue and allot any new shares of the Company to the general meeting for approval in the future.

This proposal needs to be considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll (the “**Special Resolutions**”). Any revision and/or revocation of the contents of the Special Resolutions, or the adoption of any subsequent resolution inconsistent with or contradicting the contents of the Special Resolutions also needs to be considered and approved by the Company’s general meeting and class shareholders’ meetings via special resolution adopted by way of poll.”

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 6, 2017

Notes:

(1) CIRCULAR

Details of the above proposal and resolution to be considered at the First H Share Class Meeting are set out in the circular of the Company dated April 6, 2017 (the “**Circular**”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

(2) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE FIRST H SHARE CLASS MEETING

Holders of H shares of the Company (the “**H Shares**”) are advised that the register of members will be closed from Saturday, April 22, 2017 to Monday, May 22, 2017 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at the close of business on Friday, April 21, 2017 are entitled to attend the First H Share Class Meeting. Holders of H Shares who wish to attend the First H Share Class Meeting but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Friday, April 21, 2017.

NOTICE OF THE FIRST H SHARE CLASS MEETING

(3) PROXY

Shareholders entitled to attend and vote at the First H Share Class Meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company hand or by post not later than 12:00 noon (Hong Kong time) on Sunday, May 21, 2017. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the First H Share Class Meeting if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The H Share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(4) REPLY SLIP

Shareholders who intend to attend the First H Share Class Meeting in person or by proxy should return the reply slip by hand, by fax or by post to the H Share registrar of the Company, Tricor Investor Services Limited on or before Monday, May 1, 2017. The address of Tricor Investor Services Limited is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (Tel: (852) 2980 1333, Fax: (852) 2810 8185).

(5) JOINT HOLDER OF SHARES

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

(6) VOTING BY POLL

On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the Meeting at which the poll was so taken.

(7) OTHER ISSUES

The First EGM, the First Domestic Share Class Meeting and the First H Share Class Meeting are expected to last for half a day. Shareholders (in person or by proxy) attending the First H Share Class Meeting are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the First H Share Class Meeting shall produce their identification documents.

The First H Share Class Meeting starts at 12:00 noon. Registration for admission to the First H Share Class Meeting will take place from 11:00 a.m. to 12:00 noon.

* *For identification purposes only*

NOTICE OF THE SECOND EGM



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON TUESDAY, MAY 23, 2017

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Second EGM**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) will be held on Tuesday, May 23, 2017 at 10:00 a.m. at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the appointment of KPMG Huazhen (Special General Partnership) as the Company’s auditor for the A Share Offering and to consider and approve the grant of the authorization to the Board to determine the remuneration of KPMG Huazhen (Special General Partnership).
2. To consider and approve the appointment of Commerce & Finance Law Offices as the Company’s legal advisor for the A Share Offering and to consider and approve the grant of the authorization to the Board to determine the remuneration of Commerce & Finance Law Offices.
3. To consider and approve the report on the use of previously raised funds as set out in Appendix IV to the circular of the Company dated April 6, 2017.
4. To consider and adopt the Administrative Measures on the Use of Proceeds as set out in Appendix XV to the circular of the Company dated April 6, 2017.
5. To consider and adopt the Administrative Regulations on Related Parties Transactions as set out in Appendix XV to the circular of the Company dated April 6, 2017.
6. To consider and adopt the Administrative Measures on the Provision of External Guarantees as set out in Appendix XV to the circular of the Company dated April 6, 2017.
7. To consider and adopt the Administrative Regulations on External Investment as set out in Appendix XV to the circular of the Company dated April 6, 2017.

NOTICE OF THE SECOND EGM

8. To consider and adopt the Working Rules for Independent Directors as set out in Appendix XV to the circular of the Company dated April 6, 2017.

SPECIAL RESOLUTIONS

9. “**THAT** each of the following proposed items in respect of the plan for the proposed A Share Offering, details of which are set out in the circular of the Company dated April 6, 2017, be and are hereby individually approved:
 - (1) Class of shares;
 - (2) Par value of shares;
 - (3) Number of shares to be issued;
 - (4) Target subscribers;
 - (5) Method of issuance;
 - (6) Pricing methodology;
 - (7) Form of underwriting;
 - (8) Place of listing;
 - (9) Use of proceeds;
 - (10) Conversion of the Company; and
 - (11) Effective period of the resolution.”
10. “**THAT:**
 - (a) the board of directors of the Company (the “**Board**”) be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:
 - (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;

NOTICE OF THE SECOND EGM

- (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;
- (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
- (4) adjust the plan for the Investment Projects and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
- (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;
- (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
- (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;
- (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
- (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock up of relevant shares;

NOTICE OF THE SECOND EGM

- (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and
 - (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering;
- (b) upon the passing of the resolution to grant the aforesaid authorization at the general meetings of the Company, the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months from the date of the passing of such resolution at an extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting."

- 11. To consider and approve the proposed use of proceeds from the A Share Offering as set out in the circular of the Company dated April 6, 2017 and the feasibility analysis as set out in Appendix II thereto.
- 12. To consider and approve the proposal on the dilution of immediate return as a result of the A Share Offering, remedial measures and undertakings by relevant parties as set out in Appendix III to the circular of the Company dated April 6, 2017.
- 13. To consider and approve the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares as set out in Appendix V to the circular of the Company dated April 6, 2017.
- 14. To consider and approve the dividend return plan for shareholders for the three years after the A Share Offering (2017-2019) as set out in Appendix VI to the circular of the Company dated April 6, 2017.
- 15. To consider and approve the distribution plan for accumulated profits before the A Share Offering as set out in the circular of the Company dated April 6, 2017.

NOTICE OF THE SECOND EGM

16. To consider and approve the relevant undertakings to be included in the prospectus in connection with the A Share Offering and the relevant restrictive measures as set out in Appendix VII to the circular of the Company dated April 6, 2017.
17. To consider and approve the Articles of Association (Draft) (where the full set of the amended Articles of Association and the proposed amendments to the Articles of Association are set out in Appendix VIII and Appendix IX to the circular of the Company dated April 6, 2017, respectively).
18. To consider and approve the proposed amendments to the Procedural Rules for the General Meeting as set out in Appendix XI to the circular of the Company dated April 6, 2017.
19. To consider and approve the proposed amendments to the Procedural Rules for the Board as set out in Appendix XIII to the circular of the Company dated April 6, 2017.
20. To consider and adopt the Procedural Rules for the Board of Supervisors as set out in Appendix XIV to the circular of the Company dated April 6, 2017.

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 6, 2017

Notes:

(1) CIRCULAR

Details of the above proposals and resolutions to be considered at the Second EGM are set out in the circular of the Company dated April 6, 2017 (the “Circular”), including, among others, information regarding the proposed A Share Offering and related proposals as set out in Appendices II to VII thereto; the proposed amendments to the Articles of Association as set out in Appendix IX thereto, the proposed amendments to the Procedural Rules for the General Meeting as set out in Appendix XI thereto, the proposed amendments to the Procedural Rules for the Board as set out in Appendix XIII thereto, the proposed adoption of the Procedural Rules for the Board of Supervisors as set out in Appendix XIV thereto and the proposed adoption of other corporate governance rules for the purpose of the A Share Offering as set out in Appendix XV thereto. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

The Articles of Association (Draft) as referred to in Resolution 17 above means the full set of amended Articles of Association to be effective upon completion of the A Share Offering.

(2) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE SECOND EGM

Holders of H shares of the Company (the “H Shares”) are advised that the register of members will be closed from Sunday, April 23, 2017 to Tuesday, May 23, 2017 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at close of business on Friday, April 21, 2017 are entitled to attend the Second EGM. Holders of H Shares who wish to attend the Second EGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricolor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Friday, April 21, 2017.

NOTICE OF THE SECOND EGM

(3) PROXY

Shareholders entitled to attend and vote at the Second EGM may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company for holder of H Shares and to the Company's Board of Directors' Office for holders of domestic shares of the Company (the "Domestic Shares") by hand or by post not later than 10:00 a.m. (Hong Kong time) on Monday, May 22, 2017. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the Second EGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The H Share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073).

(4) REPLY SLIP

Shareholders who intend to attend the Second EGM in person or by proxy should return the reply slip by hand, by fax or by post to the H Share registrar of the Company, Tricor Investor Services Limited, for holder of H Shares or the Company's Board of Directors' Office for holder of Domestic Shares on or before Tuesday, May 2, 2017. The address of Tricor Investor Services Limited is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (Tel: (852) 2980 1333, Fax: (852) 2810 8185). The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) (Tel: (86 27) 6878 9000, Fax: (86 27) 6878 9100).

(5) JOINT HOLDER OF SHARES

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above First EGM, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Second EGM, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

(6) VOTING BY POLL

On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the Second EGM at which the poll was so taken.

(7) OTHER ISSUES

The Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting are expected to last for half a day. Shareholders (in person or by proxy) attending the Second EGM are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the Second EGM shall produce their identification documents.

The Second EGM starts at 10:00 a.m.. Registration for admission to the Second EGM will take place from 9:00 a.m. to 10:00 a.m..

* For identification purposes only

NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that a Domestic Share class meeting (the “**Second Domestic Share Class Meeting**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) will be held on Tuesday, May 23, 2017 at 11:00 a.m. or immediately after the Second EGM at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. “**THAT** each of the following proposed items in respect of the plan for the proposed A Share Offering, details of which are set out in the circular of the Company dated April 6, 2017, be and are hereby individually approved:
 - (1) Class of shares;
 - (2) Par value of shares;
 - (3) Number of shares to be issued;
 - (4) Target subscribers;
 - (5) Method of issuance;
 - (6) Pricing methodology;
 - (7) Form of underwriting;
 - (8) Place of listing;
 - (9) Use of proceeds;
 - (10) Conversion of the Company; and
 - (11) Effective period of the resolution.”

NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING

2. "THAT:
- (a) the board of directors of the Company (the "Board") be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:
 - (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;
 - (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;
 - (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
 - (4) adjust the plan for the Investment Projects and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
 - (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;

NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING

- (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
 - (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;
 - (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
 - (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock up of relevant shares;
 - (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and
 - (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering;
- (b) upon the passing of the resolution to grant the aforesaid authorization at the general meetings of the Company, the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months from the date of the passing of such resolution at an extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting."

3. To consider and approve the proposal on the dilution of immediate return as a result of the A Share Offering, remedial measures and undertakings by relevant parties as set out in Appendix III to the circular of the Company dated April 6, 2017.

NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING

4. To consider and approve the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares as set out in Appendix V to the circular of the Company dated April 6, 2017.
5. To consider and approve the distribution plan for accumulated profits before the A Share Offering as set out in the circular of the Company dated April 6, 2017.
6. To consider and approve the relevant undertakings to be included in the prospectus in connection with the A Share Offering and the relevant restrictive measures as set out in Appendix VII to the circular of the Company dated April 6, 2017.

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 6, 2017

Notes:

(1) CIRCULAR

Details of the above proposals and resolutions to be considered at the Second Domestic Share Class Meeting are set out in the circular of the Company dated April 6, 2017 (the “Circular”), including, among others, information regarding the proposed A Share Offering and related proposals as set out in Appendices III, V and VII thereto. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

(2) ELIGIBILITY FOR ATTENDING THE SECOND DOMESTIC SHARE CLASS MEETING

Holders of domestic shares of the Company (the “Domestic Shares”) whose names appear on the register of domestic shareholders of the Company maintained in the Company’s Board of Directors’ Office at the close of business (Hong Kong time) on Friday, April 21, 2017 are entitled to attend the Second Domestic Share Class Meeting.

(3) PROXY

Shareholders entitled to attend and vote at the Second Domestic Share Class Meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged to the Company’s Board of Directors’ Office by hand or by post not later than 11:00 a.m. (Hong Kong time) on Monday, May 22, 2017. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the Second Domestic Share Class Meeting if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The Company’s Board of Directors’ Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073).

NOTICE OF THE SECOND DOMESTIC SHARE CLASS MEETING

(4) REPLY SLIP

Shareholders who intend to attend the Second Domestic Share Class Meeting in person or by proxy should return the reply slip by hand, by fax or by post to the Company's Board of Directors' Office on or before Tuesday, May 2, 2017. The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) (Tel: (86 27) 6878 9000, Fax: (86 27) 6878 9100).

(5) JOINT HOLDER OF SHARES

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

(6) VOTING BY POLL

On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the Meeting at which the poll was so taken.

(7) OTHER ISSUES

The Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting are expected to last for half a day. Shareholders (in person or by proxy) attending the Second Domestic Share Class Meeting are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the Second Domestic Share Class Meeting shall produce their identification documents.

The Second Domestic Share Class Meeting starts at 11:00 a.m.. Registration for admission to the Second Domestic Share Class Meeting will take place from 10:00 a.m. to 11:00 a.m..

* *For identification purposes only*

NOTICE OF THE SECOND H SHARE CLASS MEETING



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE SECOND H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that an H Share class meeting (the “**Second H Share Class Meeting**” or “**Meeting**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) will be held on Tuesday, May 23, 2017 at 11:30 a.m. or immediately after the Second Domestic Share Class Meeting at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. “**THAT** each of the following proposed items in respect of the plan for the proposed A Share Offering, details of which are set out in the circular of the Company dated April 6, 2017, be and are hereby individually approved:
 - (1) Class of shares;
 - (2) Par value of shares;
 - (3) Number of shares to be issued;
 - (4) Target subscribers;
 - (5) Method of issuance;
 - (6) Pricing methodology;
 - (7) Form of underwriting;
 - (8) Place of listing;
 - (9) Use of proceeds;
 - (10) Conversion of the Company; and
 - (11) Effective period of the resolution.”

NOTICE OF THE SECOND H SHARE CLASS MEETING

2. "THAT:
- (a) the board of directors of the Company (the "Board") be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:
 - (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;
 - (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;
 - (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
 - (4) adjust the plan for the Investment Projects and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
 - (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;

NOTICE OF THE SECOND H SHARE CLASS MEETING

- (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
 - (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;
 - (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
 - (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock up of relevant shares;
 - (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and
 - (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering.
- (b) upon the passing of the resolution to grant the aforesaid authorization at the general meeting of the Company, the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months from the date of the passing of such resolution at an extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting."

3. To consider and approve the proposal on the dilution of immediate return as a result of the A Share Offering, remedial measures and undertakings by relevant parties as set out in Appendix III to the circular of the Company dated April 6, 2017.

NOTICE OF THE SECOND H SHARE CLASS MEETING

4. To consider and approve the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares as set out in Appendix V to the circular of the Company dated April 6, 2017.
5. To consider and approve the distribution plan for accumulated profits before the A Share Offering as set out in the circular of the Company dated April 6, 2017.
6. To consider and approve the relevant undertakings to be included in the prospectus in connection with the A Share Offering and the relevant restrictive measures as set out in Appendix VII to the circular of the Company dated April 6, 2017.

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 6, 2017

Notes:

(1) CIRCULAR

Details of the above proposals and resolutions to be considered at the Second H Share Class Meeting are set out in the circular of the Company dated April 6, 2017 (the “**Circular**”), including, among others, information regarding the proposed A Share Offering and related proposals as set out in Appendices III, V and VII thereto. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

(2) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE SECOND H SHARE CLASS MEETING

Holders of H shares of the Company (the “**H Shares**”) are advised that the register of members will be closed from Sunday, April 23, 2017 to Tuesday, May 23, 2017 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at the close of business on Friday, April 21, 2017 are entitled to attend the Second H Share Class Meeting. Holders of H Shares who wish to attend the Second H Share Class Meeting but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. (Hong Kong time) on Friday, April 21, 2017.

(3) PROXY

Shareholders entitled to attend and vote at the Second H Share Class Meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company

NOTICE OF THE SECOND H SHARE CLASS MEETING

hand or by post not later than 11:30 a.m. (Hong Kong time) on Monday, May 22, 2017. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the Second H Share Class Meeting if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The H Share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(4) REPLY SLIP

Shareholders who intend to attend the Second H Share Class Meeting in person or by proxy should return the reply slip by hand, by fax or by post to the H Share registrar of the Company, Tricor Investor Services Limited on or before Tuesday, May 2, 2017. The address of Tricor Investor Services Limited is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (Tel: (852) 2980 1333, Fax: (852) 2810 8185).

(5) JOINT HOLDER OF SHARES

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

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On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the Meeting at which the poll was so taken.

(7) OTHER ISSUES

The Second EGM, the Second Domestic Share Class Meeting and the Second H Share Class Meeting are expected to last for half a day. Shareholders (in person or by proxy) attending the Second H Share Class Meeting are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the Second H Share Class Meeting shall produce their identification documents.

The Second H Share Class Meeting starts at 11:30 a.m.. Registration for admission to the Second H Share Class Meeting will take place from 10:30 a.m. to 11:30 a.m..

* *For identification purposes only*