
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Kunming Dianchi Water Treatment Co., Ltd., you should at once hand this circular and the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Kunming Dianchi Water Treatment Co., Ltd.****昆明滇池水务股份有限公司**

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

(Stock Code: 3768)

**(1) MAJOR TRANSACTION – EXTENSION OF THE ENTRUSTED LOAN
GRANTED TO KUNMING DEVELOPMENT;
AND
(2) 2024 ANNUAL GENERAL MEETING**

The AGM will be held at 2:30 p.m. on Friday, 27 June 2025 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC. Notice of the AGM is set out on pages 142 to 144 of this circular. Proxy form for use at the AGM is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.kmdcwt.com).

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon. For Shareholders of H Shares, the proxy form should be returned to Tricor Investor Services Limited and for Shareholders of Domestic Shares, the proxy form should be returned to the Company's registered office and headquarters in the PRC by personal delivery or by post in any event not less than 24 hours before the time fixed for holding the AGM (i.e. before 2:30 p.m. on Thursday, 26 June 2025) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting.

6 June 2025

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DEFINITIONS

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

“AGM”	the 2024 annual general meeting of the Company to be held at 2:30 p.m. on Friday, 27 June 2025 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“Chenggong District Rural Credit Cooperative”	Kunming Chenggong District Rural Credit Cooperative* (昆明市呈貢區農村信用合作聯社), a third party independent of the Company and its connected person(s)
“Company”	Kunming Dianchi Water Treatment Co., Ltd. (昆明滇池水務股份有限公司), a joint stock company incorporated in the PRC with limited liability on 23 December 2010, and its H Shares are listed on the Stock Exchange (stock code: 3768)
“Company Law”	the Company Law of the People’s Republic of China, as amended from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Dianchi Investment Group”	Kunming Dianchi Investment and its subsidiaries, excluding the Group
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Entrusted Loan Contract”	the entrusted loan contract entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 24 October 2022

DEFINITIONS

“Entrusted Loan Extension Agreement I”	the entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 22 September 2023
“Entrusted Loan Extension Agreement II”	the entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 15 July 2024
“Entrusted Loan Extension Agreement III”	the entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 19 May 2025
“Entrusted Loan Extension Transaction I”	the transaction contemplated under the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I, namely the extension of the maturity date of RMB200 million of the principal amount of the entrusted loan under the Entrusted Loan Contract from 24 September 2023 to 24 August 2024
“Entrusted Loan Extension Transaction II”	the transaction contemplated under the Entrusted Loan Extension Agreement II, namely the extension of the maturity date of RMB200 million of the principal amount of the entrusted loan under the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I from 24 August 2024 to 24 July 2025
“Entrusted Loan Extension Transaction III”	the transaction contemplated under the Entrusted Loan Extension Agreement III, namely the extension of the maturity date of RMB200 million of the principal amount of the entrusted loan under the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements from 24 July 2025 to 24 June 2026
“Entrusted Loan Transaction”	the transaction contemplated under the Entrusted Loan Contract, namely the provision of a RMB200 million loan by Chenggong District Rural Credit Cooperative to Kunming Development as entrusted by the Company
“General Mandate”	subject to the conditions set out in the resolution to be proposed at the AGM to approve the general mandate, a general mandate to be granted to the Board for exercising the power of the Company to issue additional Shares not exceeding 20% of the total number of the Company’s Shares in issue as at the date of passing of the relevant resolution
“Group”	the Company and its subsidiaries

DEFINITIONS

“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are 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 People’s Republic of China
“Kunming Development”	Kunming Development and Investment Group Co., Ltd.* (昆明發展投資集團有限公司), a wholly state-owned limited liability company incorporated in the PRC on 27 January 2010, which holds 20,959,760 Domestic Shares of the Company as at the Latest Practicable Date, representing approximately 2.04% of the total share capital of the Company, and is not a connected person of the Company as defined under the Listing Rules
“Kunming Dianchi Investment”	Kunming Dianchi Investment Co., Ltd. (昆明滇池投資有限責任公司), a company established in Yunnan Province, the PRC with limited liability on 13 October 2004, which is the controlling Shareholder of the Company
“Kunming SASAC”	the State-owned Assets Supervision and Administration Commission of the Kunming People’s Government (昆明市人民政府國有資產監督管理委員會)
“Latest Practicable Date”	6 June 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Original Entrusted Loan Extension Agreements”	collectively, the Entrusted Loan Extension Agreement I, the Supplemental Entrusted Loan Extension Agreement I and the Entrusted Loan Extension Agreement II
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures of the Board of Directors”	the rules of procedures of the Board of Directors of the Company, as amended from time to time

DEFINITIONS

“Rules of Procedures of the Board of Supervisors”	the rules of procedures of the Board of Supervisors of the Company, as amended from time to time
“Rules of Procedures of the Shareholders’ General Meetings”	the rules of procedures of the Shareholders’ general meetings of the Company, as amended from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Supplemental Entrusted Loan Extension Agreement I”	the supplemental entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 22 September 2023
“%”	per cent.

* For identification purpose only

LETTER FROM THE BOARD



Kunming Dianchi Water Treatment Co., Ltd.

昆明滇池水务股份有限公司

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

(Stock Code: 3768)

Board of Directors:

Executive Directors:

Mr. Zeng Feng (*Chairperson*)

Mr. Chen Changyong (*General Manager*)

Non-executive Directors:

Mr. Xu Jingdong

Ms. Cheng Yijing

Mr. Zhang Yang

Independent non-executive Directors:

Mr. Zha Guiliang

Ms. Zheng Dongyu

Mr. Ong King Keung

*Registered office and headquarters
in the PRC:*

Wastewater Treatment Plant No. 7
Kunming Dianchi Tourist Resort
Yunnan Province, the PRC

Principal place of business in Hong Kong:
Room 1901, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

6 June 2025

To the Shareholders

Dear Sirs and Madams,

**(1) MAJOR TRANSACTION – EXTENSION OF THE ENTRUSTED LOAN
GRANTED TO KUNMING DEVELOPMENT;
AND
(2) 2024 ANNUAL GENERAL MEETING**

1. INTRODUCTION

On behalf of the Board, I invite you to attend the AGM to be held at 2:30 p.m. on Friday, 27 June 2025 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC.

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

2. BUSINESSES TO BE CONSIDERED AT THE AGM

The businesses to be considered at the AGM are described in more details in the notice of the AGM as set out on pages 142 to 144 of this circular.

Resolutions to be proposed at the AGM and passed as ordinary resolutions include:

- (a) the Report of the Board of Directors for 2024
- (b) the Report of the Board of Supervisors for 2024
- (c) the audited financial statements and independent auditor's report for the year ended 31 December 2024
- (d) the profit distribution plan for 2024
- (e) the re-appointment of Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) as the domestic auditor of the Company for 2025 and Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited) as the international auditor of the Company for 2025 and the authorization to the Board to determine their remunerations
- (f) the abolition of the Board of Supervisors
- (g) the extension of the entrusted loan of RMB200 million granted to Kunming Development under the Entrusted Loan Contract, the Original Entrusted Loan Extension Agreements and the Entrusted Loan Extension Agreement III entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 24 October 2022, 22 September 2023, 15 July 2024 and 19 May 2025, respectively, to 24 June 2026

Resolutions to be proposed at the AGM and passed as special resolutions include:

- (h) the repeal of the Rules of Procedures of the Board of Supervisors
- (i) the proposed amendments to the Articles of Association
- (j) the proposed amendments to the Rules of Procedures of the Shareholders' General Meetings
- (k) the proposed amendments to the Rules of Procedures of the Board of Directors
- (l) the General Mandate to issue Shares

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make decisions in the circumstance where sufficient and necessary information is available, we have provided detailed information in this circular.

LETTER FROM THE BOARD

3. BUSINESSES AT THE AGM

3.1 To consider and approve the Report of the Board of Directors of the Company for 2024

The full text of the Report of the Board of Directors for 2024 is set out in the section headed “Report of the Board of Directors” in the Company’s 2024 annual report published on the website of the Stock Exchange on 24 April 2025.

3.2 To consider and approve the Report of the Board of Supervisors of the Company for 2024

The full text of the Report of the Board of Supervisors for 2024 is set out in the section headed “Report of the Board of Supervisors” in the Company’s 2024 annual report published on the website of the Stock Exchange on 24 April 2025.

3.3 To consider and approve the audited financial statements of the Company and the independent auditor’s report for the year ended 31 December 2024

The audited financial statements and independent auditor’s report for the year ended 31 December 2024 are set out in the sections headed “Independent Auditor’s Report” and “Consolidated Financial Statements” in the Company’s 2024 annual report published on the website of the Stock Exchange on 24 April 2025.

3.4 To consider and approve the profit distribution plan of the Company for 2024

Taking into account the future plans and the financial position and cash flow position of the Company, the Board does not recommend the distribution of a final dividend for the year ended 31 December 2024.

3.5 To consider and approve the re-appointment of Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) as the domestic auditor of the Company for 2025 and Forvis Mazars CPA Limited as the international auditor of the Company for 2025 and the authorization to the Board to determine their remunerations

3.6 To consider and approve the abolition of the Board of Supervisors

In accordance with the relevant provisions of the latest amended and effective Company Law and the relevant requirements of the competent authorities at the higher level and taking into account the actual situation of the Company, the Board of Supervisors will no longer be established and the powers and functions of the Board of Supervisors will be exercised by the Audit Committee.

LETTER FROM THE BOARD

3.7 To consider and approve the extension of the entrusted loan granted to Kunming Development

References are made to the Company's announcements dated 24 October 2022, 22 September 2023 and 15 July 2024 (the "**Announcements**"), respectively, in relation to (i) the entering into of the Entrusted Loan Contract by the Company (as trustor) with Kunming Development (as borrower) and Chenggong District Rural Credit Cooperative (as trustee) in respect of the Entrusted Loan Transaction on 24 October 2022. Pursuant to the Entrusted Loan Contract, the Company entrusted Chenggong District Rural Credit Cooperative to provide a RMB200 million entrusted loan to Kunming Development for a term from 24 October 2022 to 24 September 2023; (ii) the entering into of the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I by the Company with Kunming Development and Chenggong District Rural Credit Cooperative in respect of the Entrusted Loan Contract on 22 September 2023 to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract to 24 August 2024; and (iii) the entering into of the Entrusted Loan Extension Agreement II by the Company with Kunming Development and Chenggong District Rural Credit Cooperative in respect of the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I on 15 July 2024 to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/the Entrusted Loan Extension Agreement I/the Supplemental Entrusted Loan Extension Agreement I to 24 July 2025, respectively. The total interest income to be recognized throughout the duration of the Entrusted Loan Extension Agreement II is approximately RMB15.58 million. As at 30 April 2025, the Company has recognized interest income of approximately RMB11.43 million and the remaining unrecognized interest income will be recognized over the remaining term of the Entrusted Loan Extension Agreement II in accordance with the provisions of the Entrusted Loan Contract and the Entrusted Loan Extension Agreement II. As at the Latest Practicable Date, Kunming Development has paid the corresponding interest in accordance with the relevant provisions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements and there is no outstanding interest payable which should be settled.

As at the Latest Practicable Date, the principal balance of the entrusted loan granted by the Company to Kunming Development was RMB200 million. Kunming Development, due to its own capital requirements, has made a written application to the Company for the extension of the principal amount of RMB200 million entrusted loan pursuant to the provisions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements. After arm's length negotiation, the Company entered into the Entrusted Loan Extension Agreement III in respect of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements with Kunming Development and Chenggong District Rural Credit Cooperative on 19 May 2025 (after trading hours) to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/the Original Entrusted Loan Extension Agreements to 24 June 2026. Save for the amendments specified in the Entrusted Loan Extension Agreement III, all other terms and conditions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements remain unchanged.

LETTER FROM THE BOARD

(1) *Entrusted Loan Contract, Original Entrusted Loan Extension Agreements and Entrusted Loan Extension Agreement III*

Except for the amendments specified in the Entrusted Loan Extension Agreement III, all other terms and conditions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements shall apply to the Entrusted Loan Extension Transaction III. Salient terms of the Entrusted Loan Contract, the Original Entrusted Loan Extension Agreements and the Entrusted Loan Extension Agreement III are set out below:

	Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
Date:	24 October 2022	(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: 22 September 2023 (ii) Entrusted Loan Extension Agreement II: 15 July 2024	19 May 2025
Parties:	(i) the Company (as trustor) (ii) Kunming Development (as borrower) (iii) Chenggong District Rural Credit Cooperative (as trustee)	(i) the Company (as trustor) (ii) Kunming Development (as borrower) (iii) Chenggong District Rural Credit Cooperative (as trustee)	(i) the Company (as trustor) (ii) Kunming Development (as borrower) (iii) Chenggong District Rural Credit Cooperative (as trustee)
Principal amount of the entrusted loan/extension amount:	RMB200 million	Extension amount RMB200 million	Extension amount RMB200 million

LETTER FROM THE BOARD

	Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
Term/term of extension:	11 months, i.e. from 24 October 2022 to 24 September 2023, and if there is an early maturity of the entrusted loan declared in accordance with the Entrusted Loan Contract, the loan shall be deemed to become due at an earlier date accordingly and the interest shall be calculated based on the actual number of days and amount used.	(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: 11 months, i.e. from 24 September 2023 to 24 August 2024. Other relevant provisions of the Entrusted Loan Contract remain applicable. (ii) Entrusted Loan Extension Agreement II: 11 months, i.e. from 24 August 2024 to 24 July 2025. Other relevant provisions of the Entrusted Loan Contract remain applicable.	11 months, i.e. from 24 July 2025 to 24 June 2026. Other relevant provisions of the Entrusted Loan Contract remain applicable.
Interest rate:	The interest rate is fixed at 8.5% per annum calculated by adding 485 basis points to the prime rate for a one-year loan for one day prior to the date of the Entrusted Loan Contract. Interest shall be paid quarterly and the interest settlement date is the 20th day of the last month of each quarter.	8.5% per annum, and interest due and outstanding shall be handled pursuant to the provisions on compound interest set out in the Entrusted Loan Contract. Interest is payable pursuant to the provisions of the Entrusted Loan Contract, i.e. interest shall be paid quarterly and the interest settlement date is the 20th day of the last month of each quarter.	6.0% per annum, and interest due and outstanding shall be handled pursuant to the provisions on compound interest set out in the Entrusted Loan Contract. Interest is payable pursuant to the provisions of the Entrusted Loan Contract, i.e. interest shall be paid quarterly and the interest settlement date is the 20th day of the last month of each quarter.

LETTER FROM THE BOARD

	Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
Release of loan:	The principal of entrusted loan under the Entrusted Loan Contract will be released to Kunming Development in one lump sum. The conditions precedent for the release of the principal of entrusted loan include the borrower having opened an account with the trustee in accordance with the trustee's requirements; the borrower having submitted a withdrawal application to the Company in advance in accordance with the deadline stipulated in the Entrusted Loan Contract, etc.	Not applicable	Not applicable
Repayment of loan:	Interest is payable quarterly in arrears and principal is repaid in one lump sum upon maturity. All principal, interest, etc. are required to be settled by the date of expiry of the term of entrusted loan.	Principal shall be repaid in one lump sum upon maturity of the term of extension. Other relevant provisions of the Entrusted Loan Contract remain applicable.	Principal shall be repaid in one lump sum upon maturity of the term of extension. Other relevant provisions of the Entrusted Loan Contract remain applicable.

LETTER FROM THE BOARD

	Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
Early repayment and extension of loan:	<p>With the consent of the Company, Kunming Development may repay part or all of the loan within the term of the entrusted loan after completing the formalities in accordance with the relevant provisions of the Entrusted Loan Contract.</p> <p>If Kunming Development needs to extend the entrusted loan, Kunming Development shall submit a written application for extension to the Company at least 30 days prior to the maturity date of the Entrusted Loan Contract or an individual loan which shall be reviewed and approved by the Company, and the extension agreement shall be signed in accordance with relevant terms before the loan can be extended accordingly. If the Company does not agree with the extension, Kunming Development shall repay the principal and interest of the entrusted loan in accordance with the terms of the Entrusted Loan Contract.</p>	<p>Relevant provisions of the Entrusted Loan Contract remain applicable.</p>	<p>Relevant provisions of the Entrusted Loan Contract remain applicable.</p>

LETTER FROM THE BOARD

Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
<p>Service charge: RMB10,000, which shall be borne by the Company and shall be paid in one lump sum to the trustee within 7 days from the date of signing of the Entrusted Loan Contract.</p>	<p>(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: RMB10,000, which shall be paid by the Company in one lump sum to the trustee within 5 days from the date of signing of the Entrusted Loan Extension Agreement I. Once paid, the service charge is non-refundable by the trustee.</p> <p>(ii) Entrusted Loan Extension Agreement II: The service charge is RMB200,000 calculated based on 0.1% of extension amount, which shall be paid by the Company in one lump sum to the trustee within 5 working days after the Entrusted Loan Extension Transaction II has been implemented. Once paid, the service charge is non-refundable by the trustee.</p>	<p>A lump sum payment of 0.1% (i.e. RMB200,000) of the extension amount will be paid by the Company to the trustee within 5 working days after the execution of the Entrusted Loan Extension Transaction III. Once paid, the service charge is non-refundable by the trustee.</p>

LETTER FROM THE BOARD

Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
Others:	(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: The Entrusted Loan Extension Transaction I shall be subject to consideration and approval at the extraordinary general meeting of the Company, and the Company will convene the extraordinary general meeting as soon as possible and will timely (no later than 30 November 2023) notify the trustee and Kunming Development of the extraordinary general meeting. If the Company fails to provide relevant resolution of the extraordinary general meeting on or before 30 November 2023, Kunming Development is required to repay all principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan within 3 business days from 30 November 2023 and cooperate in completing relevant procedures for transfer of funds. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.	The Entrusted Loan Extension Transaction III shall be subject to consideration and approval at the Shareholders' general meeting of the Company, and the Company will convene the Shareholders' general meeting as soon as possible and will timely (no later than 24 July 2025) notify the trustee and Kunming Development of the Shareholders' general meeting. If the Company fails to provide relevant resolution of the Shareholders' general meeting to consider and approve the Entrusted Loan Extension Transaction III on or before 24 July 2025, the Entrusted Loan Extension Agreement III will no longer be fulfilled and Kunming Development will be required to repay all principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan in accordance with the agreed expiration time (no later than 24 July 2025) of the Entrusted Loan Contract and the Entrusted Loan Extension Agreement II and cooperate in completing relevant procedures for transfer of funds. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

LETTER FROM THE BOARD

Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
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If the Entrusted Loan Extension Transaction I is not approved by the Shareholders at the aforesaid extraordinary general meeting, Kunming Development shall be required to repay the principal of the entrusted loan (i. e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan immediately after the disapproval of the resolution at the aforesaid extraordinary general meeting and cooperate in completing relevant procedures for transfer of funds. Kunming Development shall complete the aforesaid repayment within 3 business days from the date of disapproval of the resolution at the extraordinary general meeting of the Company. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

LETTER FROM THE BOARD

Entrusted Loan Contract	Original Entrusted Loan Extension Agreements	Entrusted Loan Extension Agreement III
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- (ii) Entrusted Loan Extension Agreement II: The Entrusted Loan Extension Transaction II shall be subject to consideration and approval at the extraordinary general meeting of the Company, and the Company will convene the extraordinary general meeting as soon as possible and will timely (no later than 24 August 2024) notify the trustee and Kunming Development of the resolution of the extraordinary general meeting. If the Company fails to provide the resolution in relation to the Entrusted Loan Extension Transaction II for consideration and approval at the extraordinary general meeting on or before 24 August 2024, the Entrusted Loan Extension Agreement II shall cease to be effective, and Kunming Development is required to repay all principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan within 3 business days from the date on which the Entrusted Loan Extension Agreement II ceases to be effective and cooperate in completing relevant procedures for transfer of funds. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

LETTER FROM THE BOARD

Basis of interest rate

The fixed annual interest rate of 6.0% under the Entrusted Loan Extension Agreement III was negotiated on an arm's length basis between the Company and Kunming Development based on (1) the fact that the interest rate under the Entrusted Loan Extension Agreement III was up by 2.9% as compared to the prime rate of 3.1% for 1-year loans denominated in RMB promulgated by the National Interbank Funding Center as at 21 April 2025; (2) prevailing market interest rate and practices; (3) the returns of the Company within a reasonable range; and (4) the Company's assessment on the business conditions and creditworthiness of Kunming Development.

(2) Reasons for and Benefits of the Entrusted Loan Extension Agreement III

As of the Latest Practicable Date, Kunming Development has settled all the interest payable pursuant to the relevant provisions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements and there is no outstanding interest payable which should be settled. By entering into the Entrusted Loan Extension Agreement III, it will increase the interest income of the Company and at the same time facilitate the cooperation between the Group and Kunming Development in innovative financing models. The interest rate of the entrusted loan under the Entrusted Loan Extension Agreement III is 6.0% per annum, and the entering into of the Entrusted Loan Extension Agreement III will generate an interest income of approximately RMB11.0 million for the Company. At the same time, the relevant provisions regarding early repayment under the Entrusted Loan Contract remain applicable to the Entrusted Loan Extension Agreement III and, hence, the Company is entitled to negotiate with Kunming Development regarding early repayment of the entrusted loan if it sees appropriate.

Mr. Ong King Keung, the Director, abstained from voting and Ms. Cheng Yijing, the Director, voted against the resolution at the Board meeting. Mr. Ong King Keung abstained from voting mainly because he considered that the entrusted loan was not within the scope of the principal business of the Company. The main reason for Ms. Cheng Yijing to vote against the resolution is her view that consideration should be given to investing more capital in the Company's principal business. For the above reasons, all Directors (other than Mr. Ong King Keung and Ms. Cheng Yijing (the "**Dissenting Directors**")) believe that the Entrusted Loan Extension Transaction III is entered into on normal commercial terms, and is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

All Directors of the Board have given due and careful consideration to the Entrusted Loan Extension Transaction III and the opinions of the Dissenting Directors. All Directors of the Board other than the Dissenting Directors were of the unanimous view that although the Entrusted Loan Extension Transaction III is not the principal business of the Company, based on the Company's operating plan, during 2025, the Company expects to have no new significant capital expenditures and, based on an understanding of the budgetary situation of its customers, the Company expects that cash received from the Company's operations will increase during the current year as compared to the prior year. After taking into account the Company's existing cash and bank balances, other internal resources and available existing unutilized credit facilities, the Company has sufficient working capital for its operations and plans. The Entrusted Loan Extension Transaction III may generate revenue for the Company and facilitate the cooperation between the Group and Kunming Development in terms of financing mode. Kunming Development has a stable source of income and good creditworthiness and there is also cooperation between the Company and Kunming Development in financing business. As at the Latest Practicable Date, Kunming Development had provided guarantee for a long-term loan of the Group with an aggregate principal amount not exceeding RMB280 million, which facilitated the obtaining of the long-term loan and was conducive to the adjustment of the debt structure of the Company, and gradually formed a win-win financing model for both parties. In addition, if there is a genuine need for the Company to invest the funds in the Company's business, the Company may, based on the actual demand for the use of funds, promptly reach an agreement with Kunming Development to recover the amount in advance. In addition, under the terms of the Entrusted Loan Contract, if Kunming Development is in default (e.g., fails to repay the principal and interest in full as agreed, or provides false documents) or may jeopardize the claim (e.g., is involved in a major dispute or litigation, or has significant adverse changes in its equity structure, production and operation, or foreign investment), the Company has the right to declare the entrusted loan to be immediately due and to immediately recover the outstanding amount, and to charge a penalty interest and compound interest. Accordingly, the remaining Directors are of the view that the relevant provisions of the Entrusted Loan Contract, the Original Entrusted Loan Extension Agreements and the Entrusted Loan Extension Agreement III are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Kunming Development has not provided a guarantee in respect of the Entrusted Loan Extension Transaction III. Prior to the entering into of the Entrusted Loan Extension Agreement III, the Company commenced an examination of the relevant supporting documents provided by Kunming Development, such as financial statements, debt situation and future development, etc., and conducted inquiries and investigations into other public information. For the year ended 31 December 2024, Kunming Development had total audited assets of approximately RMB18,630 million, realized revenue of approximately RMB2,367 million in 2024 and net cash generated from operating activities of approximately RMB363 million. Meanwhile, the Company obtained a Credit Rating Report dated 14 March 2025 issued by a third-party appraisal company for Kunming Development, in which the credit rating of Kunming Development was AA, which was consistent with the previous period. Upon the Company's comprehensive assessment of Kunming Development's cash flow situation, solvency, stable rating, current operating conditions and future development, the Company is of the view that Kunming Development has the ability to repay its debts and risks under the Entrusted Loan Extension Transaction III are generally manageable.

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(3) Financial Impact

The Entrusted Loan Extension Transaction III does not involve the release of new funds and the principal amount granted under the entrusted loan has been reflected in the Company's audited consolidated financial statements as of 31 December 2022, 31 December 2023 and 31 December 2024. The term of the Entrusted Loan Extension Transaction III is 11 months and is expected to generate revenue of approximately RMB11.0 million.

(4) Details of the Parties to the Entrusted Loan Contract, the Original Entrusted Loan Extension Agreements and the Entrusted Loan Extension Agreement III

The Company

The Company is a leading municipal wastewater treatment and reclaimed water supply services provider in Yunnan Province, the PRC, an integrated water-related services (including running water supply service) provider and a core enterprise implementing the PRC's strategic goal to treat pollutants at Dianchi Lake.

Kunming Development

Kunming Development is a wholly state-owned company wholly owned directly by Kunming SASAC, and is a key industrial entity for deepening the government's investment and financing system reform and operation of urban public economic resources in Kunming city. The principal business of Kunming Development includes: new energy industry and related services, commercial complex development and operation management. Businesses involve the construction of gas stations to support the Sino-Myanmar oil and gas pipeline, the new energy industry, major infrastructure construction, commercial real estate construction and operation, shantytown renovation and equity investment. As an important industrial entity operating urban public resources and an important subject of urban construction in Kunming, Kunming Development occupies a high position in the urban development strategy of Kunming, with some of its businesses enjoying regional monopoly advantages, and its new energy business enjoying a competitive edge in the region with a strong overall competitiveness.

Chenggong District Rural Credit Cooperative

Chenggong District Rural Credit Cooperative is a China-based financial institution that is mainly engaged in taking public deposits and providing loans and other activities. It is owned as to 100% by Yunnan Rural Credit Cooperative Association* (雲南省農村信用社聯合社), which is in turn directly owned as to 100% by the People's Government of Yunnan Province.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the Latest Practicable Date, Kunming Development is not a connected person of the Company as defined under the Listing Rules, and Chenggong District Rural Credit Cooperative is a third party independent of the Company and its connected person(s).

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(5) Listing Rules Implications

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Entrusted Loan Extension Agreement III and the Entrusted Loan Extension Transaction III contemplated thereunder are more than 25% but less than 75%, the entering into of the Entrusted Loan Extension Agreement III and the Entrusted Loan Extension Transaction III contemplated thereunder constitute a major transaction of the Company and shall be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Entrusted Loan Extension Agreement III and the Entrusted Loan Extension Transaction III contemplated thereunder shall be subject to Shareholders' review and approval. If the Entrusted Loan Extension Transaction III fails to obtain the aforementioned Shareholder's approval, Kunming Development shall repay all principal amount of the entrusted loan (i.e. RMB200 million) under the Entrusted Loan Contract/the Original Entrusted Loan Extension Agreements and settle all the interest payable up to the date of repayment of principal amount of the entrusted loan.

3.8 To consider and approve the repeal of the Rules of Procedures of the Board of Supervisors

In accordance with the relevant provisions of the Company Law and the relevant requirements of the competent authorities at the higher level and taking into account the actual situation of the Company, given that the Board of Supervisors will no longer be established, the Rules of Procedures of the Board of Supervisors are repealed. The repeal of the Rules of Procedures of the Board of Supervisors is subject to the approval of the Shareholders by way of a special resolution at the AGM.

3.9 To consider and approve the proposed amendments to the Articles of Association

Reference is made to the announcement of the Company dated 28 April 2025 in relation to, among other things, the proposed amendments to the Articles of Association. (i) According to the Notice Letter from Yunnan Yuntou Finance Leasing Co., Ltd.* (雲南雲投融資租賃有限公司) on Obtaining 213 Million Shares of Kunming Dianchi Water Treatment Co., Ltd. by way of Settlement of Debts in Specie* (《雲南雲投融資租賃有限公司關於以物抵債獲取昆明滇池水務股份有限公司2.13 億股股票的告知函》), together with the accompanying Letter of Decision on Enforcement from the People's Court of Xishan District, Kunming, Yunnan Province* (《雲南省昆明市西山區人民法院執行裁定書》), 213,377,684 Shares of the Company (representing approximately 20.73% of the total number of Shares of the Company) held by Kunming Dianchi Investment, the controlling Shareholder of the Company, were ordered by the court to be transferred to Yunnan Yuntou Finance Leasing Co., Ltd., pursuant to which it is necessary to amend the relevant provisions of the Articles of Association in relation to the number and proportion of Shares held by Kunming Dianchi Investment; (ii) as a result of a change in the name of one of the Shareholders of the Company, it is necessary to amend the provisions of the Articles of Association in relation to the name of that Shareholder; (iii) the contents of the exercise of rights and fulfillment of obligations by controlling Shareholders and de facto controllers in accordance with the law are further clarified and improved; (iv) pursuant to the provisions of

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the Company Law and the Guidelines on the Articles of Association of Listed Companies (the “**Guidelines on the Articles of Association**”) and other laws, regulations and relevant documents, the Company will no longer establish the Board of Supervisors and the relevant powers and functions of the Board of Supervisors are exercised by the Audit Committee, and accordingly, the relevant content of the Board of Supervisors covered by the Articles of Association is deleted and the relevant powers and functions of the Audit Committee are adjusted and revised. At the same time, the qualifications, independence requirements and performance requirements for independent non-executive Directors are added in accordance with the Guidelines on the Articles of Association. The Articles of Association regarding the obligations of loyalty and diligence of Directors and senior management and the avoidance of conflicts of interest are improved and sequentially adjusted. Provisions on the requirements for the performance of duties by internal audit organizations are added. The Board is proposing certain amendments to the current Articles of Association (the “**Proposed Amendments to the Articles of Association**”). Details are set out below:

Current version	Amended version
<p>Article 1</p> <p>Pursuant to the approval of the State-owned Assets Supervision and Administration Commission of the government of Kunming City, the Company was established by way of promotion on 22 December 2010 and was registered with the Kunming Municipal Administration for Market Regulation on 23 December 2010 to obtain its business license. The number of the business license of the Company is 91530100568810129D.</p> <p>The Company is a joint stock limited company jointly established by Kunming Dianchi Investment Co. Ltd.*, Kunming Development Investment Group Co. Ltd.*, Kunming Industrial Development and Investment Co. Ltd.*, Kunming State-owned Assets Management and Operations Co. Ltd.*, Kunming Xinzhi Investment Development Co., Ltd.* as its promoters.</p> <p>.....</p> <p><i>* For identification purpose only</i></p>	<p>Article 1</p> <p>Pursuant to the approval of the State-owned Assets Supervision and Administration Commission of the government of Kunming City, the Company was established by way of promotion on 22 December 2010 and was registered with the Kunming Municipal Administration for Market Regulation on 23 December 2010 to obtain its business license. The number of the business license <u>unified social credit code</u> of the Company is 91530100568810129D.</p> <p>The Company is a joint stock limited company jointly established by Kunming Dianchi Investment Co. Ltd.*, Kunming Development Investment Group Co. Ltd.*, Kunming Industrial Development and Investment Co. Ltd.*, Kunming State-owned Assets Management and Operations Co. Ltd.* <u>Kunming Gangtong Logistics Group Co. Ltd.*</u>, Kunming Xinzhi Investment Development Co., Ltd.* as its promoters.</p> <p>.....</p> <p><i>* For identification purpose only</i></p>

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Current version	Amended version
<p>Article 5 The chairperson of the Company is the legal representative of the Company.</p> <p>.....</p>	<p>Article 5 The chairperson of the Company is the legal representative of the Company <u>(The chairperson is the director who executes the affairs of the Company on behalf of the Company).</u></p> <p>.....</p>
	<p>Article 6 <u>Legal representatives engage in civil activities in the name of the Company, the legal consequences of which are borne by the Company.</u></p> <p><u>Restrictions on the authority of the legal representative as set forth in these Articles of Association or in the shareholders' general meeting shall not apply against a bona fide counterparty.</u></p> <p><u>If a legal representative causes damage to another person as a result of the performance of his/her duties, the Company shall bear the civil liability. After the Company has assumed a civil liability, it may, in accordance with laws or the provisions of these Articles of Association, recover the liability from the legal representative who is at fault.</u></p>

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Current version	Amended version
<p>Article 7 The Articles of Association, being the fundamental document formulated by the Company in accordance with relevant laws, shall become effective on the date of being passed by way of a special resolution at the shareholders' general meeting of the Company. The Articles of Association supersede our Articles of Association previously filed with the administration for market regulation. 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 inter se. The Company shall comply with the requirements of the Company Law, the Securities Law, the Main Board Listing Rules and the Articles of Association.</p>	<p>Article 78 The Articles of Association, being the fundamental document formulated by the Company in accordance with relevant laws, shall become effective on the date of being passed by way of a special resolution at the shareholders' general meeting of the Company. The Articles of Association supersede our Articles of Association previously filed with the administration for market regulation. 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 inter se. <u>It is legally binding on the Company, shareholders, directors and senior management.</u> The Company shall comply with the requirements of the Company Law, the Securities Law, the Main Board Listing Rules and the Articles of Association.</p>
<p>Article 8 The Company and its shareholders, directors, supervisors and senior management members may assert claims in respect of the Company's affairs pursuant to the Articles of Association.</p> <p>Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; shareholders may institute legal proceedings against directors, supervisors and senior management members of the Company; and the Company may institute legal proceedings against its directors, supervisors and senior management members.</p>	<p>Article 89 The Company and its shareholders, directors, supervisors and senior management members may assert claims in respect of the Company's affairs pursuant to the Articles of Association.</p> <p>Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; shareholders may institute legal proceedings against directors, supervisors and senior management members of the Company; and the Company may institute legal proceedings against its directors, supervisors and senior management members.</p>
<p>Article 12 The Articles of Association shall have binding effect on the bodies performing the contributor's functions, the Company, members of the Party Committee, directors, supervisors and senior management members.</p>	<p>Article 12 The Articles of Association shall have binding effect on the bodies performing the contributor's functions, the Company, members of the Party Committee, directors, supervisors and senior management members.</p>

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Current version				Amended version					
<p>Article 20 The Company issued 360 million ordinary shares to its promoters upon its establishment. All these shares were subscribed for and paid up by promoters of the Company in agreed capital contribution method before 28 December 2012. Shareholding of promoters of the Company upon its establishment sets out as follows:</p>				<p>Article 20 The Company issued 360 million ordinary shares <u>at a par value of RMB1 per share</u> to its promoters upon its establishment. All these shares were subscribed for and paid up by promoters of the Company in agreed capital contribution method before 28 December 2012. Shareholding of promoters of the Company upon its establishment sets out as follows:</p>					
No.	Promoter	Number of shares (ten thousand)	Shareholding (%)	Way of contribution	No.	Promoter	Number of shares (ten thousand)	Shareholding (%)	Way of contribution
1.	Kunming Dianchi Investment Co. Ltd.	34,494.30	95.82	In-kind contribution and cash contribution	1.	Kunming Dianchi Investment Co. Ltd.	34,494.30	95.82	In-kind contribution and cash contribution
2.	Kunming Development Investment Group Co. Ltd.	1,095.00	3.04	Cash contribution	2.	Kunming Development Investment Group Co. Ltd.	1,095.00	3.04	Cash contribution
3.	Kunming Industrial Development and Investment Co. Ltd.	136.90	0.38	Cash contribution	3.	Kunming Industrial Development and Investment Co. Ltd.	136.90	0.38	Cash contribution
4.	Kunming State-owned Assets Management and Operations Co. Ltd.	136.90	0.38	Cash contribution	4.	Kunming State-owned Assets Management and Operations Co. Ltd. Kunming Gangtong Logistics Group Co. Ltd.	136.90	0.38	Cash contribution
5.	Kunming Xinzhi Investment Development Co., Ltd.	136.90	0.38	Cash contribution	5.	Kunming Xinzhi Investment Development Co., Ltd.	136.90	0.38	Cash contribution
Total		36,000	100		Total		36,000	100	
<p>Based on a total of 360,000,000 shares of the Company as at 31 December 2014, bonus shares of 360,000,000 in total were issued to all shareholders by transfer of capital reserve on the basis of 10 shares for 10 shares. Upon completion of the transfer, total share capital of the Company was increased to 720,000,000 shares.</p>				<p>Based on a total of 360,000,000 shares of the Company as at 31 December 2014, bonus shares of 360,000,000 in total were issued to all shareholders by transfer of capital reserve on the basis of 10 shares for 10 shares. Upon completion of the transfer, total share capital of the Company was increased to 720,000,000 shares.</p>					
<p>Number of shares held by and shareholding of each shareholder upon completion of the transfer are as follows:</p>				<p>Number of shares held by and shareholding of each shareholder upon completion of the transfer are as follows:</p>					
No.	Promoter	Number of shares (ten thousand)	Shareholding (%)		No.	Promoter	Number of shares (ten thousand)	Shareholding (%)	
1.	Kunming Dianchi Investment Co. Ltd.	68,988.60	95.82		1.	Kunming Dianchi Investment Co. Ltd.	68,988.60	95.82	
2.	Kunming Development Investment Group Co. Ltd.	2,190.00	3.04		2.	Kunming Development Investment Group Co. Ltd.	2,190.00	3.04	
3.	Kunming Industrial Development and Investment Co. Ltd.	273.80	0.38		3.	Kunming Industrial Development and Investment Co. Ltd.	273.80	0.38	
4.	Kunming State-owned Assets Management and Operations Co. Ltd.	273.80	0.38		4.	Kunming State-owned Assets Management and Operations Co. Ltd. Kunming Gangtong Logistics Group Co. Ltd.	273.80	0.38	
5.	Kunming Xinzhi Investment Development Co., Ltd.	273.80	0.38		5.	Kunming Xinzhi Investment Development Co., Ltd.	273.80	0.38	
Total		72,000	100		Total		72,000	100	

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Current version	Amended version																																																																																																				
<p>Article 21</p> <p>As at 12 May 2017, subsequent to the completion of the above issuance by the Company through exercise of over-allotment option, the original shares transferred by five state-owned shareholders including Kunming Dianchi Investment Co., Ltd. etc. to the National Council for Social Security Fund of the PRC were converted into H shares, the Company exercised the over-allotment option and issued 340,023,000 H shares, and the shareholding structure of the Company was as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">No.</th> <th style="text-align: left;">Promoter</th> <th style="text-align: right;">Number of shares <i>(share)</i></th> <th style="text-align: right;">Shareholding <i>(%)</i></th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Kunming Dianchi Investment Co. 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4.	Kunming State-owned Assets Management and Operations Co. Ltd. Kunming Gangtong Logistics Group Co. Ltd.	2,620,449	0.25																																																																																																		
5.	Kunming Xinzhi Investment Development Co., Ltd.	2,620,449	0.25																																																																																																		
6.	Public float	340,023,000	33.04																																																																																																		
Total		1,029,111,000	100																																																																																																		
No.	Shareholders	Number of shares <i>(share)</i>	Shareholding <i>(%)</i>																																																																																																		
1	Kunming Dianchi Investment Co. Ltd.	446,889,209	43.42																																																																																																		
2	Yunnan Yuntou Finance Leasing Co., Ltd.	213,377,684	20.73																																																																																																		
3	Kunming Development Investment Group Co. Ltd.	20,959,760	2.04																																																																																																		
4	Kunming Industrial Development and Investment Co. Ltd.	2,620,449	0.25																																																																																																		
5	Kunming Gangtong Logistics Group Co. Ltd.	2,620,449	0.25																																																																																																		
6	Kunming Xinzhi Investment Development Co., Ltd.	2,620,449	0.25																																																																																																		
7	Public float	340,023,000	33.04																																																																																																		
Total		1,029,111,000	100^{Note}																																																																																																		

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 23 Except as provided in this Article, the Company or its subsidiaries (including the Company’s subordinated enterprises) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans to persons who purchase or intend to purchase the shares of the Company or its parent company.</p> <p>.....</p> <p>If a violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible directors, supervisors and senior management shall be liable for compensation.</p>	<p>Article 23 Except as provided in this Article, the Company or its subsidiaries (including the Company’s subordinated enterprises) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans <u>borrowings to persons who purchase or intend to purchase for others to acquire</u> the shares of the Company or its parent company.</p> <p>.....</p> <p>If a violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible directors, supervisors and senior management shall be liable for compensation.</p>
<p>Article 25 The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the laws, regulations and the Articles of Association, by separate resolution(s) at the shareholder’s general meeting, increase its capital by way of:</p> <p>(1) public issuance of shares;</p> <p>(2) non-public issuance of shares;</p> <p>(3) distributing new shares to its existing shareholders;</p> <p>(4) transfer of capital reserve fund into share capital; and</p> <p>(5) any other means approved by laws, administrative regulations and relevant regulatory authorities.</p> <p>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 relevant laws and administrative regulations.</p>	<p>Article 25 The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the laws, regulations and the Articles of Association, by separate resolution(s) at the shareholder’s general meeting, increase its capital by way of:</p> <p>(1) public issuance of shares <u>to unspecified parties</u>;</p> <p>(2) non-public issuance of shares <u>to specific parties</u>;</p> <p>(3) distributing new shares to its existing shareholders;</p> <p>(4) transfer of capital reserve fund into share capital; and</p> <p>(5) any other means approved by laws, administrative regulations and relevant regulatory authorities.</p> <p>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 relevant laws and administrative regulations.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 47</p> <p>The directors, supervisors and senior management members of the Company shall report to the Company the number of shares held by them in the Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office as determined upon appointment shall not exceed 25% of the total number of the Company's shares in his or her possession. The shares of the Company held by them shall not be transferred within one year from the date of listing and trading of the Company's shares. Such personnel shall not transfer the Company's shares in their possession within half year after they have terminated their employment with the Company.</p> <p>.....</p>	<p>Article 47</p> <p>The directors, supervisors and senior management members of the Company shall report to the Company the number of shares held by them in the Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office as determined upon appointment shall not exceed 25% of the total number of the Company's shares in his or her possession. The shares of the Company held by them shall not be transferred within one year from the date of listing and trading of the Company's shares. Such personnel shall not transfer the Company's shares in their possession within half year after they have terminated their employment with the Company.</p> <p>.....</p>
<p>Article 48 If a shareholder, director, supervisor or senior management personnel of the Company holding more than 5% of the shares of the Company sells the Company's shares or other securities with an equity nature within six months after the date of purchase or repurchases them within six months after the date of sale, the gains therefrom shall be attributable to the Company, and the Board of the Company shall recover the gains therefrom, except where the securities firm holds more than 5% of the shares as a result of the purchase of the remaining shares in an underwriting transaction, or for other circumstances stipulated by the CSRC.</p> <p>The shares or other securities with an equity nature referred to in the preceding paragraph held by directors, supervisors, senior management personnel, and individual shareholders include those held by their spouses, parents, and children, as well as those held through others' securities accounts.</p> <p>.....</p>	<p>Article 48 If a shareholder, director, supervisor or senior management personnel of the Company holding more than 5% of the shares of the Company sells the Company's shares or other securities with an equity nature within six months after the date of purchase or repurchases them within six months after the date of sale, the gains therefrom shall be attributable to the Company, and the Board of the Company shall recover the gains therefrom, except where the securities firm holds more than 5% of the shares as a result of the purchase of the remaining shares in an underwriting transaction, or for other circumstances stipulated by the CSRC.</p> <p>The shares or other securities with an equity nature referred to in the preceding paragraph held by directors, supervisors, senior management personnel, and individual shareholders include those held by their spouses, parents, and children, as well as those held through others' securities accounts.</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Chapter 7 Shareholders' Rights and Obligations</p> <p>Article 56</p>	<p>Chapter 7 Shareholders' Rights and Obligations- Shareholders and Shareholders' General Meetings</p> <p><u>Section 1 Shareholders' Rights and Obligations</u></p> <p>Article 56</p>
<p>Article 57 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>.....</p> <p>(2) the right to request, convene, chair, attend or appoint a proxy to attend, exercise the right of speech and vote at general meetings in proportion to the number of shares held in accordance with the law (unless a shareholder is required by the Main Board Listing Rules to abstain from voting on a particular matter);</p> <p>.....</p> <p>(5) the right to review and copy the Articles of Association, register of members, minutes of shareholders' general meetings, resolutions of the Board meetings, resolutions of the meetings of the supervisory committee, and financial and accounting reports;</p> <p>.....</p>	<p>Article 57 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>.....</p> <p>(2) the right to request to hold, convene, chair, attend or appoint a proxy to attend, exercise the right of speech and vote at general meetings in proportion to the number of shares held in accordance with the law (unless a shareholder is required by the Main Board Listing Rules to abstain from voting on a particular matter);</p> <p>.....</p> <p>(5) the right to review and copy the Articles of Association, register of members, minutes of shareholders' general meetings, resolutions of the Board meetings, resolutions of the meetings of the supervisory committee, and financial and accounting reports. <u>Shareholders who meet the requirements may inspect the Company's accounting books and certificates;</u></p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 58 When a shareholder requests to review the relevant information mentioned in Article 57 or requests for materials, he/she shall provide the Company with written documents evidencing the class and number of shares of the Company held by him/her, and the Company shall provide such information as requested by such shareholder after verifying his/her identity.</p>	<p>Article 58 When a shareholder requests to review <u>and copy</u> the relevant information mentioned in Article 57(5) or requests for materials, he/she shall provide the Company with written documents evidencing the class and number of shares of the Company held by him/her, and the Company shall provide such information as requested by such shareholder after verifying his/her identity.</p> <p><u>If a shareholder requests to inspect the accounting books and certificates of the Company, he/she shall submit a written request to the Company stating the purpose. If the Company has reasonable grounds to believe that a shareholder’s inspection of the accounting books and certificates has an improper purpose that may jeopardize the Company’s lawful interests, the Company may refuse to provide the inspection and shall reply to the shareholder in writing within 15 days from the date of the shareholder’s written request, stating the reasons therefor. If the Company refuses to provide the inspection, the shareholders may file a lawsuit to the People’s Court.</u></p> <p><u>Shareholders may appoint an intermediary organization, such as an accounting firm or a law firm, to inspect the materials provided for in the preceding paragraph.</u></p> <p><u>Shareholders and the intermediary organizations, such as accounting firms and law firms, appointed by them to inspect and copy the relevant materials shall comply with the provisions of laws and administrative regulations on the protection of state secrets, commercial secrets, personal privacy and personal information.</u></p> <p><u>The provisions of the preceding four paragraphs shall apply to shareholders’ requests for inspection and reproduction of materials relating to the Company’s wholly-owned subsidiaries.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 59 If the content of a resolution of a shareholders' general meeting or Board meeting of the Company violates laws or administrative regulations, the shareholders shall have the right to request the People's Court to recognize it as invalid.</u></p> <p><u>In the event that the procedures for convening a shareholders' general meeting or a Board meeting or the manner of voting violate any law or administrative regulation or these Articles of Association, or if the content of a resolution violates these Articles of Association, the shareholders shall have the right to request the People's Court to revoke it within 60 days from the date on which the resolution is made; however, except that there are only minor defects in the procedures for convening the shareholders' general meeting or the Board meeting or in the manner of voting, which do not have a material effect on the resolution.</u></p>
	<p><u>Article 60 If a director or senior management, other than a member of the audit committee, violates any law, administrative regulation or the provisions of these Articles of Association in the performance of his/her duties with the Company and causes damage to the Company, shareholders who individually or collectively hold more than one percent of the Company's shares for a period of more than 180 consecutive days shall have the right to request, in writing, that the audit committee institute legal proceedings in a People's Court. If a member of the audit committee violates any laws, administrative regulations or the provisions of these Articles of Association in the performance of his/her duties with the Company and causes damage to the Company, a shareholder may request the Board in writing to file a lawsuit with the People's Court.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>If the audit committee or the Board refuses to initiate litigation upon receipt of a written request from a shareholder as provided for in the preceding paragraph, or fails to initiate litigation within 30 days from the date of receipt of the request, or if the situation is so urgent that the interests of the Company will be irreparably harmed if litigation is not initiated forthwith, the shareholders as provided for in the preceding paragraph shall have the right to initiate litigation in their own names and directly to the People’s Courts for the benefit of the Company.</u></p> <p><u>If another person infringes upon the lawful rights and interests of the Company and causes damage to the Company, the shareholders as provided in the first paragraph of this Article may institute legal proceedings in the People’s Court in accordance with the provisions of the preceding two paragraphs.</u></p> <p><u>If the directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate any laws, administrative regulations or the provisions of these Articles of Association in the performance of their duties and cause losses to the Company, or if any other person infringes upon the lawful rights and interests of a wholly-owned subsidiary of the Company and causes losses to the Company, shareholders who have held, individually or in the aggregate, more than one percent of the shares of the Company for a period of more than 180 consecutive days, may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, request in writing that the Board of Supervisors or the Board of the wholly-owned subsidiaries institute legal proceedings in the People’s Court, or institute legal proceedings in their own names directly in the People’s Court.</u></p> <p><u>If a wholly-owned subsidiary of the Company does not have a Board of Supervisors or supervisors, or an audit committee, it shall follow the provisions of paragraphs 1 and 2 of this Article.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p>Article 61 <u>In the event that a director or senior management violates any law or administrative regulation or the provisions of these Articles of Association to the detriment of the interests of the shareholders, the shareholders may file a lawsuit with the People’s Court.</u></p>
<p>Article 59 The shareholders of the Company shall assume the following obligations:</p> <p>.....</p> <p>(4) not to withdraw their shares, except as provided in laws and regulations;</p> <p>.....</p>	<p>Article 5962 The shareholders of the Company shall assume the following obligations:</p> <p>.....</p> <p>(4) not to withdraw their shares share capital, except as provided in laws and regulations;</p> <p>.....</p>
<p>Article 61 In addition to obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed, the controlling shareholders and de facto controllers of the Company shall not use their connected relations to damage the interests of the Company. If the violation causes losses to the Company, they shall be liable for compensation.</p> <p>The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholder shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholder shall not damage the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its controlling status to damage the interests of the Company and public shareholders.</p>	<p>Article 61 In addition to obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed, the controlling shareholders and de facto controllers of the Company shall not use their connected relations to damage the interests of the Company. If the violation causes losses to the Company, they shall be liable for compensation.</p> <p>The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholder shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholder shall not damage the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its controlling status to damage the interests of the Company and public shareholders.</p>

LETTER FROM THE BOARD

Current version	Amended version
	<p style="text-align: center;"><u>Section 2 Controlling Shareholders and De Facto Controllers</u></p> <p><u>Article 64 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with the laws and administrative regulations and the provisions of the CSRC and the stock exchanges, and safeguard the interests of the listed company.</u></p>
	<p><u>Article 65 The controlling shareholders and de facto controllers of the Company shall comply with the following provisions:</u></p> <p><u>(1) Exercise shareholders' rights in accordance with the law and do not abuse control or take advantage of connected relationships to jeopardize the legitimate rights and interests of the Company or other shareholders;</u></p> <p><u>(2) Strictly abide by the public statements and undertakings made and shall not change or waive them without authorization;</u></p> <p><u>(3) Fulfill the information disclosure obligations in strict accordance with the relevant regulations, to actively and proactively cooperate with the Company in the information disclosure work, and to inform the Company in a timely manner of material events that have occurred or are intended to occur;</u></p> <p><u>(4) No funds of the Company shall be appropriated in any manner;</u></p> <p><u>(5) The Company and relevant personnel shall not be forced, instructed or required to provide guarantees in violation of laws and regulations;</u></p> <p><u>(6) They shall not make use of the Company's undisclosed material information to gain benefits, shall not disclose in any way undisclosed material information relating to the Company, and shall not engage in insider trading, short-term trading, market manipulation and other unlawful and illegal acts;</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>(7) The legitimate rights and interests of the Company and other shareholders shall not be jeopardized in any way through unfair connected transactions, profit distribution, asset reorganization, or external investment;</u></p> <p><u>(8) Ensure the integrity of the Company’s assets, independence of its personnel, financial independence, organizational independence and business independence, and shall not in any way affect the independence of the Company;</u></p> <p><u>(9) Laws, administrative regulations, rules of the CSRC, business rules of the stock exchange and other provisions of these Articles of Association.</u></p> <p><u>If the controlling shareholders or de facto controllers of the Company does not serve as directors of the Company but actually executes the affairs of the Company, the provisions of these Articles of Association regarding the obligations of loyalty and diligence of directors and senior management shall apply.</u></p> <p><u>If a controlling shareholder or a de facto controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or its shareholders, he or she shall be jointly and severally liable with such director or senior management.</u></p>
	<p><u>Article 66 Controlling shareholders and de facto controllers who pledge shares of the Company held by them or under their effective control shall maintain the stability of the Company’s control and production and operation.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 67</u> <u>Controlling shareholders and de facto controllers who transfer their shares in the Company shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the regulations of the CSRC and the stock exchanges and their undertakings in relation to the restriction on the transfer of shares.</u></p>
	<p><u>Article 69</u> <u>The term “de facto controller” as used herein refers to a natural person, legal entity or other organization that is able to practically dominate the conduct of the Company through an investment relationship, agreement or other arrangement.</u></p>
<p style="text-align: center;">Chapter 8 Shareholders’ General Meeting</p> <p>Article 63 The shareholders’ general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law.</p>	<p style="text-align: center;">Chapter 8 Section 3 General Provisions of Shareholders’ General Meeting</p> <p><u>Article 63—70</u> <u>The shareholders’ general meeting consists of all shareholders.</u> The shareholders’ general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 64 The shareholders' general meeting shall have the following functions and powers:</p> <p>(1) to elect and replace directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;</p> <p>(2) to consider and approve the reports of the Board;</p> <p>(3) to consider and approve the reports of the Board of Supervisors;</p> <p>.....</p> <p>(11) to consider and approve the guarantees specified in Article 65 of the Articles of Association subject to approval at the shareholders' general meeting;</p> <p>.....</p>	<p>Article 6471 The shareholders' general meeting shall have the following functions and powers:</p> <p>(1) to elect and replace directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;</p> <p>(2) to consider and approve the reports of the Board;</p> <p>(3) to consider and approve the reports of the Board of Supervisors;</p> <p>.....</p> <p>(11) 10 to consider and approve the guarantees specified in Article 65 72 of the Articles of Association subject to approval at the shareholders' general meeting;</p> <p>.....</p>
<p>Article 65 The provision of external guarantees by the Company shall be considered and approved by the Board. The following external guarantees of the Company shall be considered and approved at the general meeting.</p> <p>.....</p> <p>(3) any guarantees provided by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;</p> <p>.....</p>	<p>Article 6572 The provision of external guarantees by the Company shall be considered and approved by the Board. The following external guarantees of the Company shall be considered and approved at the general meeting.</p> <p>.....</p> <p>(3) any guarantees provided by the Company <u>to others</u> within one year with an amount exceeding 30% of the latest audited total assets of the Company;</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 67 General meetings comprise annual general meetings and extraordinary general meetings. The annual general meetings shall be held once every year within six months after the conclusion of the previous accounting year.</p> <p>Extraordinary general meetings shall be convened as and when necessary. Under any of the following circumstances, the Board shall convene an extraordinary general meeting within 2 months from the occurrence thereof:</p> <p>.....</p> <p>(4) when the Board considers necessary or upon the request of the Board of Supervisors;</p> <p>.....</p>	<p>Article 6774 General meetings comprise annual general meetings and extraordinary general meetings. The annual general meetings shall be held once every year within six months after the conclusion of the previous accounting year. <u>The shareholders' general meeting shall be held in a venue and in the form of an in-person meeting. The Company may, under the premise of ensuring that the shareholders' general meetings are lawful and effective, set up other forms and means of participation in the shareholders' general meetings (including but not limited to through electronic facilities such as the Internet, teleconferencing and video, etc.) to facilitate shareholders' participation in the shareholders' general meetings and the casting of votes by electronic means. Shareholders participating in a shareholders' general meeting by means of the above form shall be deemed to be present.</u></p> <p>Extraordinary general meetings shall be convened as and when necessary. Under any of the following circumstances, the Board shall convene an extraordinary general meeting within 2 months from the occurrence thereof:</p> <p>.....</p> <p>(4) when the Board considers necessary or upon the request of the Board of Supervisors <u>audit committee</u>;</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 68 Independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and provisions of the articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal. If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is made. If the Board disagrees to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.</p>	<p style="text-align: center;"><u>Section 4 Convening of the Shareholders' General Meetings</u></p> <p><u>Article 6875</u> <u>The Board shall convene a shareholders' general meeting on time and within the prescribed period.</u></p> <p><u>With the approval of a majority of all the independent directors, the independent Independent</u> directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and provisions of the articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal. If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is made. If the Board disagrees to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 69 The supervisory committee shall have the right to propose to the Board to convene an extraordinary general meeting and such proposal shall be made by way of written request(s). The Board shall, in accordance with the laws, administrative regulations and provisions of the articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.</p> <p>If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is made. Any changes to the original proposal in the notice shall be subject to the consent of the supervisory committee.</p> <p>If the Board disagrees to convene the extraordinary general meeting or fails to provide a reply within ten days after receipt of the proposal, the Board shall be deemed to have not been able or fail to perform its duty to convene the shareholders' general meetings, and the supervisory committee may convene and preside over the meeting on its own.</p>	<p>Article 6976 The supervisory committee <u>audit committee</u> shall have the right to propose to the Board to convene an extraordinary general meeting and such proposal shall be made by way of written request(s). The Board shall, in accordance with the laws, administrative regulations and provisions of the articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.</p> <p>If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is made. Any changes to the original proposal in the notice shall be subject to the consent of the supervisory committee <u>audit committee</u>.</p> <p>If the Board disagrees to convene the extraordinary general meeting or fails to provide a reply within ten days after receipt of the proposal, the Board shall be deemed to have not been able or fail to perform its duty to convene the shareholders' general meetings, and the supervisory committee <u>audit committee</u> may convene and preside over the meeting on its own.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 70 Shareholders requesting the convening of extraordinary general meetings shall follow the procedures listed below:……</p> <p>(2) If the Board disagrees to convene the extraordinary general meeting or fails to provide a reply within ten days after receipt of the requisition, the shareholders individually or jointly holding more than 10% (inclusive) of the Company’s shares shall have the right to propose to the supervisory committee to convene an extraordinary general meeting, and such proposal shall be made by way of written request(s).</p> <p>If the supervisory committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after receipt of the proposal. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.</p> <p>(3) If the supervisory committee fails to issue the notice of the shareholders’ general meeting within the prescribed period, it shall be deemed that the supervisory committee will not convene and preside over the shareholders’ general meeting, and shareholders individually or jointly holding more than 10% (inclusive) of the Company’s shares for more than 90 consecutive days may convene and preside over the meeting by themselves. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p> <p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board and Board of Supervisors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</p>	<p>Article 7077 Shareholders requesting the convening of extraordinary general meetings shall follow the procedures listed below:</p> <p>……</p> <p>(2) If the Board disagrees to convene the extraordinary general meeting or fails to provide a reply within ten days after receipt of the requisition, the shareholders individually or jointly holding more than 10% (inclusive) of the Company’s shares shall have the right to propose to the <u>supervisory committee audit committee</u> to convene an extraordinary general meeting, and such proposal shall be made by way of written request(s).</p> <p>If the <u>supervisory committee audit committee</u> agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after receipt of the proposal. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.</p> <p>(3) If the <u>supervisory committee audit committee</u> fails to issue the notice of the shareholders’ general meeting within the prescribed period, it shall be deemed that the <u>supervisory committee audit committee</u> will not convene and preside over the shareholders’ general meeting, and shareholders individually or jointly holding more than 10% (inclusive) of the Company’s shares for more than 90 consecutive days may convene and preside over the meeting by themselves. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p> <p><u>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board and Board of Supervisors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 78 If the audit committee or the shareholders decide to convene a shareholders' general meeting on their own, they shall notify the Board in writing and at the same time file a report with the Stock Exchange.</u></p> <p><u>The audit committee or the convening shareholders shall submit the relevant supporting documents to the Stock Exchange when issuing the notice of the shareholders' general meeting and the announcement of the resolution of the shareholders' general meeting.</u></p> <p><u>The shareholding of the convening shareholders shall not be less than 10% before the announcement of the resolution of the shareholders' general meeting.</u></p>
	<p><u>Article 79 The Board and the secretary of the Board will cooperate with the audit committee or the shareholders in the case of shareholders' general meetings called by the audit committee or by the shareholders themselves. The Board will provide a register of shareholders as at the date of registration of shareholdings. The Company shall bear the expenses necessary for the meeting.</u></p> <p><u>If the shareholders convene and hold a meeting on their own because the Board or the audit committee did not hold a meeting as required by Article 77, reasonable expenses incurred by the shareholders shall be borne by the Company and deducted from the amount owed by the Company to the director who is in breach of his/her duties.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 71 The contents of proposals of shareholders' general meeting shall be matters falling within the functions and powers of shareholders' general meetings, set out specific matters for consideration and resolution, and comply with relevant requirements of laws, administrative regulations and the Articles of Association.</p>	<p style="text-align: center;"><u>Section 5 Proposals and Notices of the Shareholders' General Meetings</u></p> <p>Article 7180 The contents of proposals of shareholders' general meeting shall be matters falling within the functions and powers of shareholders' general meetings, set out specific matters for consideration and resolution, and comply with relevant requirements of laws, administrative regulations and the Articles of Association.</p>
<p>Article 72 When the Company convenes a shareholders' general meeting, the Board, the supervisory committee and shareholders individually or jointly holding more than 1% (inclusive) of the shares of the Company shall have the right to submit proposals to the Company. Shareholders individually or jointly holding 1% or more of the total voting shares in the share capital of the Company shall be entitled to propose new resolutions in writing to the Company and submit to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within 2 days after the receipt of such proposal and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.</p> <p>.....</p> <p>Proposals which are not listed in the notice of the shareholders' general meeting or are inconsistent with Article 71 of the Articles of Association shall not be voted on and passed as resolutions at the shareholders' general meeting.</p>	<p>Article 7281 When the Company convenes a shareholders' general meeting, the Board, the supervisory committee and shareholders individually or jointly holding more than 1% (inclusive) of the shares of the Company shall have the right to submit proposals to the Company. Shareholders individually or jointly holding 1% or more of the total voting shares in the share capital of the Company shall be entitled to propose new resolutions in writing to the Company and submit to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders <u>to announce the contents of the provisional proposals</u> within 2 days after the receipt of such proposal and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration. <u>However, unless the temporary proposals violate the provisions of laws, administrative regulations or the Articles of Association.</u></p> <p>.....</p> <p>Proposals which are not listed in the notice of the shareholders' general meeting or are inconsistent with Article 71 80 of the Articles of Association shall not be voted on and passed as resolutions at the shareholders' general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 73 To convene a shareholders’ annual general meeting, the Company shall give written notices 20 days before the date of meeting, and to convene an extraordinary general meeting, the Company shall give written notices 15 days before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. When calculating the starting date, the date of the meeting shall be excluded.</p> <p>Unless otherwise provided in the Articles of Association, the notice of the shareholders’ general meeting shall be delivered by the means set out in Article 215 of the Articles of Association.</p> <p>.....</p>	<p>Article 7382 To convene a shareholders’ annual general meeting, the Company shall give written notices <u>by way of public announcement</u> 20 days before the date of meeting, and to convene an extraordinary general meeting, the Company shall give written notices <u>by way of public announcement</u> 15 days before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. When calculating the starting date, the date of the meeting shall be excluded.</p> <p>Unless otherwise provided in the Articles of Association, the notice of the shareholders’ general meeting shall be delivered by the means set out in Article 215 <u>232</u> of the Articles of Association.</p> <p>.....</p>
<p>Article 74 Notice of a shareholders’ general meeting shall:</p> <p>.....</p> <p>(5) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management member in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or other senior management member in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;</p> <p>.....</p>	<p>Article 7483 Notice of a shareholders’ general meeting shall:</p> <p>.....</p> <p>(5) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management member in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or other senior management member in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 77 All holders of shares whose names appear on the register of members of the Company on the record date or their proxies shall be entitled to attend the shareholders' general meeting, and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.</p>	<p style="text-align: center;"><u>Section 6 Convening of the Shareholders' General Meetings</u></p> <p>Article 7786 All holders of shares whose names appear on the register of members of the Company on the record date or their proxies shall be entitled to attend the shareholders' general meeting, and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.</p> <p><u>Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf.</u></p>
<p>Article 79 The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal person, either under seal or under the hand of a director or attorney duly authorized.</p>	<p>Article 7988 The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal person, <u>either</u> under seal <u>of the legal entity</u> or under the hand of a director or attorney duly authorized.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 81 Any form issued to a shareholder by the Board of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his/her free will, to instruct his/her proxy to vote in favor of or against the motions proposed and in respect of each individual matters to be voted on at the meeting. Such a form shall contain a statement that in the absence of instructions from the appointor, the proxy may vote as he/she thinks fit.</p> <p>Save as provided above, the aforesaid proxy form shall also contain the following: number of shares represented by and name of the proxy; whether voting power is granted to the proxy; whether the proxy is entitled to vote for the temporary resolution proposed at any shareholders' general meeting; instruction of voting if voting power is granted; date of appointing a proxy and the effective period for such appointment. Where a shareholder appoints more than one proxy, he/she shall specify the number of shares represented by each proxy in the proxy form.</p> <p>Where the shareholders' general meeting is attended by proxy, he shall produce the identification proof and letter of authorization signed by the appointor or its legal representative which indicates the date of appointing. Where corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce the identification proof and the copy of the notarized certified resolutions of the Board or other authorities of the legal person appointing the said legal representative or other certified copy permitted by the Company.</p>	<p>Article 8190 Any form issued to a shareholder by the Board of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his/her free will, to instruct his/her proxy to vote in favor of or against the motions proposed and in respect of each individual matters to be voted on at the meeting. Such a form shall contain a statement that in the absence of instructions from the appointor, the proxy may vote as he/she thinks fit.</p> <p>Save as provided above, the aforesaid proxy form shall also contain the following: <u>the name or title of the principal(s) and the class and number of shares of the Company held</u>; number of shares represented by and name <u>or title</u> of the proxy; whether voting power is granted to the proxy; whether the proxy is entitled to vote for the temporary resolution proposed at any shareholders' general meeting; instruction of voting if voting power is granted; date of appointing a proxy and the effective period for such appointment; <u>the signature (or seal) of the principal and, if the principal is a corporate shareholder, the seal of the legal entity shall be affixed</u>. Where a shareholder appoints more than one proxy, he/she shall specify the number of shares represented by each proxy in the proxy form.</p> <p>Where the shareholders' general meeting is attended by proxy, he shall produce the identification proof and letter of authorization signed by the appointor or its legal representative which indicates the date of appointing. Where corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce the identification proof and the copy of the notarized certified resolutions of the Board or other authorities of the legal person appointing the said legal representative or other certified copy permitted by the Company.</p>

LETTER FROM THE BOARD

Current version	Amended version
	<p data-bbox="810 266 1394 519"><u>Article 92 Individual shareholders attending the meeting in person shall present their identity cards or other valid documents or certificates that can identify them; if they attend the meeting on behalf of another person, they should present their valid identity cards and the proxy forms authorizing the shareholders to attend the meeting.</u></p> <p data-bbox="810 568 1394 966"><u>A corporate shareholder shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she should present his/her identity card, valid proof that he/she has the qualification of a legal representative; if a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written authorization letter issued by the legal representative of the legal shareholder unit in accordance with the law.</u></p>

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Current version	Amended version
<p>Article 84</p> <p>Where the Board is incapable of performing or not performing its duties to convene the shareholders' general meeting, the supervisory committee shall convene and preside over the meeting in a timely manner; where the supervisory committee does not convene and preside over the meeting, shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.</p> <p>A shareholders' general meeting convened by the Board of Supervisors itself shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.</p> <p>A shareholders' general meeting convened by the Shareholders themselves shall be presided over by a representative elected by the convener.</p> <p>.....</p>	<p>Article 8494</p> <p>Where the Board is incapable of performing or not performing its duties to convene the shareholders' general meeting, the supervisory committee audit committee shall convene and preside over the meeting in a timely manner; where the supervisory committee audit committee does not convene and preside over the meeting, shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.</p> <p>A shareholders' general meeting convened by the Board of Supervisors Board of Supervisors audit committee itself shall be presided over by the chairman of the Board of Supervisors convener of the audit committee. If the chairman of the Board of Supervisors convener of the audit committee is unable or fails to perform his duties, one supervisor member of the audit committee shall be elected jointly by half or more of the supervisors a majority of the members of the audit committee to preside over the meeting.</p> <p>A shareholders' general meeting convened by the Shareholders themselves shall be presided over by a representative elected by the convener.</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 85 The Company shall formulate the rules of procedures for the shareholders’ general meeting which shall set out in detail the procedures of convening and voting in respect of the shareholders’ general meeting (including notices, registration, consideration of proposals, voting, vote counting, announcement on voting results, formation of the resolution of the meeting, meeting minutes and signing, announcements and other matters) and the principles of authorization granted to the Board at the shareholders’ general meeting. The scope of authorization shall be specified in details. The rules of procedures for the shareholders’ general meeting shall be prepared by the Board, approved at the shareholders’ general meeting and attached to the Articles of Association as an appendix.</p>	<p>Article 8595 The Company shall formulate the rules of procedures for the shareholders’ general meeting which shall set out in detail the procedures of holding, convening and voting in respect of the shareholders’ general meeting (including notices, registration, consideration of proposals, voting, vote counting, announcement on voting results, formation of the resolution of the meeting, meeting minutes and signing, announcements and other matters) and the principles of authorization granted to the Board at the shareholders’ general meeting. The scope of authorization shall be specified in details. The rules of procedures for the shareholders’ general meeting shall be prepared by the Board, approved at the shareholders’ general meeting and attached to the Articles of Association as an appendix.</p>
	<p>Article 96 <u>At the annual general meeting, the Board shall report to the shareholders on its work during the previous year. Each independent non-executive director should also make a report on his/her work.</u></p>
	<p>Article 97 <u>If the shareholders’ general meeting requests the directors and senior management of the Company to attend the meeting, the directors and senior management shall attend the meeting and provide explanations and clarifications on the shareholders’ enquiries and suggestions.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 98</u> <u>Minutes shall be taken at the shareholders' general meeting, which shall be done by the secretary of the Board.</u></p> <p><u>The minutes record the following:</u></p> <p><u>(1) the time, place and agenda of the meeting and the name or title of the convenor;</u></p> <p><u>(2) the presiding officer of the meeting and the names of the directors and senior management attending or present at the meeting;</u></p> <p><u>(3) the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the proportion to the total number of shares of the Company;</u></p> <p><u>(4) the process of considering each proposal, the main points of the speeches and the results of the voting;</u></p> <p><u>(5) shareholders' enquiries, comments or suggestions and the corresponding replies or explanations;</u></p> <p><u>(6) counting results;</u></p> <p><u>(7) names of tellers and scrutineers.</u></p>
	<p><u>Article 99</u> <u>The convenor shall ensure that the minutes are true, accurate and complete. The directors present, the secretary of the Board, the convenor or his/her representative, and the presiding officer shall sign the minutes. Minutes of the meeting shall be placed at the Company's residence for retention for a period of not less than 10 years, together with the signatures of shareholders attending the meeting on-site and proxies for proxy attendance, as well as valid information on the status of voting by internet and other means.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 87 Resolutions of shareholders’ general meetings are classified as ordinary resolutions and special resolutions.</p> <p>.....</p> <p>A shareholder (including his proxy) attending the meeting shall vote in favor of or against each resolution relating to every matter which has been put to vote at the relevant meeting. If a shareholder or his/her proxy casts abstention vote or abstains from voting, any vote cast by such shareholder or his/her proxy shall not be counted in the voting results of the Company.</p>	<p style="text-align: center;"><u>Section 7 Voting and Resolutions at the Shareholders’ General Meetings</u></p> <p>Article 87101 Resolutions of shareholders’ general meetings are classified as ordinary resolutions and special resolutions.</p> <p>.....</p> <p>A shareholder (including his proxy) attending the meeting shall vote in favor of or against <u>express one of the following opinions on</u> each resolution relating to every matter which has been put to vote at the relevant meeting: <u>for, against or abstain from voting. Votes not filled in, incorrectly filled in, illegible, or not cast shall be deemed to be an abstention by the voter, and the result of the vote on the number of shares held by him/her shall be counted as “abstention”.</u> If a shareholder or his/her proxy casts abstention vote or abstains from voting, any vote cast by such shareholder or his/her proxy shall not be counted in the voting results of the Company.</p>

LETTER FROM THE BOARD

Current version	Amended version
	<p>Article 102 <u>The following matters shall be approved by ordinary resolutions at the shareholders' general meeting:</u></p> <p>(1) Report on the work of the Board;</p> <p>(2) Profit distribution plan and loss recovery plan proposed by the Board;</p> <p>(3) The appointment and removal of members of the Board and the method of their remuneration and payment;</p> <p>(4) The annual report, balance sheet, income statement and other financial statements of the Company;</p> <p>(5) Appointment or dismissal of accounting firms and determination of their remuneration;</p> <p>(6) Matters other than those required by laws, administrative regulations, the Main Board Listing Rules or the Articles of Association to be approved by a special resolution.</p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 103 The following matters shall be approved by a special resolution of the shareholders' general meeting:</u></p> <p><u>(1) To increase or decrease the share capital of the Company and to issue shares, warrants and other similar securities of any kind;</u></p> <p><u>(2) The Company issues corporate bonds;</u></p> <p><u>(3) Separation, amalgamation, dissolution and liquidation of the Company;</u></p> <p><u>(4) Change of the Company's form;</u></p> <p><u>(5) The purchase or sale of material assets or the provision of guarantees to others by the Company within one year in an amount exceeding 30% of the Company's total audited assets for the most recent period;</u></p> <p><u>(6) The amendments to the Articles of Association;</u></p> <p><u>(7) To consider and approve the equity incentive plan;</u></p> <p><u>(8) Any other matters provided for by laws, administrative regulations or these Articles of Association, and any other matters which the shareholders' general meeting by ordinary resolution deems to have a significant impact on the Company and which require the passing of a special resolution;</u></p> <p><u>(9) Such other matters for which a special resolution is required under the Main Board Listing Rules.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p>Article 104 <u>Except for special circumstances such as the Company being in a crisis, the Company will not enter into a contract with a person other than a director or senior management to entrust the management of the entire or important business of the Company to that person unless approved by a special resolution of the shareholders' general meeting.</u></p>
<p>Article 88 Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one votes upon voting at the shareholders' general meeting. However, shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.</p> <p>.....</p>	<p>Article 88105 Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one votes upon voting at the shareholders' general meeting. However, shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.</p> <p><u>In the event that a shareholder's purchase of the Company's voting shares violates the provisions of Article 63(1) and (2) of the Securities Act, the portion of the shares in excess of the prescribed ratio shall not be allowed to exercise the voting right for a period of 36 months after the purchase and shall not be counted as part of the total number of shares present at the shareholders' general meeting that have the right to vote.</u></p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 94 The following matters shall be resolved by ordinary resolutions at a shareholders' general meeting:</p> <p>(1) work reports of the Board and the Board of Supervisors;</p> <p>(2) plans for the distribution of profits and for making up losses proposed by the Board;</p> <p>(3) the election and removal of the members of the Board and the Board of Supervisors (except for staff representative supervisors), their remuneration and method of payment;</p> <p>(4) the annual report, balance sheet, profit and loss statement and other financial statement of the Company;</p> <p>(5) appointment or dismissal of accounting firms;</p> <p>(6) all other matters except those required to be adopted by special resolution as required by the laws and regulations, the Main Board Listing Rules or the Articles of Association.</p>	<p>Article 94 The following matters shall be resolved by ordinary resolutions at a shareholders' general meeting:</p> <p>(1) work reports of the Board and the Board of Supervisors;</p> <p>(2) plans for the distribution of profits and for making up losses proposed by the Board;</p> <p>(3) the election and removal of the members of the Board and the Board of Supervisors (except for staff representative supervisors), their remuneration and method of payment;</p> <p>(4) the annual report, balance sheet, profit and loss statement and other financial statement of the Company;</p> <p>(5) appointment or dismissal of accounting firms;</p> <p>(6) all other matters except those required to be adopted by special resolution as required by the laws and regulations, the Main Board Listing Rules or the Articles of Association.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 95 The following matters shall be resolved by special resolutions at a shareholders' general meeting:</p> <p>(1) increase in or reduction of the Company's registered share capital, issue of shares of any class, warrants and other similar securities;</p> <p>(2) the issue of corporate debentures of the Company;</p> <p>(3) demerger, merger, dissolution or liquidation;</p> <p>(4) change of corporate form of the Company;</p> <p>(5) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(6) amendment to the Articles of Association;</p> <p>(7) the share incentive plan to be considered and approved;</p> <p>(8) any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and are required to be approved by a special resolution;</p> <p>(9) other matters required by the Main Board Listing Rules to be adopted by special resolution.</p>	<p>Article 95 The following matters shall be resolved by special resolutions at a shareholders' general meeting:</p> <p>(1) increase in or reduction of the Company's registered share capital, issue of shares of any class, warrants and other similar securities;</p> <p>(2) the issue of corporate debentures of the Company;</p> <p>(3) demerger, merger, dissolution or liquidation;</p> <p>(4) change of corporate form of the Company;</p> <p>(5) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(6) amendment to the Articles of Association;</p> <p>(7) the share incentive plan to be considered and approved;</p> <p>(8) any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and are required to be approved by a special resolution;</p> <p>(9) other matters required by the Main Board Listing Rules to be adopted by special resolution.</p>
<p>Article 96 Shareholders' general meetings shall have minutes, and the convener shall ensure that the minutes are true, accurate and complete.</p>	<p>Article 96 Shareholders' general meetings shall have minutes, and the convener shall ensure that the minutes are true, accurate and complete.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 97 The directors, supervisors and senior management members shall attend the shareholders' general meeting as non-voting participants if being requested and make replies in respect of inquiries of shareholders.</p>	<p>Article 97 The directors, supervisors and senior management members shall attend the shareholders' general meeting as non-voting participants if being requested and make replies in respect of inquiries of shareholders.</p>
	<p>Article 113 <u>The same voting right can only choose one of the on-site, online or other voting methods. In the event of a duplicate vote on the same poll, the result of the first vote shall prevail.</u></p>
	<p>Article 114 <u>The shareholders' general meeting shall vote by registered voting.</u></p>
<p>Article 100 The chairman of the meeting shall determine whether a resolution at a shareholders' general meeting is passed based on the voting result. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.</p>	<p>Article 100 Article 115 <u>The live shareholders' general meeting shall end no earlier than by network or other means, and the chairman of the meeting shall announce the voting status and result of each proposal and</u> The chairman of the meeting shall determine whether a resolution at a shareholders' general meeting is passed based on the voting result. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.</p> <p><u>Prior to the formal announcement of the voting results, the Company, the tellers, the scrutineers, the major shareholders, the network service provider and other relevant parties involved in the on-site shareholders' general meeting, the network and other voting methods shall be under a duty of confidentiality with respect to the voting situation.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 101 At a shareholders’ general meeting, the approach and procedures for nomination of directors and supervisors (except for staff representative supervisors) are as follows:</p> <p>(1) shareholders individually or collectively holding 9% or more of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the shareholders’ general meeting about the candidates for directors and supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected. The aforesaid proposal put forward by shareholders to the Company should be delivered to the Company at least 7 days before the convening of the shareholders’ general meeting.</p> <p>(2) within the number of members as specified by the Articles of Association and based on the number of proposed candidates for election, directors and supervisors may propose a list of recommended candidates for directors and supervisors, which shall be submitted to the Board and Board of Supervisors for approval. After the list of candidates for directors and supervisors is determined based on the examination by the Board and Board of Supervisors and the adoption of a resolution, it should be proposed in writing at a general meeting.</p>	<p>Article 101116 At a shareholders’ general meeting, the approach and procedures for nomination of directors and supervisors (except for staff representative supervisors) are as follows:</p> <p>(1) shareholders individually or collectively holding 9% or more of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the shareholders’ general meeting about the candidates for directors and supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected. The aforesaid proposal put forward by shareholders to the Company should be delivered to the Company at least 7 days before the convening of the shareholders’ general meeting.</p> <p>(2) within the number of members as specified by the Articles of Association and based on the number of proposed candidates for election, directors and supervisors may propose a list of recommended candidates for directors and supervisors, which shall be submitted to the Board and Board of Supervisors for approval. After the list of candidates for directors and supervisors is determined based on the examination by the Board and Board of Supervisors and the adoption of a resolution, it should be proposed in writing at a general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>(3) the written notices of the intention to nominate a candidate for election as a director or a supervisor (not being staff representative), the acceptance of nomination by such potential candidate, and the relevant written materials of the nominated candidate, shall be given to the Company no less than 7 days prior to the date of convening the shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and no later than seven days prior to the shareholders' general meeting). The Board and Board of Supervisors shall provide shareholders with biographical details and basic information on the candidates for directors and supervisors.</p> <p>(4) the period given by the Company to nominate a candidate for election as a director or a supervisor and nominees for providing the aforesaid notice and documents shall be no less than 7 days (such period shall commence from the day following the date of serving the notice of convening the shareholders' general meeting).</p> <p>(5) in the shareholders' general meeting, voting for each candidate for a director and supervisor shall be taken separately.</p> <p>(6) in the case of ad hoc addition or replacement of any director or supervisor, the Board and Board of Supervisors shall put forward a proposal to the general meeting for such election or replacement.</p>	<p>(3) the written notices of the intention to nominate a candidate for election as a director or a supervisor (not being staff representative), the acceptance of nomination by such potential candidate, and the relevant written materials of the nominated candidate, shall be given to the Company no less than 7 days prior to the date of convening the shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and no later than seven days prior to the shareholders' general meeting). The Board and Board of Supervisors shall provide shareholders with biographical details and basic information on the candidates for directors and supervisors.</p> <p>(4) the period given by the Company to nominate a candidate for election as a director or a supervisor and nominees for providing the aforesaid notice and documents shall be no less than 7 days (such period shall commence from the day following the date of serving the notice of convening the shareholders' general meeting).</p> <p>(5) in the shareholders' general meeting, voting for each candidate for a director and supervisor shall be taken separately.</p> <p>(6) in the case of ad hoc addition or replacement of any director or supervisor, the Board and Board of Supervisors shall put forward a proposal to the general meeting for such election or replacement.</p> <p><u>(7) when the shareholders' general meeting votes on the election of directors, the cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolution of the shareholders' general meeting.</u></p> <p><u>(8) when more than two independent directors are elected at a shareholders' general meeting, the cumulative voting system shall be implemented.</u></p> <p><u>(9) except for the adoption of the cumulative voting system for the election of directors, each candidate for a director shall be proposed by a single proposal.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 117</u> <u>If the shareholders' general meeting intends to discuss the election of directors, the notice of the shareholders' general meeting shall fully disclose the details of the director candidates, including at least the following:</u></p> <p><u>(1) Personal information such as educational background, work experience and part-time jobs;</u></p> <p><u>(2) Whether there is any connection with the Company or the Company's controlling shareholders and de facto controllers;</u></p> <p><u>(3) Number of shares held in the Company;</u></p> <p><u>(4) Whether he/she has been penalized by the CSRC and other relevant authorities and disciplined by the stock exchange.</u></p>
<p>Article 103 If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.</p> <p>The minutes of the shareholders' general meeting shall be signed by the directors attending the meeting and chairperson and shall be kept at the Company's domicile together with the signature book of the shareholders attending the meeting and the proxy forms for a term of at least ten years.</p>	<p>Article 103 If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.</p> <p>The minutes of the shareholders' general meeting shall be signed by the directors attending the meeting and chairperson and shall be kept at the Company's domicile together with the signature book of the shareholders attending the meeting and the proxy forms for a term of at least ten years.</p>
	<p><u>Article 122</u> <u>If the shareholders' general meeting approves a proposal for cash distribution, stock dividends or capitalization of capital surplus, the Company will implement the specific proposal within two months after the shareholders' general meeting.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 111 By adhering to and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee may take seats in the Board of Directors, the Supervisory Committee and the management through statutory procedures, while eligible members of the Board of Directors, the Supervisory Committee and the management who are also Party members may take seats in the Party Committee of the Company in accordance with related regulations and procedures. Generally, secretary of the Party Committee and chairman of the Board of Directors are held by the same person, while deputy secretary is assumed by the general manager who is also a Party member.</p>	<p>Article 111127 By adhering to and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee may take seats in the Board of Directors; the Supervisory Committee and the management through statutory procedures, while eligible members of the Board of Directors, the Supervisory Committee and the management who are also Party members may take seats in the Party Committee of the Company in accordance with related regulations and procedures. Generally, secretary of the Party Committee and chairman of the Board of Directors are held by the same person, while deputy secretary is assumed by the general manager who is also a Party member.</p>
<p>Article 112……</p> <p>(3) to study and discuss on the significant operating management matters of the Company and support the shareholders’ general meeting, the Board of Directors, the Supervisory Committee and the management to exercise their rights and perform their duties in accordance with the laws;</p> <p>……</p>	<p>Article 112128……</p> <p>(3) to study and discuss on the significant operating management matters of the Company and support the shareholders’ general meeting, the Board of Directors; the Supervisory Committee and the management to exercise their rights and perform their duties in accordance with the laws;</p> <p>……</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 118 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 relevant information shall be disclosed within two days by the Board.</p> <p>In the event that the resignation of any director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and departmental rules and the Articles of Association until the re-elected directors assume their office.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board. Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the Board appoints a new director to fill a casual vacancy or as an addition to the Board, the appointed director shall only hold office until the first general meeting after the appointment and shall be eligible for re-election at such general meeting.</p>	<p>Article 118134 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. <u>The resignation is effective on the date the Company receives the resignation report.</u> The relevant information shall be disclosed within two days by the Board.</p> <p>In the event that the resignation of any director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and departmental rules and the Articles of Association until the re-elected directors assume their office.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board. Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the Board appoints a new director to fill a casual vacancy or as an addition to the Board, the appointed director shall only hold office until the first general meeting after the appointment and shall be eligible for re-election at such general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 119 A director shall clear all transitional procedures with the Board on resignation or expiry of term and shall fulfill his fiduciary obligations against the Company and shareholders. The obligations shall not be dismissed after the expiry of term and remains effective within the reasonable period specified by the Articles of Association. The confidentiality duty shall still be binding for the director after his resignation or expiry of his term until relevant confidential information enters the public domain.</p>	<p>Article 119135 A director shall clear all transitional procedures with the Board on resignation or expiry of term and shall fulfill his fiduciary obligations against the Company and shareholders. The obligations shall not be dismissed after the expiry of term and remains effective within the reasonable period specified by the Articles of Association. The confidentiality duty shall still be binding for the director after his resignation or expiry of his term until relevant confidential information enters the public domain. <u>The liability of a director arising from the performance of his/her duties while in office shall not be exempted or extinguished by reason of his/her ceasing to hold office.</u></p>
<p>Article 121 The Company has appointed Independent directors. Unless otherwise required in this section, the provisions relating to the qualifications and obligations of directors set out in chapter 14 of the Articles of Association shall be applicable to Independent directors. At least one independent director of the Company shall be an accounting professional. Independent directors shall carry out their duties honestly and faithfully, safeguard the Company’s interest and in particular prevent encroachment of the rights and interests of the public shareholders, so as to ensure the sufficient representation of the interests of all shareholders.</p>	<p>Article 121 The Company has appointed Independent directors. Unless otherwise required in this section, the provisions relating to the qualifications and obligations of directors set out in chapter 14 of the Articles of Association shall be applicable to Independent directors. At least one independent director of the Company shall be an accounting professional. Independent directors shall carry out their duties honestly and faithfully, safeguard the Company’s interest and in particular prevent encroachment of the rights and interests of the public shareholders, so as to ensure the sufficient representation of the interests of all shareholders.</p>
<p>Article 122 Any director who violates any laws, administrative regulations, departmental rules or the Articles of Association from termination by a director before his/her term expires or during the course of performing his/her duties shall be liable for compensation to any loss caused to the Company.</p>	<p>Article 122137 Any director who violates any laws, administrative regulations, departmental rules or the Articles of Association from termination by a director before his/her term expires or during the course of performing his/her duties shall be liable for compensation to any loss caused to the Company.</p> <p><u>If a director performs the duties of the Company and causes damage to others, the Company will be liable for compensation; if the director has intent or gross negligence, he/she should also be liable for compensation.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 124</p> <p>The general manager or other senior management members may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management members shall not exceed one half of all the directors of the Company.</p> <p>.....</p>	<p>Article 124<u>139</u></p> <p>The general manager or other senior management members may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management members shall not exceed one half of all the directors of the Company.</p> <p>.....</p>
<p>Article 126 The Board is accountable to the general meeting, performs the duties of formulating strategies, making decisions and preventing risks and exercises the following powers:</p> <p>.....</p> <p>(4) to formulate the Company’s proposed annual preliminary and final financial budgets;</p> <p>.....</p> <p>(23) to review and supervise the training and continuing professional development of directors, supervisors and senior management;</p> <p>.....</p>	<p>Article 126<u>141</u> The Board is accountable to the general meeting, performs the duties of formulating strategies, making decisions and preventing risks and exercises the following powers:</p> <p>.....</p> <p>(4) to formulate <u>determine</u> the Company’s proposed annual preliminary and final financial budgets;</p> <p>.....</p> <p>(23) to review and supervise the training and continuing professional development of directors, supervisors and senior management;</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 129 The Board shall meet regularly and the meetings of the Board shall be held at least four times every year, and convened by the chairman of the Board. A fourteen days' prior written notice for convening the meeting shall be given to all directors.</p> <p>Under the following circumstances, an extraordinary meeting of the Board may be held within five days by the chairman of the Board upon proposal:</p> <p>.....</p> <p>(5) by the Board of Supervisors;</p> <p>(6) by the general manager.</p>	<p>Article 129144 The Board shall meet regularly and the meetings of the Board shall be held at least four times every year, and convened by the chairman of the Board. A fourteen days' prior written notice for convening the meeting shall be given to all directors.</p> <p>Under the following circumstances, an extraordinary meeting of the Board may be held within five days by the chairman of the Board upon proposal:</p> <p>.....</p> <p>(5) by the Board of Supervisors <u>audit committee</u>;</p> <p>(6) by the general manager.</p>
<p>Article 130 Notice of regular Board meetings shall be given fourteen days prior to the meetings, and reasonable notice of extraordinary Board meeting shall be given prior to the meetings to all directors and supervisors. The Board office or other departments designated by the Board shall give notice in writing to each director and supervisor and general manager by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p>.....</p>	<p>Article 130145 Notice of regular Board meetings shall be given fourteen days prior to the meetings, and reasonable notice of extraordinary Board meeting shall be given prior to the meetings to all directors and supervisors <u>members of the audit committee and the general manager</u>. The Board office or other departments designated by the Board shall give notice in writing to each director and supervisor <u>member of the audit committee</u> and general manager by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p>.....</p>

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Current version	Amended version
	<p><u>Article 153</u> <u>Minutes of the Board meetings include the following:</u></p> <p><u>(1) the date and place of the meeting and the name of the convenor;</u></p> <p><u>(2) the names of the directors present and the names of the directors (proxies) who have been appointed by others to attend the Board meeting;</u></p> <p><u>(3) agenda of the meeting;</u></p> <p><u>(4) points for directors' speeches;</u></p> <p><u>(5) the manner in which each resolution was voted upon and the result thereof (which shall state whether the votes were in favor of, against or abstained from voting).</u></p>
	<p style="text-align: center;"><u>Section 3 Independent Directors</u></p> <p><u>Article 154</u> <u>The independent directors shall conscientiously perform their duties in accordance with the laws, administrative regulations, the provisions of the CSRC, the stock exchanges and these Articles of Association, and play the roles of participating in decision-making, supervising, checking and balancing, and professional consultation in the Board, so as to safeguard the interests of the Company as a whole and to protect the legitimate rights and interests of small and medium-sized shareholders.</u></p>

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Current version	Amended version
	<p><u>Article 155 Independent directors must remain independent. The following persons may not serve as independent directors:</u></p> <p><u>(1) Persons working in the Company or its subsidiaries and their spouses, parents, children and major social relations;</u></p> <p><u>(2) Natural person shareholders who directly or indirectly hold more than 1% of the Company's outstanding shares or who are among the Company's top 10 shareholders, and their spouses, parents or children;</u></p> <p><u>(3) Shareholders who directly or indirectly hold more than 5% of the Company's outstanding shares or who hold positions with the Company's top five shareholders, as well as their spouses, parents, and children;</u></p> <p><u>(4) Employees working in the subsidiaries of the Company's controlling shareholders and de facto controllers, their spouses, parents and children;</u></p> <p><u>(5) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who hold positions in entities with which they have significant business dealings, as well as with their controlling shareholders or de facto controllers;</u></p> <p><u>(6) Persons providing financial, legal, advisory and sponsorship services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including, but not limited to, all personnel of the project team of the intermediary organization providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and principals in charge;</u></p> <p><u>(7) An officer who has been involved in any of the circumstances listed in items 1 to 6 within the last 12 months;</u></p>

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Current version	Amended version
	<p><u>(8) Other officers who are not independent as stipulated in the laws, administrative regulations, the regulations of the CSRC, the business rules of the Stock Exchange and these Articles of Association.</u></p> <p><u>The subsidiary enterprises of the Company's controlling shareholders and de facto controllers referred to in items 4 to 6 of the preceding paragraph do not include those enterprises which are under the control of the same state-owned asset management organization as the Company and which do not constitute a relationship with the Company in accordance with the relevant regulations.</u></p> <p><u>The independent directors shall conduct a self-examination of their independence on an annual basis and submit the self-examination to the Board.</u></p>
	<p><u>Article 156 The following conditions shall be met in order to serve as an independent director of the Company:</u></p> <p><u>(1) Qualified to be a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;</u></p> <p><u>(2) Meet the independence requirements set forth in these Articles of Association;</u></p> <p><u>(3) Basic knowledge of the operation of a listed company and familiarity with relevant laws, regulations and rules;</u></p> <p><u>(4) At least five years of working experience in law, accounting or economics necessary for performing the duties of an independent director;</u></p> <p><u>(5) Possess good personal integrity and have no adverse records such as major breach of trust;</u></p> <p><u>(6) Other conditions prescribed by laws, administrative regulations, CSRC regulations, business rules of the Stock Exchange and these Articles of Association.</u></p>

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Current version	Amended version
	<p><u>Article 157</u> <u>As members of the Board, the independent directors owe a duty of loyalty and diligence to the Company and all shareholders, and prudently fulfill the following duties:</u></p> <p><u>(1) participate in the decision-making of the Board and express a clear opinion on the matters discussed;</u></p> <p><u>(2) supervise potential conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, and protect the legitimate rights and interests of small and medium-sized shareholders;</u></p> <p><u>(3) provide professional and objective advice on the Company's operation and development and promote the improvement of the Board's decision-making level;</u></p> <p><u>(4) other duties as stipulated by laws, administrative regulations, CSRC regulations and these Articles of Association.</u></p>

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Current version	Amended version
	<p><u>Article 158 The independent directors exercise the following special powers:</u></p> <p><u>(1) engage an independent intermediary organization to conduct audits, consultations or verifications on specific matters of the Company;</u></p> <p><u>(2) propose to the Board the convening of an extraordinary general meeting;</u></p> <p><u>(3) propose a meeting of the Board;</u></p> <p><u>(4) shareholders' rights are openly solicited from shareholders in accordance with the law;</u></p> <p><u>(5) express independent opinions on matters that may jeopardize the interests of the Company or small and medium-sized shareholders;</u></p> <p><u>(6) other powers and duties as provided by laws, administrative regulations, the regulations of the CSRC and these Articles of Association.</u></p> <p><u>In the event that an independent director exercises the powers and functions listed in the first to third paragraphs of the preceding paragraph, the exercise of such powers and functions shall be subject to the approval of a majority of all the independent directors.</u></p> <p><u>The Company shall disclose in a timely manner if the independent directors exercise the powers and duties listed in paragraph 1. In the event that the aforementioned powers and duties cannot be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.</u></p>

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Current version	Amended version
<p>Article 139 The audit committee shall comprise three directors, including at least two independent non-executive directors. The members shall include at least one independent non-executive director who shall be a professional accountant with qualifications stipulated under Rule 3.10(2) of the Hong Kong Listing Rules.</p>	<p>Article 139160 The audit committee shall comprise three directors <u>who do not hold senior management positions in the Company</u>, including at least two independent non-executive directors. The members shall include at least one independent non-executive director who shall be a professional accountant with qualifications stipulated under Rule 3.10(2) of the Hong Kong Listing Rules <u>Main Board Listing Rules</u>.</p>
<p>Article 140 The audit committee reports and is accountable to the Board. The major terms of references of the audit committee include:</p> <p>.....</p> <p>(12) to make a list of connected persons of the Company in a timely manner and submit to the Board and the Supervisory Committee in time;</p> <p>.....</p> <p>(15) other issues authorized by the Board of the Company.</p>	<p>Article 140161 The audit committee reports and is accountable to the Board <u>while exercising the powers and functions of the Board of Supervisors as stipulated in the Company Law</u>. The major terms of references of the audit committee include:</p> <p>.....</p> <p>(12) to make a list of connected persons of the Company in a timely manner and submit to the Board and the Supervisory Committee in time;</p> <p>.....</p> <p><u>(15) to supervise the behavior of directors and senior management in the execution of their duties in violation of laws, administrative regulations and the Company's Articles of Association, and to propose the dismissal of directors and senior management who have violated the laws, administrative regulations, the Company's Articles of Association, or the resolutions of the shareholders' general meeting;</u></p> <p><u>(16) to require directors and senior management to rectify their behavior when it is detrimental to the Company's interests;</u></p> <p><u>(17) to examine the finances of the Company;</u></p> <p><u>(18) to review and give opinions on the periodic reports of the Company prepared by the Board;</u></p>

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Current version	Amended version
	<p><u>(19) to propose the convening of an extraordinary general meeting, and to convene and preside over the shareholders' general meeting in the event that the Board fails to fulfill its duty to convene and preside over the shareholders' general meeting as stipulated in the Company Law;</u></p> <p><u>(20) to submit proposals to the shareholders' general meeting;</u></p> <p><u>(21) to propose the convening of an extraordinary meeting of the Board;</u></p> <p><u>(22) to institute legal proceedings against directors and senior management in accordance with the provisions of Article 189 of the Company Law;</u></p> <p><u>(23) other duties and responsibilities as stipulated by laws, administrative regulations and the Company's Articles of Association.</u></p> <p>(15) other issues authorized by the Board of the Company.</p>

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Current version	Amended version
<p>Article 141 The Board shall obtain the approval of more than half of all members of the audit committee before making resolutions on the following matters:</p> <p>(1) appointment and dismissal of the accounting firm that provides audit services to the Company;</p> <p>(2) appointment and dismissal of the chief financial officer;</p> <p>(3) disclosure of financial accounting reports;</p> <p>(4) other matters as prescribed by the securities regulatory authorities of the State Council.</p>	<p>Article 141162 <u>The audit committee is responsible for reviewing the Company’s financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls.</u></p> <p>The Board shall obtain the approval of more than half of all members of the audit committee before making resolutions on the following matters:</p> <p>(1) appointment and dismissal of the accounting firm that provides audit services to the Company;</p> <p>(2) appointment and dismissal of the chief financial officer;</p> <p>(3) disclosure of financial information in financial accounting reports <u>and periodic reports, internal control evaluation reports;</u></p> <p>(4) changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;</p> <p>(45) other matters as prescribed by <u>laws, administrative regulations,</u> the securities regulatory authorities of the State Council <u>and the Articles of Association.</u></p>

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Current version	Amended version
	<p><u>Article 163</u> <u>The audit committee meets at least once a quarter. An interim meeting may be convened upon the proposal of two or more members, or if the convener deems it necessary. A meeting of the audit committee shall be held with the attendance of at least two-thirds of the members. Resolutions made by the audit committee shall be approved by a majority of the members of the audit committee.</u></p> <p><u>Voting on resolutions of the audit committee shall be on a one-person-one-vote basis.</u></p> <p><u>Resolutions of the audit committee shall be recorded in the minutes of the meeting as required, and the members of the audit committee present at the meeting shall sign the minutes of the meeting.</u></p> <p><u>The Board is responsible for establishing the working procedures of the audit committee.</u></p>
<p>Article 143 The major terms of reference of the nomination committee are:</p> <p>(1) to review the size, structure, member numbers and composition (including the skills, knowledge and experience) of the Board, with reference to the operations, assets scale and equity structure of the Company, and make recommendations to the Board on any proposed changes concerning the Board in line with the implementation of the Company’s corporate strategy;</p>	<p><u>Article 143165</u> <u>The nomination committee is responsible for drawing up criteria and procedures for the selection of directors and senior management, selecting and reviewing the selection of directors and senior management and their qualifications for appointment.</u> The major terms of reference of the nomination committee are:</p> <p>(1) to review the size, structure, member numbers and composition (including the skills, knowledge and experience) of the Board, with reference to the operations, assets scale and equity structure of the Company, and make recommendations to the Board on any proposed changes concerning the Board in line with the implementation of the Company’s corporate strategy;</p>

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<p>(2) to study the selection criteria and procedures of the directors and senior management and make recommendations to the Board thereon;</p> <p>(3) to search extensively for the qualified candidates of the directors and senior management; and to nominate relevant persons to act as directors or make recommendations to the Board thereon;</p> <p>(4) to review and make recommendations to the Board on the candidates of the directors and the managers;</p> <p>(5) to assess the independence of the independent directors;</p> <p>(6) to review and make recommendations to the Board on other senior management which has to be submitted to the Board for appointment;</p> <p>(7) to make recommendations to the Board on the appointment or re-appointment of directors and succession plan for Directors;</p> <p>(8) other matters conferred by the Board.</p>	<p><u>(2) to review, at least annually, the structure, size and composition (including the skills, knowledge and experience) of the Board, to assist the Board in the preparation of the Board Skills Matrix and to make recommendations on any proposed changes to the Board to complement the issuer’s corporate strategy;</u></p> <p>(23) to study the selection criteria and procedures of the directors and senior management and make recommendations to the Board thereon;</p> <p>(34) to search extensively for the qualified candidates of the directors and senior management; and to nominate relevant persons to act as directors or make recommendations to the Board thereon;</p> <p>(45) to review and make recommendations to the Board on the candidates of the directors and the managers;</p> <p>(56) to assess the independence of the independent directors;</p> <p>(67) to review and make recommendations to the Board on other senior management which has to be submitted to the Board for appointment;</p> <p>(78) to make recommendations to the Board on the appointment or re-appointment of directors and succession plan for Directors;</p> <p><u>(9) to support the Company in evaluating the performance of the Board on a regular basis;</u></p> <p>(810) other matters conferred by the Board.</p> <p><u>If the Board does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in a resolution of the Board and disclose the same.</u></p>

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Current version	Amended version
<p>Article 145 The major terms of reference of the remuneration and appraisal committee are:</p> <p>.....</p> <p>(8) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;</p> <p>(9) other matters conferred by the Board.</p>	<p>Article 145167 <u>The remuneration and appraisal committee is responsible for formulating the evaluation criteria for directors and senior management and conducting the evaluation, formulating and reviewing the remuneration policies and programs such as the mechanism for determining the remuneration of directors and senior management, the decision-making process, and the arrangements for payment and stoppage of recourse, etc.</u> The major terms of reference of the remuneration and appraisal committee are:</p> <p>.....</p> <p>(8) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;</p> <p><u>(9) to make recommendations to the Board on the establishment or modification of the share incentive scheme and employee stock ownership plan, the granting of benefits to incentive recipients, and the achievement of the conditions for the exercise of such benefits;</u></p> <p><u>(10) to make recommendations to the Board on the arrangement of shareholding plans for directors and senior management in the subsidiaries proposed to be spun off;</u></p> <p><u>(911)</u> other matters conferred by the Board.</p> <p><u>If the Board does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinion of the remuneration and appraisal committee and the specific reasons for its non-adoption in a resolution of the Board and disclose the same.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 149 The secretary of the Board shall be a natural person who has the requisite professional knowledge and experience, and shall be nominated by the chairman, appointed or removed by the Board. His/ her primary responsibilities include:</p> <p>.....</p> <p>(10) to co-ordinate the provision of relevant information necessary for the Company’s Board of Supervisors and other auditing authorities to discharge their duties; and to assist in carrying out investigation on the performance of the chief financial officer, directors and the general manager of the Company of their fiduciary duties;</p> <p>.....</p>	<p>Article 149171 The secretary of the Board shall be a natural person who has the requisite professional knowledge and experience, and shall be nominated by the chairman, appointed or removed by the Board. His/ her primary responsibilities include:</p> <p>.....</p> <p>(10) to co-ordinate the provision of relevant information necessary for the Company’s Board of Supervisors audit committee and other auditing authorities to discharge their duties; and to assist in carrying out investigation on the performance of the chief financial officer, directors and the general manager of the Company of their fiduciary duties;</p> <p>.....</p>
Chapter 12 The General Manager and Other Senior Management Members	Chapter 12 11 The General Manager and Other Senior Management Members
<p>Article 152 Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management member of the Company.</p> <p>The senior management members of the Company shall receive remuneration solely from the Company and not from the controlling shareholders.</p>	<p>Article 152174 Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management member of the Company.</p> <p>The senior management members of the Company shall receive remuneration solely from the Company and not from the controlling shareholders.</p>

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Current version	Amended version
<p>Article 153 The general manager shall be accountable to the Board and shall exercise the following functions and powers:</p> <p>.....</p> <p>(6) to request the Board to employ or dismiss the deputy executive general manager, deputy senior manager, chief financial officer and other senior management members;</p> <p>.....</p>	<p>Article 153175 The general manager shall be accountable to the Board and shall exercise the following functions and powers:</p> <p>.....</p> <p>(6) to request the Board to employ or dismiss the deputy executive general manager, deputy senior manager, chief financial officer and other senior management members;</p> <p>.....</p>
	<p>Article 177 <u>A manager may resign before the expiration of his/her term of office. The specific procedure and method of resignation of a manager shall be stipulated in the labor contract between the manager and the Company.</u></p>
<p>Article 156 If any senior management member violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company and causes losses to the Company, such senior management member shall be liable for compensation.</p>	<p>Article 156179 If any senior management member violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company and causes losses to the Company, such senior management member shall be liable for compensation.</p> <p><u>The Company shall be liable for any damages caused to others by senior management personnel in the performance of their duties for the Company, and shall also be liable for any damages caused by intent or gross negligence on the part of the senior management personnel.</u></p>
<p>Chapter 13 Board of Supervisors</p>	<p>Delete the entire chapter</p>

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Current version	Amended version
<p>Chapter 14 Qualifications and Obligations of Directors, Supervisors and Senior Management Members of the Company</p>	<p>Chapter 14¹² Qualifications and Obligations of Directors, Supervisors and Senior Management Members of the Company</p>
<p>Article 167 Any of the following circumstances occurs, a person may not serve as a director, supervisor, the general manager, or other senior management members of the Company:</p> <p>.....</p> <p>(4) persons who were legal representatives of a company or enterprise which had its business license revoked due to a violation of the law and were ordered to close down and who were personally liable to such company or enterprise, where less than three years have elapsed since the date of such company or enterprise was ordered to close down;</p> <p>(5) persons listed as dishonest persons subject to enforcement by the people’s court with a comparatively large amount of personal debts due and unsettled;</p> <p>.....</p> <p>If an election or appointment of a director or a supervisor or engagement of a senior management member is taken place in violation of the preceding paragraph, the said election, appointment or engagement shall be invalid.</p> <p>If a director, a supervisor or a senior management member falls into any of the circumstances set forth in (1) of this Article during his/her term of office, the Company shall terminate his/her duties.</p>	<p>Article 167¹⁸⁰ Any of the following circumstances occurs, a person may not serve as a director, supervisor, the general manager, or other senior management members of the Company:</p> <p>.....</p> <p>(4) persons who were legal representatives of a company or enterprise which had its business license revoked due to a violation of the law and were ordered to close down and who were personally liable to such company or enterprise, where less than three years have elapsed since the date of such company or enterprise was ordered to close down;</p> <p>(5) persons listed as dishonest persons subject to enforcement by the people’s court with a comparatively large amount of personal debts due and unsettled;</p> <p><u>(6) the term of the ban on entering the securities market imposed by the CSRC has not yet expired;</u></p> <p><u>(7) being publicly recognized by the stock exchange as unsuitable to serve as a director or senior management personnel, etc. of a listed company for an unspent period of time;</u></p> <p>.....</p> <p>If an election or appointment of a director or a supervisor or engagement of a senior management member is taken place in violation of the preceding paragraph, the said election, appointment or engagement shall be invalid.</p> <p>If a director, a supervisor or a senior management member falls into any of the circumstances set forth in (1) of this Article during his/her term of office, the Company shall terminate his/her duties <u>and stop him/her from performing his/her duties.</u></p>

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<p>Article 169 In addition to obligations imposed by relevant laws, administrative regulations or the listing rules of the securities exchange on which the Company's shares are listed, directors, supervisors, the general manager, and other senior management members in the exercise of their powers and the discharge of their duties shall owe the following obligations to the shareholders:</p> <p>.....</p>	<p>Article 169182 In addition to obligations imposed by relevant laws, administrative regulations or the listing rules of the securities exchange on which the Company's shares are listed, directors, supervisors, the general manager, and other senior management members in the exercise of their powers and the discharge of their duties shall owe the following obligations to the shareholders:</p> <p>.....</p>
<p>Article 170 The directors, supervisors and senior management shall observe laws, administrative regulations and the Articles of Association.</p>	<p>Article 170183 The directors, supervisors and senior management shall observe laws, administrative regulations and the Articles of Association <u>and shall assume a duty of loyalty to the Company, shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not utilize their duties and powers to gain undue advantage.</u></p> <p><u>The directors and senior management have the following obligations of loyalty to the Company:</u></p> <p><u>(1) Exercise of powers within the scope of their authority and shall not be ultra vires;</u></p> <p><u>(2) Exercise the discretionary power conferred on him in person and shall not be subject to manipulation by others; and shall not delegate the exercise of his discretionary power to others unless permitted by laws or administrative regulations or reported to the Board or the shareholders' general meeting and approved by a resolution of the Board or the shareholders' general meeting in accordance with the provisions of these Articles of Association;</u></p>

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	<p data-bbox="810 263 1391 406"><u>(3) No misappropriation of the Company’s property, including, but not limited to, opportunities to benefit the Company, and no misappropriation of the Company’s funds;</u></p> <p data-bbox="810 453 1391 555"><u>(4) No account shall be opened for the deposit of the Company’s assets or funds in his/her personal name or in the name of any other individual;</u></p> <p data-bbox="810 602 1391 668"><u>(5) Shall not use his/her official position to bribe or receive other illegal income;</u></p> <p data-bbox="810 715 1391 1119"><u>(6) Failure to report to the Board or the shareholders’ general meeting on matters relating to the entering into of contracts or the conduct of transactions in accordance with the relevant laws and regulations and regulatory rules of the place of listing and the Articles of Association and to obtain a resolution of the Board or the shareholders’ general meeting in accordance with the aforesaid requirements shall prohibit the entering into of contracts or the conduct of transactions, directly or indirectly, with the Company;</u></p> <p data-bbox="810 1166 1391 1495"><u>The provisions of the preceding paragraph shall apply to the conclusion of contracts or transactions with the Company by close relatives of directors or senior management personnel, enterprises directly or indirectly controlled by directors or senior management personnel or their close relatives, as well as associates with whom directors or senior management personnel have other related relationships;</u></p> <p data-bbox="810 1542 1391 1685"><u>(7) Shall not utilize the convenience of his/her duties to obtain for himself/herself or others business opportunities belonging to the Company. However, one of the following circumstances is excluded:</u></p> <p data-bbox="810 1732 1391 1983"><u>1. To report to the Board or shareholders’ general meeting in accordance with the relevant laws and regulations and regulatory rules of the place of listing and the Articles of Association, and to be approved by a resolution of the Board or shareholders’ general meeting in accordance with the aforesaid requirements; or</u></p>

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	<p><u>2. The Company cannot take advantage of the business opportunity under the law, administrative regulations or these Articles of Association;</u></p> <p><u>(8) No business similar to that of the Company shall be engaged in by itself or for others without being reported to the Board or shareholders' general meeting in accordance with the relevant laws and regulations and regulatory rules of the place of listing and the Articles of Association and obtaining a resolution from the Board or shareholders' general meeting in accordance with the abovementioned requirements;</u></p> <p><u>(9) No commission shall be accepted in connection with the Company's transactions without being reported to the Board or the shareholders' general meeting in accordance with the relevant laws and regulations and regulatory rules of the place of listing and the Articles of Association and resolved by the Board or the shareholders' general meeting in accordance with the abovementioned requirements;</u></p> <p><u>(10) Not to divulge confidential information concerning the Company that he/she has acquired during his/her tenure of office, and not to make use of such information except in the interest of the Company; provided, however, that he/she may disclose such information to a court of law or other competent governmental authority under the following circumstances:</u></p> <p><u>1. Provided for by law;</u></p> <p><u>2. Public interest requires;</u></p> <p><u>3. Such director or senior management has a claim against his or her own interests.</u></p>

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	<p><u>(11) Failure to report to the Board or shareholders' general meeting in accordance with the relevant laws and regulations and regulatory rules of the place of listing and the Articles of Association, and to be resolved by the Board or shareholders' general meeting in accordance with the aforesaid requirements, shall not compete with the Company in any form;</u></p> <p><u>(12) Failure to report to the Board or shareholders' general meeting in accordance with the relevant laws and regulations and regulatory rules of the place of listing and the Articles of Association, and to be resolved by the Board or shareholders' general meeting in accordance with the abovementioned requirements, shall not compete with the Company in any form;</u></p> <p><u>(13) Without reporting to the Board or shareholders' general meeting in accordance with the relevant laws and regulations and regulatory rules of the place of listing and the Articles of Association, and without a resolution passed by the Board or shareholders' general meeting in accordance with the abovementioned requirements, the Company shall not lend the Company's funds to other persons or provide guarantees with the Company's property for the Company's shareholders or other individuals;</u></p> <p><u>(14) Not to utilize the property of the Company in any form for his/her own improper advantage;</u></p> <p><u>(15) He/she shall not use his/her position and authority in the Company for his/her own personal gain;</u></p> <p><u>(16) He/she shall not take advantage of his/her affiliation to the detriment of the Company's interests;</u></p> <p><u>(17) Other obligations of loyalty as stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</u></p> <p><u>The income derived by the officers referred to in this Article from violation of the provisions of this Article shall belong to the Company and they shall be liable to compensate for any loss caused to the Company.</u></p>

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<p>Article 171 The directors, supervisors and senior management shall have a fiduciary duty to the Company and shall take measures to avoid any conflict between their own interests and the interests of the Company, and shall not exploit their powers and functions for improper benefits.</p> <p>The directors, supervisors and senior management shall have a duty of diligence to the Company and shall perform their duties with the reasonable care normally expected of a manager in the best interests of the Company.</p>	<p>Article 171184 The directors, supervisors and senior management shall have a fiduciary duty to the Company and shall take measures to avoid any conflict between their own interests and the interests of the Company, and shall not exploit their powers and functions for improper benefits.</p> <p>The directors, supervisors and senior management shall <u>comply with the laws, administrative regulations and the provisions of these Articles of Association,</u> have a duty of diligence to the Company and shall perform their duties with the reasonable care normally expected of a manager in the best interests of the Company.</p> <p><u>The directors and senior management shall have the following obligations of diligence to the Company:</u></p> <p><u>(1) Act in good faith in the best interests of the Company;</u></p> <p><u>(2) Exercise the rights conferred by the Company in a prudent, conscientious and diligent manner to ensure that the Company’s business conduct complies with national laws, administrative regulations and the requirements of various national economic policies, and that the business activities do not exceed the scope of business as stipulated in the business license;</u></p> <p><u>(3) Equality should be accorded to shareholders of the same class and fairness to shareholders of different classes;</u></p> <p><u>(4) Keep abreast of the Company’s business operations and management;</u></p> <p><u>(5) Should sign a written confirmation of the Company’s periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;</u></p>

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	<p><u>(6) The Audit Committee shall be provided with relevant circumstances and information in a truthful manner and shall not be hindered in the exercise of its powers and duties;</u></p> <p><u>(7) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</u></p>
<p>Article 172 Each director, supervisor, the general manager and other senior management member of the Company should abide by his fiduciary principles in the discharge of their duties, and not to place themselves in a position where their duty and their own interests may conflict. Such principles include (but are not limited to) the performance of the following obligations:</p> <p>(1) to act honestly in what he considers to be in the best interest of the Company;</p> <p>(2) to exercise his powers within the scope specified and not to act ultra vires;</p> <p>(3) to exercise the discretion vested in him personally and not allow himself to act under the direction of another; unless and to the extent permitted by law, administrative regulations or unless having reported to the Board or the general meeting and being approved by resolution of the Board or the general meeting in accordance with the Articles of Association, not to delegate the exercise of his discretion;</p> <p>(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;</p>	<p>Article 172 Each director, supervisor, the general manager and other senior management member of the Company should abide by his fiduciary principles in the discharge of their duties, and not to place themselves in a position where their duty and their own interests may conflict. Such principles include (but are not limited to) the performance of the following obligations:</p> <p>(1) to act honestly in what he considers to be in the best interest of the Company;</p> <p>(2) to exercise his powers within the scope specified and not to act ultra vires;</p> <p>(3) to exercise the discretion vested in him personally and not allow himself to act under the direction of another; unless and to the extent permitted by law, administrative regulations or unless having reported to the Board or the general meeting and being approved by resolution of the Board or the general meeting in accordance with the Articles of Association, not to delegate the exercise of his discretion;</p> <p>(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;</p>

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<p>(5) contracts or transactions entered into directly or indirectly with the Company shall be reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association in respect of the matters relating to the entering into of the contracts or transactions, and shall be resolved by the Board or the general meeting in accordance with the aforesaid provisions.</p> <p>The provisions of the preceding paragraph shall apply to the entering into of contracts or transactions between the Company and the close family members of the directors, supervisors and senior management, enterprises directly or indirectly controlled by the directors, supervisors and senior management or their close family members, as well as associates who have other relationships with the directors, supervisors and senior management;</p> <p>(6) not to use the Company's assets for his improper benefit in any manner;</p> <p>(7) not to take advantage of his/her position to obtain business opportunities belonging to the Company for himself/herself or others, except for any of the following circumstances:</p> <ol style="list-style-type: none"> 1. having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions; or 2. where the Company is not allowed to capitalize on such business opportunity in accordance with the provisions of the laws, administrative regulations or the Articles of Association; <p>(8) not to use his position to accept bribes or other illegal income and not to expropriate the Company's assets in any manner, including (without limitation) opportunities beneficial to the Company;</p>	<p>(5) contracts or transactions entered into directly or indirectly with the Company shall be reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association in respect of the matters relating to the entering into of the contracts or transactions, and shall be resolved by the Board or the general meeting in accordance with the aforesaid provisions.</p> <p>The provisions of the preceding paragraph shall apply to the entering into of contracts or transactions between the Company and the close family members of the directors, supervisors and senior management, enterprises directly or indirectly controlled by the directors, supervisors and senior management or their close family members, as well as associates who have other relationships with the directors, supervisors and senior management;</p> <p>(6) not to use the Company's assets for his improper benefit in any manner;</p> <p>(7) not to take advantage of his/her position to obtain business opportunities belonging to the Company for himself/herself or others, except for any of the following circumstances:</p> <ol style="list-style-type: none"> 1. having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions; or 2. where the Company is not allowed to capitalize on such business opportunity in accordance with the provisions of the laws, administrative regulations or the Articles of Association; <p>(8) not to use his position to accept bribes or other illegal income and not to expropriate the Company's assets in any manner, including (without limitation) opportunities beneficial to the Company;</p>

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<p>(9) without having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions, not to accept commissions in connection with the Company's transactions;</p>	<p>(9) without having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions, not to accept commissions in connection with the Company's transactions;</p>
<p>(10) to abide by the Articles of Association, faithfully perform his duties and protect the interests of the Company, and not to use his position and powers in the Company to seek personal gain;</p>	<p>(10) to abide by the Articles of Association, faithfully perform his duties and protect the interests of the Company, and not to use his position and powers in the Company to seek personal gain;</p>
<p>(11) not to compete with the Company in any way unless reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions;</p>	<p>(11) not to compete with the Company in any way unless reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions;</p>
<p>(12) without having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions, not to engage in the same type of business as the Company, either on its own or for others;</p>	<p>(12) without having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions, not to engage in the same type of business as the Company, either on its own or for others;</p>
<p>(13) not to misappropriate the Company's funds, not to open any bank account in his own name or others' name for the deposit of the Company's assets or funds, and not to lend the Company's funds to others or provide security of the Company's assets for debts of shareholders of the Company or other individuals without having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions;</p>	<p>(13) not to misappropriate the Company's funds, not to open any bank account in his own name or others' name for the deposit of the Company's assets or funds, and not to lend the Company's funds to others or provide security of the Company's assets for debts of shareholders of the Company or other individuals without having reported to the Board or the general meeting in accordance with the relevant laws and regulations and regulatory rules of the listing place and the provisions of the Articles of Association and being resolved by the Board or the general meeting in accordance with the aforesaid provisions;</p>

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<p>(14) not to disclose confidential information of the Company acquired while in office and not to use such information other than in furtherance of the interests of the Company, save and except that disclosure of information to a court or a relevant governmental authority is permitted where:</p> <ol style="list-style-type: none"> 1. the disclosure is made under compulsion of law; 2. there is a duty to the public to disclose; 3. the personal interests of the director, supervisor, the general manager and other senior management members require disclosure. <p>Incomes derived from the violation by above-mentioned persons who violate the provision of this article shall belong to the Company; Anyone who has caused any loss to the Company shall be subject to compensation.</p>	<p>(14) not to disclose confidential information of the Company acquired while in office and not to use such information other than in furtherance of the interests of the Company, save and except that disclosure of information to a court or a relevant governmental authority is permitted where:</p> <ol style="list-style-type: none"> 1. the disclosure is made under compulsion of law; 2. there is a duty to the public to disclose; 3. the personal interests of the director, supervisor, the general manager and other senior management members require disclosure. <p>Incomes derived from the violation by above-mentioned persons who violate the provision of this article shall belong to the Company; Anyone who has caused any loss to the Company shall be subject to compensation.</p>

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<p>Article 173 A director, supervisor, the general manager or other senior management member of the Company shall not direct the following persons or agencies (“Related Parties”) to do what the director, supervisor, the general manager, or other senior management member of the Company is not permitted to do:</p> <p>(1) the spouse or minor child of such a director, supervisor, the general manager and other senior management member;</p> <p>(2) a trustee for such a director, supervisor, the general manager and other senior management member or any person referred to in (1) above;</p> <p>(3) a partner of such a director, supervisor, the general manager and other senior management member or of any person referred to in (1) and (2);</p> <p>(4) a company in which that a director, supervisor, the general manager and other senior management member, alone or jointly with one or more persons referred to in above (1), (2) and (3) or with any of other directors, supervisors, the general manager and other senior management members of the Company, have de facto control; and</p> <p>(5) a director, supervisor, the general manager and other senior management member of a company referred to in (4) above.</p>	<p>Article 173185 A director, supervisor, the general manager or other senior management member of the Company shall not direct the following persons or agencies (“Related Parties”) to do what the director, supervisor, the general manager, or other senior management member of the Company is not permitted to do:</p> <p>(1) the spouse or minor child of such a director, supervisor, the general manager and other senior management member;</p> <p>(2) a trustee for such a director, supervisor, the general manager and other senior management member or any person referred to in (1) above;</p> <p>(3) a partner of such a director, supervisor, the general manager and other senior management member or of any person referred to in (1) and (2);</p> <p>(4) a company in which that a director, supervisor, the general manager and other senior management member, alone or jointly with one or more persons referred to in above (1), (2) and (3) or with any of other directors, supervisors, the general manager and other senior management members of the Company, have de facto control; and</p> <p>(5) a director, supervisor, the general manager and other senior management member of a company referred to in (4) above.</p>

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<p>Article 174 The fiduciary duties of a director, supervisor, the general manager, and other senior management member of the Company do not necessarily cease with the termination of his tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his term of office. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of his term of office and the occurrence of the matter in question and the circumstances and the terms under which the relationships between him and the Company are terminated.</p>	<p>Article 174186 The fiduciary duties of a director, supervisor, the general manager, and other senior management member of the Company do not necessarily cease with the termination of his tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his term of office. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of his term of office and the occurrence of the matter in question and the circumstances and the terms under which the relationships between him and the Company are terminated.</p>
<p>Article 175 Liabilities of a director, supervisor, the general manager and other senior management members arising from the violation of a specified duty may be released by informed shareholders in general meeting.</p>	<p>Article 175187 Liabilities of a director, supervisor, the general manager and other senior management members arising from the violation of a specified duty may be released by informed shareholders in general meeting.</p>

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<p>Article 176 Where a director, supervisor, the general manager and other senior management member of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, he shall declare the nature and extent of his interest to the Board at the earliest opportunity, whether or not the related matters is otherwise subject to the approval of the Board under normal circumstances.</p> <p>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 or any of his associates as defined in the applicable Main Board Listing Rules in effect from time to time has any material interest or any other relevant proposals.</p> <p>Unless the interested director, supervisor or senior management members have disclosed his interest in accordance with the Clause 1 of this Article and the contract, transaction or arrangement has been approved by the Board at a meeting in which the interested director is not counted in the quorum and has refrained from voting, the contract, transaction or arrangement in which a director, supervisor, the general manager or other senior management members are 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 director, supervisor or other senior management members concerned.</p> <p>A director, supervisor, the general manager and other senior management members of the Company is deemed to be interested in a contract, transaction or arrangement in which his related parties have interest.</p>	<p>Article 176188 Where a director, supervisor, the general manager and other senior management member of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, he shall declare the nature and extent of his interest to the Board at the earliest opportunity, whether or not the related matters is otherwise subject to the approval of the Board under normal circumstances.</p> <p>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 or any of his associates as defined in the applicable Main Board Listing Rules in effect from time to time has any material interest or any other relevant proposals.</p> <p>Unless the interested director, supervisor or senior management members have disclosed his interest in accordance with the Clause 1 of this Article and the contract, transaction or arrangement has been approved by the Board at a meeting in which the interested director is not counted in the quorum and has refrained from voting, the contract, transaction or arrangement in which a director, supervisor, the general manager or other senior management members are 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 director, supervisor or other senior management members concerned.</p> <p>A director, supervisor, the general manager and other senior management members of the Company is deemed to be interested in a contract, transaction or arrangement in which his related parties have interest.</p>

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<p>Article 177 Where a director, supervisor, the general manager or other senior management member of the Company gives the Board a general notice in writing stating that, by reason of the facts stated in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be entered into by the Company, then he shall be deemed to have made a disclosure for the purposes of the preceding clause in the Articles of Association so far as the content stated in such notice is concerned, if such notice shall have been given to the Board before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.</p>	<p>Article 177189 Where a director, the general manager or other supervisor, senior management member of the Company gives the Board a general notice in writing stating that, by reason of the facts stated in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be entered into by the Company, then he shall be deemed to have made a disclosure for the purposes of the preceding clause in the Articles of Association so far as the content stated in such notice is concerned, if such notice shall have been given to the Board before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.</p>
<p>Article 178 The Company shall not, in any manner, pay tax for or on behalf of its director, supervisor, the general manager or other senior management members.</p>	<p>Article 178190 The Company shall not, in any manner, pay tax for or on behalf of its director, supervisor, the general manager or other senior management members.</p>

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<p>Article 179 The Company is prohibited from directly or indirectly making any loan or guarantee to directors, supervisors, the general manager or other senior management members of the Company or the directors, supervisors, the general manager, or other senior management members of its controlling shareholder. The Company is also prohibited from providing any loan or guarantee to related parties of the aforesaid.</p> <p>The following transactions are not subject to the foregoing prohibition:</p> <p>(1) the provision of a loan or a guarantee for a loan by the Company to a company which is a subsidiary of the Company;</p> <p>(2) the provision of a loan or a guarantee for a loan or any other funds by the Company to any of its directors, supervisors, the general manager and other senior management members to meet expenditure incurred by him for the purposes of the Company or for the purpose of enabling him to properly perform his duties; and</p> <p>(3) the Company may make a loan to or provide a guarantee in connection with a loan by another person to any of its directors, supervisors and senior management members of the Company or their related parties where the ordinary course of its business includes the making of loans or the giving of guarantees and provided that the making of such loans or the giving of such guarantees is on normal commercial terms.</p>	<p>Article 179191 The Company is prohibited from directly or indirectly making any loan or guarantee to directors, supervisors, the general manager or other senior management members of the Company or the directors, supervisors, the general manager, or other senior management members of its controlling shareholder. The Company is also prohibited from providing any loan or guarantee to related parties of the aforesaid.</p> <p>The following transactions are not subject to the foregoing prohibition:</p> <p>(1) the provision of a loan or a guarantee for a loan by the Company to a company which is a subsidiary of the Company;</p> <p>(2) the provision of a loan or a guarantee for a loan or any other funds by the Company to any of its directors, supervisors, the general manager and other senior management members to meet expenditure incurred by him for the purposes of the Company or for the purpose of enabling him to properly perform his duties; and</p> <p>(3) the Company may make a loan to or provide a guarantee in connection with a loan by another person to any of its directors, supervisors and senior management members of the Company or their related parties where the ordinary course of its business includes the making of loans or the giving of guarantees and provided that the making of such loans or the giving of such guarantees is on normal commercial terms.</p>

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<p>Article 181 A guarantee for a loan provided by the Company in breach of the prohibition referred to in Clause 1 of Article 179 shall be unenforceable against the Company unless:</p> <p>(1) the guarantee was provided in connection with a loan to a person connected with a director, supervisor, the general manager and other senior management members of the Company or its controlling shareholder and at the time the loan was advanced the lender did not know of the relevant circumstances;</p> <p>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>	<p>Article 181193 A guarantee for a loan provided by the Company in breach of the prohibition referred to in Clause 1 of Article 179191 shall be unenforceable against the Company unless:</p> <p>(1) the guarantee was provided in connection with a loan to a person connected with a director, supervisor, the general manager and other senior management members of the Company or its controlling shareholder and at the time the loan was advanced the lender did not know of the relevant circumstances;</p> <p>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>

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<p>Article 183 In addition to any rights and remedies provided for in relevant laws and administrative regulations, the Company is entitled to adopt the following measures where a director, supervisor, the general manager and other senior management member is in breach of his duties owed to the Company:</p> <p>(1) to claim against such a director, supervisor, the general manager and other senior management member for losses incurred by the Company as a result of his breach;</p> <p>(2) to rescind any contract or transaction entered into between the Company and the director, supervisor, the general manager and other senior management member and a third party where such third party has knowledge or should have had knowledge of the breach of duty;</p> <p>(3) to surrender the profits made by the director, supervisor, the general manager and other senior management member as a result of his breach;</p> <p>(4) to recover any monies received by the director, supervisor, the general manager and other senior management member which should have been received by the Company, including, without limitation, commissions;</p> <p>(5) to demand the return of the interest earned or which may have been earned on any monies by the director, supervisor, the general manager and other senior management member which should have been received by the Company; and</p> <p>(6) to execute legal procedures judging that the interest of a director, supervisor, the general manager and other senior management member earned through his breach of duty should belong to the Company.</p>	<p>Article 183¹⁹⁵ In addition to any rights and remedies provided for in relevant laws and administrative regulations, the Company is entitled to adopt the following measures where a director, supervisor, the general manager and other senior management member is in breach of his duties owed to the Company:</p> <p>(1) to claim against such a director, supervisor, the general manager and other senior management member for losses incurred by the Company as a result of his breach;</p> <p>(2) to rescind any contract or transaction entered into between the Company and the director, supervisor, the general manager and other senior management member and a third party where such third party has knowledge or should have had knowledge of the breach of duty;</p> <p>(3) to surrender the profits made by the director, supervisor, the general manager and other senior management member as a result of his breach;</p> <p>(4) to recover any monies received by the director, supervisor, the general manager and other senior management member which should have been received by the Company, including, without limitation, commissions;</p> <p>(5) to demand the return of the interest earned or which may have been earned on any monies by the director, supervisor, the general manager and other senior management member which should have been received by the Company; and</p> <p>(6) to execute legal procedures judging that the interest of a director, supervisor, the general manager and other senior management member earned through his breach of duty should belong to the Company.</p>

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Current version	Amended version
<p>Article 184 The Company shall enter into a contract in writing with a director, supervisor and senior management members of the Company, subject to the prior approval of shareholders in a general meeting or the Board. The written contract shall include at least the following provisions:</p> <p>(1) The promise made by a director, supervisor or senior management member to the Company that he/she shall comply with and observe, the requirements stipulated under the Company Law, the Articles of Association, the Code on Takeovers, Mergers and Share Repurchases and other rules stipulated by Hong Kong Stock Exchange, and agree that the Company is entitled to take remedial measures under the Articles of Association, where the contract and his/her position shall not be transferred;</p> <p>(2) The promise made by a director, supervisor or senior management members to the Company that he/she shall comply with and perform his/her obligations to shareholders set out in the Articles of Association; and</p> <p>(3) The arbitration clauses as provided in Article 244 of the Articles of Association.</p>	<p>Article 184196 The Company shall enter into a contract in writing with a director, supervisor and senior management members of the Company, subject to the prior approval of shareholders in a general meeting or the Board. The written contract shall include at least the following provisions:</p> <p>(1) The promise made by a director, supervisor or senior management member to the Company that he/she shall comply with and observe, the requirements stipulated under the Company Law, the Articles of Association, the Code on Takeovers, Mergers and Share Repurchases and other rules stipulated by Hong Kong Stock Exchange, and agree that the Company is entitled to take remedial measures under the Articles of Association, where the contract and his/her position shall not be transferred;</p> <p>(2) The promise made by a director, supervisor or senior management members to the Company that he/she shall comply with and perform his/her obligations to shareholders set out in the Articles of Association; and</p> <p>(3) The arbitration clauses as provided in Article 244 262 of the Articles of Association.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 185 The Company shall enter into written contracts with the directors and supervisors in respect of the remuneration issues, subject to approval by shareholders' general meeting in advance. The remuneration referred to above shall include:</p> <p>(1) the remuneration in respect of his service as a director, supervisor or other senior management member of the Company;</p> <p>(2) the remuneration in respect of his service as a director, supervisor or other senior management member of a subsidiary of the Company;</p> <p>(3) the remuneration for provision of other services in connection with the management of the affairs of the Company and its subsidiaries; and</p> <p>(4) payment by way of compensation for loss of office of the director or the supervisor or as consideration for or in connection with his/her retirement.</p> <p>Save pursuant to the contract aforesaid, no legal proceedings may be brought by a director or supervisor against the Company in respect of the benefits ought to be received by him by reasons of the matters stipulated above.</p> <p>The Company shall regularly disclose the remuneration received by a director, supervisor or senior management member from the Company to the shareholders.</p>	<p>Article 185197 The Company shall enter into written contracts with the directors and supervisors in respect of the remuneration issues, subject to approval by shareholders' general meeting in advance. The remuneration referred to above shall include:</p> <p>(1) the remuneration in respect of his service as a director, supervisor or other senior management member of the Company;</p> <p>(2) the remuneration in respect of his service as a director, supervisor or other senior management member of a subsidiary of the Company;</p> <p>(3) the remuneration for provision of other services in connection with the management of the affairs of the Company and its subsidiaries; and</p> <p>(4) payment by way of compensation for loss of office of the director or the supervisor or as consideration for or in connection with his/her retirement.</p> <p>Save pursuant to the contract aforesaid, no legal proceedings may be brought by a director or supervisor against the Company in respect of the benefits ought to be received by him by reasons of the matters stipulated above.</p> <p>The Company shall regularly disclose the remuneration received by a director, supervisor or senior management member from the Company to the shareholders.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 186 In the contract for emoluments entered into by the Company with a director or supervisor of the Company: when the Company is acquired, provisions shall be made for the right of the director or supervisor of the Company to receive, after obtaining the prior consent of shareholders in general meeting, payments or other amounts by way of compensation for loss of office or for his retirement from office. A “takeover of the Company” referred to above means:</p> <p>.....</p> <p>If the relevant director or supervisor does not comply with the provisions of this Article, any sum received by the director or supervisor on account of the payment shall belong to those persons who have sold their shares as a result of the aforesaid offer, and the expenses incurred by the director or supervisor in distributing that sum pro rata among those persons shall be borne by him and not deducted from the sum distributed.</p>	<p>Article 186198 In the contract for emoluments entered into by the Company with a director or supervisor of the Company: when the Company is acquired, provisions shall be made for the right of the director or supervisor of the Company to receive, after obtaining the prior consent of shareholders in general meeting, payments or other amounts by way of compensation for loss of office or for his retirement from office. A “takeover of the Company” referred to above means:</p> <p>.....</p> <p>If the relevant director or supervisor does not comply with the provisions of this Article, any sum received by the director or supervisor on account of the payment shall belong to those persons who have sold their shares as a result of the aforesaid offer, and the expenses incurred by the director or supervisor in distributing that sum pro rata among those persons shall be borne by him and not deducted from the sum distributed.</p>
<p>Article 187 The directors, supervisors and senior management shall be liable for compensation for any loss caused to the Company by their performance of duties in violation of laws, administrative regulations or the provisions of the Articles of Association.</p>	<p>Article 187199 The directors, supervisors and senior management shall be liable for compensation for any loss caused to the Company by their performance of duties in violation of laws, administrative regulations or the provisions of the Articles of Association.</p>
	<p style="text-align: center;"><u>Chapter 15 Internal Audit</u></p> <p><u>Article 211 The Company has implemented an internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial security, utilization of audit results and accountability for internal audit work.</u></p> <p><u>The internal audit system of the Company is implemented after approval by the Board.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 212 The Company’s internal audit organization conducts supervision and inspection of the Company’s business activities, risk management, internal control, financial information and other matters.</u></p>
	<p><u>Article 213 The internal audit organization is accountable to the Board.</u></p> <p><u>The internal audit organization shall be subject to the supervision and guidance of the audit committee in the course of its supervision and inspection of the Company’s business activities, risk management, internal control and financial information. If the internal audit organization discovers any significant problems or clues, it shall immediately report them directly to the audit committee.</u></p>
	<p><u>Article 214 The internal auditor is responsible for the organization and implementation of the evaluation of the Company’s internal control. The Company issues an annual internal control evaluation report based on the evaluation report and related information issued by the internal audit organization and reviewed by the audit committee.</u></p>
	<p><u>Article 215 When the audit committee communicates with external audit units such as accounting firms and national audit organizations, the internal audit organization shall actively cooperate and provide necessary support and collaboration.</u></p>

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Current version	Amended version
<p>Article 199</p> <p>If the Company has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders, the shareholders shall return the profits distributed in violation of the provision to the Company; and the shareholders, responsible directors, supervisors and senior management shall be liable for any loss caused to the Company.</p> <p>.....</p>	<p>Article 199<u>216</u></p> <p>If the Company has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders, the shareholders shall return the profits distributed in violation of the provision to the Company; and the shareholders, responsible directors, supervisors and senior management shall be liable for any loss caused to the Company.</p> <p>.....</p>
<p>Article 216 Unless otherwise stated in the Articles of Association, the various types of corporate communication in the preceding clause shall apply to the meeting notices of the general meeting, Board meetings and the meetings of the board of supervisors convened by the Company.</p>	<p>Article 216<u>233</u> Unless otherwise stated in the Articles of Association, the various types of corporate communication in the preceding clause shall apply to the meeting notices of the general meeting, Board meetings and the meetings of the board of supervisors convened by the Company.</p>
<p>Article 223 Where a merger or division of the Company involves changes in registered items, such changes shall be registered according to laws with the company registration authority; if the Company is dissolved, its deregistration shall be carried out according to laws; where a new company is incorporated, the registration of the incorporation of the company shall be carried out according to laws.</p>	<p>Article 223<u>240</u> Where a merger or division of the Company involves changes in registered items, such changes shall be registered according to laws with the company registration authority; if the Company is dissolved, its deregistration shall be carried out according to laws; where a new company is incorporated, the registration of the incorporation of the company shall be carried out according to laws.</p> <p><u>If the Company increases or decreases its registered capital, it shall apply for change registration with the Company's registration authority in accordance with the law.</u></p>
	<p><u>Article 242</u> <u>When the Company issues new shares for the purpose of increasing its registered capital, the shareholders shall not be entitled to pre-emptive rights, unless otherwise provided for in these Articles of Association or determined by a resolution of the shareholders' general meeting that the shareholders shall be entitled to pre-emptive rights.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 225 If the Company remains in loss position after making up for its losses in accordance with the provisions of paragraph 2 of Article 201 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital injection or payment for the shares.</p> <p>Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 224 of the Articles of Association shall not apply, but a notice shall be published in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on reduction of registered capital made at the general meeting.</p> <p>.....</p>	<p>Article 225243 If the Company remains in loss position after making up for its losses in accordance with the provisions of paragraph 2 of Article 201218 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital injection or payment for the shares.</p> <p>Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 224 242 of the Articles of Association shall not apply, but a notice shall be published in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on reduction of registered capital made at the general meeting.</p> <p>.....</p>
<p>Article 226 In case of reduction of registered capital in violation of laws and regulations or the provisions of the Articles of Association, the shareholders shall return the funds so received, and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the responsible directors, supervisors and senior management shall be held liable for compensation.</p>	<p>Article 226244 In case of reduction of registered capital in violation of laws and regulations or the provisions of the Articles of Association, the shareholders shall return the funds so received, and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the responsible directors, supervisors and senior management shall be held liable for compensation.</p>
<p>Article 228 If the Company is in any of the circumstances set forth in item (1) of Article 227 of the Articles of Association and has yet to distribute its property to its shareholders, it may survive by resolution of the general meeting.</p> <p>.....</p>	<p>Article 228246 If the Company is in any of the circumstances set forth in item (1) of Article 227 245 of the Articles of Association and has yet to distribute its property to its shareholders, it may survive by resolution of the general meeting.</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 229 Where the Company is dissolved by virtue of the reasons set out in item (1), (3), (5) of the first paragraph of Article 227 of the Articles of Association, the Company shall be liquidated. The directors shall be the liquidation obligors of the Company and shall establish a liquidation group within 15 days commencing from the date on which the events being the grounds for dissolution has been occurred to conduct liquidation process. The members of the liquidation group shall be composed of directors. If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation. If no liquidation group has been established to conduct liquidation within the time limit or the liquidation group fails to carry out liquidation after establishment, the interested parties may request the People’s Court to designate the relevant personnel to form a liquidation group to conduct liquidation.</p> <p>Where the Company is dissolved in accordance with the provisions of item (3) of the first paragraph of Article 227 of the Articles of Association, the department or the company registration authority that made the decision to revoke the business license, order closure or revocation may apply to the people’s court for designating relevant persons to form a liquidation group to carry out liquidation.</p>	<p>Article 229247 Where the Company is dissolved by virtue of the reasons set out in item (1), (3), (5) of the first paragraph of Article 227 245 of the Articles of Association, the Company shall be liquidated. The directors shall be the liquidation obligors of the Company and shall establish a liquidation group within 15 days commencing from the date on which the events being the grounds for dissolution has been occurred to conduct liquidation process. The members of the liquidation group shall be composed of directors. If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation. If no liquidation group has been established to conduct liquidation within the time limit or the liquidation group fails to carry out liquidation after establishment, the interested parties may request the People’s Court to designate the relevant personnel to form a liquidation group to conduct liquidation.</p> <p>Where the Company is dissolved in accordance with the provisions of item (3) of the first paragraph of Article227 245 of the Articles of Association, the department or the company registration authority that made the decision to revoke the business license, order closure or revocation may apply to the people’s court for designating relevant persons to form a liquidation group to carry out liquidation.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 244 The Company shall act according to the following principles to settle disputes:</p> <p>(1) For any disputes or claims between shareholders of overseas-listed foreign-invested shares and the Company; between shareholders of overseas-listed foreign-invested shares and the directors, supervisors, the general manager or other senior management members of the Company; between shareholders of overseas-listed foreign-invested shares and shareholders of domestic shares, that arise based on the rights and obligations stipulated in the Articles of Association, the Company Law and the relevant laws and administrative regulations, any such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>Where a dispute or claim involves the above parties, the entire claim or dispute must be referred to arbitration and all persons (being the Company or shareholders, directors, supervisors, the general manager or other senior management members of the Company), who have 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 arbitration.</p> <p>.....</p>	<p>Article 244262 The Company shall act according to the following principles to settle disputes:</p> <p>(1) For any disputes or claims between shareholders of overseas-listed foreign-invested shares and the Company; between shareholders of overseas-listed foreign-invested shares and the directors, supervisors, the general manager or other senior management members of the Company; between shareholders of overseas-listed foreign-invested shares and shareholders of domestic shares, that arise based on the rights and obligations stipulated in the Articles of Association, the Company Law and the relevant laws and administrative regulations, any such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>Where a dispute or claim involves the above parties, the entire claim or dispute must be referred to arbitration and all persons (being the Company or shareholders, directors, supervisors, the general manager or other senior management members of the Company), who have 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 arbitration.</p> <p>.....</p>
<p>Article 248 Appendixes to the Articles of Association include the rules and procedures of general meetings, the rules and procedures of Board meetings and the rules and procedures of the supervisory committee.</p>	<p>Article 248266 Appendixes to the Articles of Association include the rules and procedures of general meetings; <u>and</u> the rules and procedures of Board meetings and the rules and procedures of the supervisory committee.</p>

Note: The Proposed Amendments to the Articles of Association are prepared in Chinese. In the event of any inconsistency or discrepancy between the Chinese and the English version of the Articles of Association, the Chinese version shall prevail.

Save for the Proposed Amendments to the Articles of Association, the contents of other chapters and articles of the Articles of Association shall remain unchanged. If the numbering of any chapters and articles of the Articles of Association is affected as a result of the Proposed Amendments to the Articles of Association, the numbering of the chapters and articles of the existing Articles of Association shall be adjusted accordingly.

LETTER FROM THE BOARD

The above Proposed Amendments to the Articles of Association are subject to the approval by the Shareholders by way of a special resolution at the AGM.

The Company confirms that it shall comply with both the requirements as set out in the Articles of Association (as amended) as well as all the relevant requirements under the Listing Rules at all times.

3.10 To consider and approve the proposed amendments to the Rules of Procedures of the Shareholders' General Meetings

Reference is made to the announcement of the Company dated 28 April 2025 in relation to, among other things, the proposed amendments to the Rules of Procedures of the Shareholders' General Meetings. In view of the upcoming amendments to the Articles of Association by the Company, the corresponding amendments to the Rules of Procedures of the Shareholders' General Meetings will be made concurrently in accordance with the Proposed Amendments to the Articles of Association (the "**Proposed Amendments to the Rules of Procedures of the Shareholders' General Meetings**"). Details are set out below:

Current version	Amended version
<p>Article 4 The shareholders' general meeting shall be divided into an annual general meeting and an extraordinary general meeting. The annual general meeting shall be convened once a year and shall be held within six months after the end of the preceding fiscal year. The extraordinary general meeting shall not be convened at regular intervals and shall be convened within two months in the event of the circumstances stipulated in the Articles of Association under which the extraordinary general meeting should be convened.</p>	<p>Article 4 The shareholders' general meeting shall be divided into an annual general meeting and an extraordinary general meeting. The annual general meeting shall be convened once a year and shall be held within six months after the end of the preceding fiscal year. The extraordinary general meeting shall not be convened at regular intervals and shall be convened within two months in the event of the circumstances stipulated in the Articles of Association under which the extraordinary general meeting should be convened.</p> <p><u>If the Company is unable to convene a shareholders' general meeting within the aforesaid period, the Company shall report to the dispatching organization of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") in the place where the Company is domiciled and the stock exchange where the Company's shares are listed and traded (hereinafter referred to as the "Stock Exchange"), stating the reasons and making an announcement.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 6 Independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and provisions of the articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.</p>	<p>Article 6 <u>The Board shall convene a shareholders' general meeting on time and within the prescribed period. With the approval of a majority of all independent directors, the independent</u>Independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and provisions of the articles of association, provide a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.</p>
<p>Article 7 The Board of Supervisors shall have the right to propose to the Board the convening of an extraordinary general meeting, which shall be proposed in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within 10 days of receipt of the proposal.</p> <p>If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of the convening of the shareholders' general meeting within 5 days from the date of the Board's resolution, and shall obtain the consent of the Board of Supervisors for any changes to the original proposal in the notice.</p> <p>If the Board does not agree to convene an extraordinary general meeting, or fails to provide written feedback within 10 days after receipt of the proposal, it shall be deemed that the Board is unable to fulfill or fails to fulfill its duty to convene the shareholders' general meeting and the Board of Supervisors may convene and preside over the meeting on its own.</p>	<p>Article 7 The Board of Supervisors <u>audit committee</u> shall have the right to propose to the Board the convening of an extraordinary general meeting, which shall be proposed in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within 10 days of receipt of the proposal.</p> <p>If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of the convening of the shareholders' general meeting within 5 days from the date of the Board's resolution, and shall obtain the consent of the Board of Supervisors <u>audit committee</u> for any changes to the original proposal in the notice.</p> <p>If the Board does not agree to convene an extraordinary general meeting, or fails to provide written feedback within 10 days after receipt of the proposal, it shall be deemed that the Board is unable to fulfill or fails to fulfill its duty to convene the shareholders' general meeting and the Board of Supervisors <u>audit committee</u> may convene and preside over the meeting on its own.</p>

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Current version	Amended version
<p>Article 8</p> <p>If the Board does not agree to convene an extraordinary general meeting, or if no feedback is given within 10 days upon receipt of the request, shareholders individually or collectively holding at least 10% of the shares of the Company shall have the right to propose to the Supervisory Committee to convene an extraordinary general meeting and shall submit the request in writing to the Supervisory Committee.</p> <p>If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall, within 5 days upon receipt of the request, give notice of the general meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p> <p>If the Supervisory Committee fails to give notice of the general meeting within the prescribed period, the Supervisory Committee shall be deemed not to convene and preside over the general meeting, and shareholders individually or collectively holding at least 10% of the shares of the Company for at least 90 consecutive days may convene and preside over the general meeting on their own. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p>	<p>Article 8</p> <p>If the Board does not agree to convene an extraordinary general meeting, or if no feedback is given within 10 days upon receipt of the request, shareholders individually or collectively holding at least 10% of the shares of the Company shall have the right to propose to the Supervisory Committee audit committee to convene an extraordinary general meeting and shall submit the request in writing to the Supervisory Committee audit committee.</p> <p>If the Supervisory Committee audit committee agrees to convene an extraordinary general meeting, it shall, within 5 days upon receipt of the request, give notice of the general meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p> <p>If the Supervisory Committee audit committee fails to give notice of the general meeting within the prescribed period, the Supervisory Committee audit committee shall be deemed not to convene and preside over the general meeting, and shareholders individually or collectively holding at least 10% of the shares of the Company for at least 90 consecutive days may convene and preside over the general meeting on their own. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 9 If the Board of Supervisors or the shareholders decide to convene a shareholders' general meeting on their own, they shall notify the Board in writing and give notice of the convening of the shareholders' general meeting.</p> <p>The shareholding of the convening shareholders shall not be less than 10% before a resolution is made at the shareholders' general meeting.</p>	<p>Article 9 If the Board of Supervisors <u>audit committee</u> or the shareholders decide to convene a shareholders' general meeting on their own, they shall notify the Board in writing and give notice of the convening of the shareholders' general meeting at the same time <u>file a report with the Stock Exchange.</u></p> <p><u>The audit committee or the convening shareholders shall submit the relevant supporting documents to the Stock Exchange when issuing the notice of the shareholders' general meeting and the announcement of the resolution of the shareholders' general meeting.</u></p> <p>The shareholding of the convening shareholders shall not be less than 10% before a resolution is made at the shareholders' general meeting.</p>
<p>Article 10 The Board and the secretary of the Board shall cooperate with any shareholders' general meeting convened by the Board of Supervisors or by the shareholders themselves. The Board shall provide a register of shareholders. The register of shareholders obtained by the convenor shall not be used for purposes other than the convening of the shareholders' general meeting.</p>	<p>Article 10 The Board and the secretary of the Board shall cooperate with any shareholders' general meeting convened by the Board of Supervisors <u>audit committee</u> or by the shareholders themselves. The Board shall provide a register of shareholders. The register of shareholders obtained by the convenor shall not be used for purposes other than the convening of the shareholders' general meeting. <u>The Company shall bear the expenses necessary for the meeting.</u></p>

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Current version	Amended version
<p>Article 11 In the case of a shareholders' general meeting convened by the Board of Supervisors or the shareholders themselves, the necessary expenses for the meeting shall be borne by the Company.</p>	<p>Article 11 In the case of a shareholders' general meeting convened by the Board of Supervisors or the shareholders themselves, the necessary expenses for the meeting shall be borne by the Company. <u>If the shareholders convene and hold a meeting on their own because the Board or the audit committee has not held a meeting as required by Article 8, the reasonable expenses incurred by the shareholders shall be borne by the Company and deducted from the amount owed by the Company to the director who is in breach of his/her duties.</u></p>
<p>Article 13 Shareholders individually or collectively holding at least 1% of the total number of voting shares in the share capital of the Company may submit a provisional motion in writing to the convener 10 days prior to the date of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of the motion, specifying the contents of the provisional motion, and shall incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting for consideration at the general meeting.</p> <p>.....</p>	<p>Article 13 <u>When the Company convenes a shareholders' general meeting, the Board, the audit committee and shareholders</u> Shareholders individually or collectively holding at least 1% <u>(inclusive of 1%) of the total number of voting shares in the share capital of the shares of</u> the Company <u>may shall have the right to</u> submit a provisional motion in writing to the convener 10 days prior to the date of the general meeting. The convener <u>of the shareholders' general meeting</u> shall issue a supplemental notice of the general meeting within 2 days upon receipt of the motion, <u>specifying announcing</u> the contents of the provisional motion, <u>notifying the other shareholders</u> and shall incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting for consideration at the general meeting. <u>However, the provisional motion shall not be in violation of laws, administrative regulations or the Articles of Association. The Company shall not increase the shareholding ratio of shareholders submitting the provisional motion.</u></p> <p>.....</p>

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Current version	Amended version
<p>Article 14 The convenor shall give notice in writing to the shareholders at least 20 days before the annual general meeting and at least 15 days before the extraordinary general meeting.</p> <p>When calculating the starting date, the date of the meeting shall be excluded.</p>	<p>Article 14 The convenor shall give notice in writing <u>by way of public announcement</u> to the shareholders at least 20 days before the annual general meeting and at least 15 days before the extraordinary general meeting.</p> <p>When calculating the starting date, the date of the meeting shall be excluded.</p>
<p>Article 16 If the shareholders' general meeting intends to discuss the election of directors and supervisors, the notice of the shareholders' general meeting shall fully disclose the details of the candidates for directors and supervisors, including at least the following:</p> <p>.....</p> <p>Each candidate for director and supervisor shall submit a single proposal.</p>	<p>Article 16 If the shareholders' general meeting intends to discuss the election of directors and supervisors, the notice of the shareholders' general meeting shall fully disclose the details of the candidates for directors and supervisors, including at least the following:</p> <p>.....</p> <p><u>In addition to the adoption of the cumulative voting system for the election of directors, each</u> Each candidate for director and supervisor shall submit a single proposal.</p>
	<p>Article 17 <u>The notice of the shareholders' general meeting shall specify the time and place of the meeting and confirm the shareholding registration date. Once the shareholding registration date is confirmed, it may not be changed.</u></p>

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Current version	Amended version
<p>Article 18 The place where the Company convenes the general meeting shall be: the Company's ordinary office or the place specified in the notice of the general meeting.</p> <p>A venue will be set up for the general meeting to be convened in the form of physical meeting.</p> <p>All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting, and the Company and the convenor shall not refuse their attendance for any reason.</p>	<p>Article 1819 The place where the Company convenes the general meeting shall be: the Company's ordinary office or the place specified in the notice of the general meeting.</p> <p>A venue will be set up for the general meeting to be convened in the form of physical meeting.</p> <p><u>Under the premise of ensuring the legality and effectiveness of the shareholders' general meeting, the Company may establish other forms and means of participation in the shareholders' general meeting (including but not limited to electronic facilities such as through the Internet, teleconferencing and video, etc.) to facilitate shareholders' participation in the shareholders' general meeting and voting by electronic means. Shareholders participating in a shareholders' general meeting in the above manner shall be deemed to be present.</u></p> <p>All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting, and the Company and the convenor shall not refuse their attendance for any reason.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 20 If an individual shareholder attends the meeting in person, he/she shall present his/her identity card and shareholding certificate; if he/she appoints another person as proxy to attend the meeting, the proxy shall present his/her identity card, proxy form and shareholding certificate of the proxy.</p> <p>A corporate shareholder shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If a legal representative attends the meeting, he/she shall present his/her identity card, a valid certificate proving his/her qualification as a legal representative and a shareholding certificate; if a proxy is appointed to attend the meeting, the proxy shall present his/her identity card, a written proxy issued by the legal representative of the legal shareholder unit in accordance with the law and a shareholding certificate.</p>	<p>Article 2021 <u>Shareholders may attend and exercise their voting rights at a shareholders' general meeting in person, or they may appoint a proxy to attend on their behalf and exercise their voting rights within the scope of the authorization.</u></p> <p>If an individual shareholder attends the meeting in person, he/she shall present his/her identity card and shareholding certificate or other valid documents or certificates that can indicate his/her identity; if he/she appoints another person as proxy to attend the meeting, the proxy shall present his/her identity card; and proxy form and shareholding certificate of the proxy.</p> <p>A corporate shareholder shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If a legal representative attends the meeting, he/she shall present his/her identity card, a valid certificate proving his/her qualification as a legal representative and a shareholding certificate; if a proxy is appointed to attend the meeting, the proxy shall present his/her identity card, a written proxy issued by the legal representative of the legal shareholder unit in accordance with the law and a shareholding certificate.</p>

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Current version	Amended version
<p>Article 21 The proxy form issued by shareholders appointing proxies to attend the general meeting shall specify the following:</p> <p>(1) the number of shares represented by the proxy;</p> <p>(2) the name of the proxy;</p> <p>(3) whether there are voting rights;</p> <p>(4) respective instructions to vote for, against or abstain from voting on each resolution on the agenda of the general meeting;</p> <p>.....</p> <p>The proxy form shall state whether the shareholder's proxy may vote as he or she wishes if the shareholder does not give specific instructions.</p>	<p>Article 21<u>22</u> The proxy form issued by shareholders appointing proxies to attend the general meeting shall specify the following:</p> <p><u>(1) The name or title of the principal, the class and number of shares of the Company held;</u></p> <p>(1) (2) the number of shares represented by the proxy;</p> <p>(2) (3) the name of the proxy;</p> <p>(3) whether there are voting rights;</p> <p>(4) respective instructions to vote for, against or abstain from voting on each resolution on the agenda of the general meeting;</p> <p>.....</p> <p>The proxy form shall state whether the shareholder's proxy may vote as he or she wishes if the shareholder does not give specific instructions.</p>
<p>Article 28 When the Company convenes a general meeting, if being requested, the directors, supervisors and senior management shall attend the meeting as non-voting participants and make replies in respect of inquiries of shareholders, unless they are unable to attend due to objective reasons.</p>	<p>Article 28<u>29</u> When the Company convenes a general meeting, if being requested, the directors; supervisors and senior management shall attend the meeting as non-voting participants and make replies provide explanations and clarifications in respect of inquiries and suggestions of shareholders, unless they are unable to attend due to objective reasons.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 29 The general meeting shall be chaired by the chairman of the Board. Where the chairman is unable to or fails to perform his duties, the vice chairman (where the Company has two or more vice chairmen, the vice chairman jointly elected by more than half of the directors shall preside) shall preside over the meeting; where the vice chairman is unable to or fails to perform his duties, a director jointly elected by more than half of the directors shall preside over the meeting.</p> <p>Where the Board is unable to or fails to perform its duties to convene the general meeting, the Supervisory Committee shall convene and preside over the meeting in a timely manner; where the Supervisory Committee does not convene and preside over the meeting, shareholders individually or jointly holding more than 10% of the Company’s shares for more than 90 consecutive days may convene and preside over the meeting by themselves.</p> <p>A general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor jointly elected by more than half of the supervisor shall preside over the meeting.</p> <p>.....</p>	<p>Article 2930 The general meeting shall be chaired by the chairman of the Board. Where the chairman is unable to or fails to perform his duties, the vice chairman (where the Company has two or more vice chairmen, the vice chairman jointly elected by more than half of the directors shall preside) shall preside over the meeting; where the vice chairman is unable to or fails to perform his duties, a director jointly elected by more than half of the directors shall preside over the meeting.</p> <p>Where the Board is unable to or fails to perform its duties to convene the general meeting, the Supervisory Committee audit committee shall convene and preside over the meeting in a timely manner; where the Supervisory Committee audit committee does not convene and preside over the meeting, shareholders individually or jointly holding more than 10% of the Company’s shares for more than 90 consecutive days may convene and preside over the meeting by themselves.</p> <p>A general meeting convened by the Supervisory Committee audit committee itself shall be presided over by the chairman of the Supervisory Committee convenor of the audit committee. If the chairman of the Supervisory Committee convenor of the audit committee is unable or fails to perform his duties, a supervisor supervisor member of the audit committee jointly elected by more than half of the supervisor a majority of the members of the audit committee shall preside over the meeting.</p> <p>.....</p>
<p>Article 30 At the annual general meeting, the Board and the Board of Supervisors shall report to the shareholders’ general meeting on their work for the past year. Each independent director shall also make a report on his/her work.</p>	<p>Article 3031 At the annual general meeting, the Board and the Board of Supervisors shall report to the shareholders’ general meeting on their work for the past year. Each independent director shall also make a report on his/her work.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 31 Directors, supervisors and senior management shall provide explanations and clarifications on shareholders' enquiries at shareholders' general meetings. They may refuse to reply queries under any of the following circumstances, but shall explain the reasons to the enquirers:</p> <p>.....</p>	<p>Article 3132 Directors, supervisors and senior management shall provide explanations and clarifications on shareholders' enquiries at shareholders' general meetings. They may refuse to reply queries under any of the following circumstances, but shall explain the reasons to the enquirers:</p> <p>.....</p>
<p>Article 34</p> <p>A related shareholder may apply for recusal on his/her own, other shareholders of the Company and the Board of the Company may apply for recusal of a related shareholder, the said application shall be made in writing prior to the convening of the general meeting of shareholders, and the Board shall be obliged to notify the shareholder concerned of the application immediately. The shareholders concerned may raise objections to the said application, and if no objections have been raised prior to the voting, the shareholder subject to the application for recusal shall recuse himself/herself from voting; if he/she objects to the application, he/she may request the Supervisory Committee to make a resolution in respect of the application, and the Supervisory Committee shall make a resolution prior to the convening of the general meeting, and any person who is not satisfied with the resolution may lodge an appeal with the competent authority, and the period of appeal shall not affect the implementation of the resolution of the Supervisory Committee.</p>	<p>Article 3435</p> <p>A related shareholder may apply for recusal on his/her own, other shareholders of the Company and the Board of the Company may apply for recusal of a related shareholder, the said application shall be made in writing prior to the convening of the general meeting of shareholders, and the Board shall be obliged to notify the shareholder concerned of the application immediately. The shareholders concerned may raise objections to the said application, and if no objections have been raised prior to the voting, the shareholder subject to the application for recusal shall recuse himself/herself from voting; if he/she objects to the application, he/she may request the Supervisory Committee <u>audit committee</u> to make a resolution in respect of the application, and the Supervisory Committee <u>audit committee</u> shall make a resolution prior to the convening of the general meeting, and any person who is not satisfied with the resolution may lodge an appeal with the competent authority, and the period of appeal shall not affect the implementation of the resolution of the Supervisory Committee <u>audit committee</u>.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 35 Shareholders (including shareholders' proxies) shall exercise their voting rights at the general meeting by the number of voting shares they represent, and each share shall be entitled to one vote. However, the shares held by the Company itself shall have no voting rights and such shares shall not be counted towards the total number of voting shares present at the general meeting.</p>	<p>Article 3536 Shareholders (including shareholders' proxies) shall exercise their voting rights at the general meeting by the number of voting shares they represent, and each share shall be entitled to one vote. However, the shares held by the Company itself shall have no voting rights and such shares shall not be counted towards the total number of voting shares present at the general meeting.</p> <p><u>In the event that a shareholder's purchase of the Company's voting shares violates the provisions of Article 63(1) and (2) of the Securities Act, the portion of the shares in excess of the prescribed ratio shall not be allowed to exercise the voting right for a period of 36 months after the purchase and shall not be counted as part of the total number of shares present at the shareholders' general meeting that have the right to vote.</u></p>
	<p>Article 37 <u>When the shareholders' general meeting votes on the election of directors, the cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or by resolution of the shareholders' general meeting. Where a single shareholder of a listed company and persons acting in concert with him/her are interested in more than 30% of the shares, or where a shareholders' general meeting elects two or more independent directors, the cumulative voting system shall be adopted.</u></p>
	<p>Article 40 <u>The same voting right can only choose one of the on-site, online or other voting methods. In the event of a duplicate vote on the same voting right, the result of the first vote shall prevail.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 39 Shareholders attending the shareholders’ general meeting shall express one of the following opinions on the proposals to be put to the vote: for, against or abstain from voting.</p> <p>Votes not filled in, incorrectly filled in, illegible or not cast shall be deemed to be abstentions by the voter, and the result of the vote on the number of shares held by the voter shall be counted as “abstentions”.</p>	<p>Article 3942 Shareholders (<u>including shareholders’ representatives</u>) attending the shareholders’ general meeting shall express one of the following opinions on the proposals to be put to the vote: for, against or abstain from voting.</p> <p>Votes not filled in, incorrectly filled in, illegible or not cast shall be deemed to be abstentions by the voter, and the result of the vote on the number of shares held by the voter shall be counted as “abstentions”. <u>No blank votes and abstention votes will be counted as valid votes for the purpose of votes counting.</u></p>
<p>Article 40 Before the shareholders’ general meeting votes on a proposal, two shareholders’ representatives shall be elected to participate in vote-taking and one supervisor shall be elected to participate in the scrutiny of the poll results. Where the matters under consideration are related to shareholders, the relevant shareholders and proxies shall not participate in vote-taking and the scrutiny of the poll results.</p> <p>When the shareholders’ general meeting votes on a proposal, the shareholders’ representatives and the supervisors’ representatives shall be jointly responsible for vote-taking and the scrutiny of the poll results.</p>	<p>Article 4043 Before the shareholders’ general meeting votes on a proposal, two shareholders’ representatives shall be elected to participate in vote-taking and one supervisor shall be elected to participate in the scrutiny of the poll results. Where the matters under consideration are related to shareholders, the relevant shareholders and proxies shall not participate in vote-taking and the scrutiny of the poll results.</p> <p>When the shareholders’ general meeting votes on a proposal, the shareholders’ representatives and the supervisors’ representatives shall be jointly responsible for vote-taking and the scrutiny of the poll results <u>and announcing the voting results on the spot.</u></p> <p><u>Shareholders of the Company or their proxies who vote via the Internet or other means have the right to check their voting results through the corresponding voting system.</u></p>

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Current version	Amended version
<p>Article 41 The presiding officer of the shareholders' general meeting shall announce the voting status and result of each proposal on the site of the meeting, and announce whether the proposal is approved or not according to the voting result.</p>	<p>Article 4144 <u>The end time of the shareholders' general meeting on-site shall not be earlier than online or by other means.</u> The presiding officer of the shareholders' general meeting shall announce the voting status and result of each proposal on the site of the meeting, and announce whether the proposal is approved or not according to the voting result.</p> <p><u>Prior to the formal announcement of the voting results, the Company, the tellers, the scrutineers, the shareholders, the Internet service provider and other relevant parties involved in the on-site shareholders' general meeting, the Internet and other methods of voting shall be under an obligation to maintain confidentiality with respect to the voting situation.</u></p>

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Current version	Amended version
<p>Article 42 The secretary of the Board shall be responsible for the minutes of the shareholders' general meeting, which shall contain the following information:</p> <p>(1) the time, place and agenda of the meeting and the name or title of the convenor;</p> <p>(2) the presiding officer of the meeting and the names of the directors, supervisors, secretary of the board, general manager and other senior management attending or present at the meeting;</p> <p>(3) the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the proportion to the total number of shares of the Company;</p> <p>(4) the process of considering each proposal, the main points of the speeches and the results of the voting;</p> <p>(5) shareholders' enquiries, comments or suggestions and the corresponding replies or explanations;</p> <p>(6) the names of the tellers and scrutineers;</p> <p>(7) any other contents required by the Articles of Association to be included in the minutes of the meeting.</p> <p>The directors, the secretary of the Board, the convener or his/her representative, and the presiding officer of the meeting who are present at the meeting shall sign the minutes of the meeting and guarantee that the contents of the minutes of the meeting are true, accurate and complete. The minutes of the meeting shall be kept as a file together with the signatures of the shareholders present on-site and the proxies for proxy attendance, and the valid information on the voting situation for a period of not less than ten years.</p>	<p>Article 4245 The secretary of the Board shall be responsible for the minutes of the shareholders' general meeting, which shall contain the following information:</p> <p>(1) the time, place and agenda of the meeting and the name or title of the convenor;</p> <p>(2) the presiding officer of the meeting and the names <u>or titles</u> of the directors, supervisors, secretary of the board, general manager and other senior management attending or present at the meeting;</p> <p>(3) the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the proportion to the total number of shares of the Company;</p> <p>(4) the process of considering each proposal, the main points of the speeches and the results of the voting;</p> <p>(5) shareholders' enquiries, comments or suggestions and the corresponding replies or explanations;</p> <p><u>(6) vote-taking results;</u></p> <p><u>(6)</u> the names of the tellers and scrutineers;</p> <p><u>(7)</u> any other contents required by the Articles of Association to be included in the minutes of the meeting.</p> <p>The directors, the secretary of the Board, the convener or his/her representative, and the presiding officer of the meeting who are present at the meeting shall sign the minutes of the meeting and guarantee that the contents of the minutes of the meeting are true, accurate and complete. The minutes of the meeting shall be kept as a file together with the signatures of the shareholders present on-site and the proxies for proxy attendance, and the valid information on the voting situation for a period of not less than ten <u>10</u> years.</p>

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Current version	Amended version
<p>Article 44</p> <p>To adopt an ordinary resolution, more than one-half of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution. When significant matters affecting the interests of the minority shareholders are considered at the general meeting, the votes cast by minority investors shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner.</p> <p>To adopt a special resolution, two-thirds or more of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.</p>	<p>Article 44<u>447</u></p> <p>To adopt an ordinary resolution, more than one-half of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution. When significant matters affecting the interests of the minority shareholders are considered at the general meeting, the votes cast by minority investors shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner.</p> <p>To adopt a special resolution, two-thirds or more of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.</p>
<p>Article 45 The following matters shall be resolved by ordinary resolutions at a general meeting:</p> <p>(1) work reports of the Board and the Board of Supervisors;</p> <p>(2) plans for the distribution of profits and for making up losses proposed by the Board;</p> <p>(3) the election and removal of the members of the Board and the Supervisory Committee (except for staff representative supervisors), their remuneration and method of payment;</p> <p>.....</p>	<p>Article 45<u>4548</u> The following matters shall be resolved by ordinary resolutions at a general meeting:</p> <p>(1) work reports of the Board and the Board of Supervisors;</p> <p>(2) plans for the distribution of profits and for making up losses proposed by the Board;</p> <p>(3) the election and removal of the members of the Board and the Supervisory Committee (except for staff representative supervisors), their remuneration and method of payment;</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 46 The following matters shall be resolved by special resolutions at a shareholders' general meeting:</p> <p>(1) increase in or reduction of the Company's share capital;</p> <p>.....</p> <p>(8) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(9) the share incentive plan;</p> <p>.....</p>	<p>Article 4649 The following matters shall be resolved by special resolutions at a shareholders' general meeting:</p> <p>(1) increase in or reduction of the Company's share capital and issue of shares, warrants and other similar securities of any kind;</p> <p>.....</p> <p>(8) the purchase or disposal of material assets or provision of guarantee to others by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(9) consideration and approval of the share incentive plan;</p> <p>.....</p>
<p>Article 47 Except under special circumstances, such as when the Company is in a crisis, the Company shall not enter into a contract with a person other than a director, general manager, or other senior management personnel that places the management of all or an important part of the Company's business in that person's charge without the approval of the shareholders' general meeting by a special resolution.</p>	<p>Article 4750 Except under special circumstances, such as when the Company is in a crisis, the Company shall not enter into a contract with a person other than a director, general manager, or other senior management personnel that places the management of all or an important part of the Company's business in that person's charge without the approval of the shareholders' general meeting by a special resolution.</p>
<p>Article 48 If the shareholders' general meeting approves the proposal for the election of directors and supervisors, the new directors and supervisors shall take office in accordance with the provisions of the Articles of Association.</p>	<p>Article 4851 If the shareholders' general meeting approves the proposal for the election of directors and supervisors, the new directors and supervisors shall take office in accordance with the provisions of the Articles of Association.</p>

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Current version	Amended version
<p>Article 50 Resolutions of the Company’s shareholders’ general meeting shall be null and void if the contents of such resolutions are in violation of laws and administrative regulations.</p> <p>If the procedures for convening a shareholders’ general meeting or the manner of voting at a shareholders’ general meeting is in violation of laws or administrative regulations or the Articles of Association, or if the contents of a resolution are in violation of the Articles of Association, the shareholders may, within 60 days from the date of the resolution, request the People’s Court to revoke the resolution.</p>	<p>Article 5053 Resolutions of the Company’s shareholders’ general meeting shall be null and void if the contents of such resolutions are in violation of laws and administrative regulations. <u>The shareholders shall have the right to request the People’s Court to recognize the resolutions as invalid.</u></p> <p><u>Controlling shareholders and de facto controllers of the Company shall not restrict or impede small and medium-sized investors from exercising their voting rights in accordance with the law, and shall not jeopardize the legitimate rights and interests of the Company and small and medium-sized investors.</u></p> <p>If the procedures for convening a shareholders’ general meeting or the manner of voting at a shareholders’ general meeting is in violation of laws or administrative regulations or the Articles of Association, or if the contents of a resolution are in violation of the Articles of Association, the shareholders may have the right to, within 60 days from the date of the resolution, request the People’s Court to revoke the resolution. <u>However, unless there is only a minor defect in the convening procedure or voting method of the shareholders’ general meeting, which does not materially affect the resolution.</u></p>

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Current version	Amended version
	<p><u>In the event that the Board, shareholders and other relevant parties have any disputes regarding the qualifications of the convener, the convening procedures, the legality of the contents of the proposal and the validity of the resolution of the shareholders' general meeting, they shall file a lawsuit with the People's Court in a timely manner. The relevant parties shall execute the resolution of the shareholders' general meeting before the People's Court makes a judgment or ruling, such as revocation of the resolution. The Company, its directors and senior management shall fulfill their duties in good faith and implement the resolutions of the shareholders' general meeting in a timely manner to ensure the normal operation of the Company.</u></p> <p><u>If the People's Court makes a judgment or ruling on the relevant matters, the Company shall fulfill its obligation to disclose information and fully explain the impact in accordance with the laws, administrative regulations, and the requirements of the CSRC and the Stock Exchange, and actively cooperate with the execution of the judgment or ruling after it has come into effect. Corrections to prior periods should be handled in a timely manner and the corresponding information disclosure obligations should be fulfilled.</u></p>
	<p><u>Article 55 If the proposal is not approved, or if the current shareholders' general meeting changes the resolution of the previous shareholders' general meeting, a special notice shall be made in the announcement of the resolution of the shareholders' general meeting.</u></p>

Note: The Proposed Amendments to the Rules of Procedures of the Shareholders' General Meetings are prepared in Chinese. In the event of any inconsistency or discrepancy between the Chinese and the English version of the Rules of Procedures of the Shareholders' General Meetings, the Chinese version shall prevail.

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Save for the Proposed Amendments to the Rules of Procedures of the Shareholders' General Meetings, the contents of other chapters and articles of the Rules of Procedures of the Shareholders' General Meetings shall remain unchanged. If the numbering of any chapters and articles of the Rules of Procedures of the Shareholders' General Meetings is affected as a result of the Proposed Amendments to the Rules of Procedures of the Shareholders' General Meetings, the numbering of the chapters and articles of the existing Rules of Procedures of the Shareholders' General Meetings shall be adjusted accordingly.

The above Proposed Amendments to the Rules of Procedures of the Shareholders' General Meetings are subject to the approval by the Shareholders by way of a special resolution at the AGM.

3.11 To consider and approve the proposed amendments to the Rules of Procedures of the Board of Directors

Reference is made to the announcement of the Company dated 28 April 2025 in relation to, among other things, the proposed amendments to the Rules of Procedures of the Board of Directors. In view of the upcoming amendments to the Articles of Association by the Company, the corresponding amendments to the Rules of Procedures of the Board of Directors will be made concurrently in accordance with the Proposed Amendments to the Articles of Association (the "**Proposed Amendments to the Rules of Procedures of the Board of Directors**"). Details are set out below:

Current version	Amended version
<p>Article 6 Prior to giving a written notice of a regular Board meeting, the secretary of the Board shall solicit the views of all directors to ensure that all directors have the opportunity to propose matters for discussion and to submit preliminary proposals to the chairman of the Board for finalization. The proposals for Board meetings are mainly based on the following: (i) matters proposed by the directors; (ii) matters proposed by the audit committee of the Board of Supervisors; (iii) proposals by the special committees of the Board; (iv) matters proposed by the general manager; and (v) matters that need to be decided by the Board in accordance with the Articles of Association.</p>	<p>Article 6 Prior to giving a written notice of a regular Board meeting, the secretary of the Board shall solicit the views of all directors to ensure that all directors have the opportunity to propose matters for discussion and to submit preliminary proposals to the chairman of the Board for finalization. The proposals for Board meetings are mainly based on the following: (i) matters proposed by the directors; (ii) matters proposed by the audit committee of the Board of Supervisors; (iii) proposals by the special committees of the Board; (iv) matters proposed by the general manager; and (v) matters that need to be decided by the Board in accordance with the Articles of Association.</p>

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Current version	Amended version
<p>Article 8 An extraordinary board meeting shall be convened within five days in any of the following cases:</p> <p>(1) when proposed by shareholders representing more than one tenth of the voting rights;</p> <p>(2) when jointly proposed by more than one third of the directors;</p> <p>(3) when proposed by the chairman of the board of directors;</p> <p>(4) when proposed by more than two independent directors;</p> <p>(5) when proposed by the board of supervisors;</p> <p>(6) when proposed to be convened by the general manager;</p> <p>(7) when required by the securities regulatory authorities;</p> <p>(8) in other cases as provided in the Articles of Association.</p>	<p>Article 8 An extraordinary board meeting shall be convened within five <u>5</u> days in any of the following cases:</p> <p>(1) when proposed by shareholders representing more than one tenth of the voting rights;</p> <p>(2) when jointly proposed by more than one third of the directors;</p> <p>(3) when proposed by the chairman of the board of directors;</p> <p>(4) when proposed by more than two <u>2</u> independent directors;</p> <p>(5) when proposed by the board of supervisors <u>audit committee</u>;</p> <p>(6) when proposed to be convened by the general manager;</p> <p>(7) when required by the securities regulatory authorities;</p> <p>(8) in other cases as provided in the Articles of Association.</p>
<p>Article 12 Notice of regular Board meetings shall be given fourteen days prior to the meetings, and reasonable notice of extraordinary Board meeting shall be given prior to the meetings to all director and supervisor and the general manager by hand, fax, express mail service, email or other means.</p> <p>.....</p>	<p>Article 12 Notice of regular Board meetings shall be given fourteen days prior to the meetings, and reasonable notice of extraordinary Board meeting shall be given prior to the meetings to all director and supervisor members of the audit committee <u>supervisor members of the audit committee</u> and the general manager by hand, fax, express mail service, email or other means.</p> <p>.....</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 13 Contents of the notice of meeting</p> <p>(1) The written notice of the meeting shall include at least the following:</p> <p>.....</p>	<p>Article 13 Contents of the notice of <u>Board</u> meeting <u>include the following</u>:</p> <p>(1) The written notice of the meeting shall include at least the following:</p> <p>.....</p>
<p>Article 14 Changes to Meeting Notices</p> <p>If it is necessary to change the time or place of a regular Board meeting, or to add, change, or cancel a proposal for a meeting after the notice of the meeting has been issued, a written notice of the change shall be issued three days prior to the date originally scheduled for the meeting, describing the circumstances, the relevant contents of the new proposal, and related materials. If it is less than three days, the date of the meeting shall be postponed accordingly or the meeting shall be convened as scheduled after obtaining the approval of all the directors present at the meeting.</p> <p>.....</p>	<p>Article 14 Changes to Meeting Notices</p> <p>If it is necessary to change the time or place of a regular Board meeting, or to add, change, or cancel a proposal for a meeting after the notice of the meeting has been issued, a written notice of the change shall be issued three 3 days prior to the date originally scheduled for the meeting, describing the circumstances, the relevant contents of the new proposal, and related materials. If it is less than three 3 days, the date of the meeting shall be postponed accordingly or the meeting shall be convened as scheduled after obtaining the approval of all the directors present at the meeting.</p> <p>.....</p>
<p>Article 16 Supervisors may attend Board meetings. The general manager and the secretary of the Board shall attend Board meetings. The presiding officer of the meeting may notify other relevant persons to attend the Board meeting if he/she deems it necessary.</p>	<p>Article 16 Supervisors may attend Board meetings.The general manager and the secretary of the Board shall attend Board meetings. The presiding officer of the meeting may notify other relevant persons to attend the Board meeting if he/she deems it necessary.</p>
<p>Article 20</p> <p>(4) a director may not accept proxies from more than two directors to attend a Board meeting, nor may a director appoint a director who has already accepted proxies from two other directors to attend on his behalf.</p>	<p>Article 20</p> <p>(4) a director may not accept proxies from more than two 2 directors to attend a Board meeting, nor may a director appoint a director who has already accepted proxies from two 2 other directors to attend on his behalf.</p>

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Current version	Amended version
<p>Article 29 The directors may obtain information necessary for decision-making from the secretary of the Board, the convenor of the meeting, the general manager and other senior management, the special committees and other relevant persons and organizations before the meeting, or they may propose to the presiding officer to invite the representatives of the abovementioned persons and organizations to attend the meeting to explain the situation while the meeting is in progress.</p>	<p>Article 29 The directors may obtain information necessary for decision-making from the secretary of the Board, the convenor of the meeting, the general manager and other senior management, the special committees and other relevant persons and organizations before the meeting, or they may propose to the presiding officer to invite the representatives of the abovementioned persons and organizations to attend the meeting to explain the situation while the meeting is in progress.</p>
<p>Article 34 In the case of a meeting held on-site, the presiding officer shall announce the results of the counting on the spot; in other cases, the presiding officer shall request the secretary of the Board to notify the directors of the results of the voting by the next working day following the end of the time limit set for the casting of votes.</p>	<p>Article 34 In the case of a meeting held on-site, the presiding officer shall announce the results of the counting on the spot; in other cases, the presiding officer shall request the secretary of the Board to notify the directors of the results of the voting by the next working day <u>business day</u> following the end of the time limit set for the casting of votes.</p>
<p>Article 42 In the event that a director disqualifies himself/herself from voting, a relevant Board meeting may be held with the attendance of more than half of the unrelated directors, and the formation of a resolution shall require the approval of a majority of the unrelated directors. If the number of unrelated directors present at the meeting is less than three, the proposal shall not be voted on and the matter shall be submitted to the shareholders' general meeting for consideration.</p>	<p>Article 42 In the event that a director disqualifies himself/herself from voting, a relevant Board meeting may be held with the attendance of more than half of the unrelated directors, and the formation of a resolution shall require the approval of a majority of the unrelated directors. If the number of unrelated directors present at the meeting is less than three <u>3</u>, the proposal shall not be voted on and the matter shall be submitted to the shareholders' general meeting for consideration.</p>
<p>Article 43 If the Board of the Company is expected to decide at a meeting to declare, recommend or pay a dividend, or is to pass an announcement at the meeting in respect of profits or losses for any annual, half-yearly or other period, the Company must notify the Hong Kong Stock Exchange of its decision and make an announcement in accordance with the Hong Kong Listing Rules at least seven clear business days prior to the date on which such meeting is to be held.</p>	<p>Article 43 If the Board of the Company is expected to decide at a meeting to declare, recommend or pay a dividend, or is to pass an announcement at the meeting in respect of profits or losses for any annual, half-yearly or other period, the Company must notify the Hong Kong Stock Exchange of its decision and make an announcement in accordance with the Hong Kong Listing Rules at least seven <u>7</u> clear business days prior to the date on which such meeting is to be held.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 47 If more than one-fourth of the directors present at the meeting or more than two independent directors consider that a proposal is unclear or not specific, or if they are unable to make a judgment on the matter due to other reasons, such as insufficient meeting materials, the presiding officer of the meeting shall request the meeting to adjourn the voting on the issue.</p>	<p>Article 47 If more than one-fourth of the directors present at the meeting or more than two 2 independent directors consider that a proposal is unclear or not specific, or if they are unable to make a judgment on the matter due to other reasons, such as insufficient meeting materials, the presiding officer of the meeting shall request the meeting to adjourn the voting on the issue.</p>
<p>Article 50 The secretary of the Board shall keep a sufficiently detailed record of the matters considered and decisions reached at the Board meetings. Minutes should include the following:</p> <p>(1) the term of the meeting and the time, place and manner of its convening, as well as the convenor and presiding officer;</p> <p>(2) the issue of notices of meetings;</p> <p>(3) attendance of directors in person and by proxy;</p> <p>.....</p>	<p>Article 50 The secretary of the Board shall keep a sufficiently detailed record of the matters considered and decisions reached at the Board meetings. Minutes should include the following:</p> <p>(1) the term of the meeting and the time, place and manner of its convening, as well as <u>the names of</u> the convenor and presiding officer;</p> <p>(2) the issue of notices of meetings;</p> <p>(3) attendance of directors in person and by proxy;</p> <p><u>(4) the names of the directors present and the names of the directors (proxies) who have been appointed by others to attend the Board;</u></p> <p>.....</p>
<p>Article 57 Board meeting files are kept for a period of ten years or more.</p>	<p>Article 57 Board meeting files are kept for a period of ten 10 years or more.</p>

Note: The Proposed Amendments to the Rules of Procedures of the Board of Directors are prepared in Chinese. In the event of any inconsistency or discrepancy between the Chinese and the English version of the Rules of Procedures of the Board of Directors, the Chinese version shall prevail.

Save for the Proposed Amendments to the Rules of Procedures of the Board of Directors, the contents of other chapters and articles of the Rules of Procedures of the Board of Directors shall remain unchanged. If the numbering of any chapters and articles of the Rules of Procedures of the Board of Directors is affected as a result of the Proposed Amendments to the Rules of Procedures of the Board of Directors, the numbering of the chapters and articles of the existing Rules of Procedures of the Board of Directors shall be adjusted accordingly.

The above Proposed Amendments to the Rules of Procedures of the Board of Directors are subject to the approval by the Shareholders by way of a special resolution at the AGM.

LETTER FROM THE BOARD

3.12 To consider and approve the General Mandate to issue Shares

In order to meet the capital requirements of the Company for its continuous business development, to utilize financing platforms effectively and flexibly and to take advantage of capital market windows in a timely manner, in accordance with the applicable laws and regulations of the PRC, the Listing Rules and the Articles of Association, the Company proposes to grant the General Mandate to the Board by way of resolution at the AGM to allot, issue or deal with additional Shares not exceeding 20% of the total number of Shares of the Company, respectively, in issue on the date of passing such resolution. As at the Latest Practicable Date, the total issued Shares of the Company comprised 1,029,111,000 Shares. Subject to the passing of the resolution related to the granting of the General Mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 205,822,200 Shares in accordance with the General Mandate.

(A) Specific plans on the General Mandate to issue Shares:

- (a) Subject to the conditions set out in (b) below, the Board is hereby authorized to approve, allot, issue, grant and/or otherwise deal with Shares (Domestic Shares and/or H Shares), securities convertible into Shares, and options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert into Shares, separately or at the same time during the Relevant Period (as defined below).

Notwithstanding the fulfillment of the conditions set out in (b) below, if the allotment of voting Shares will result in a de facto change of control of the Company, the Board of the Company shall separately obtain authorization by way of a special resolution in advance before making such an allotment.

- (b) The number of Shares (Domestic Shares and/or H Shares), securities convertible into Shares, or options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert into Shares proposed to be approved, allotted, issued, granted and/or otherwise dealt with by the Board shall not exceed 20% of the total number of the Shares in issue of the Company as at the date on which this resolution is passed at the AGM.
- (c) For the purposes of this resolution:

“Relevant Period” means the period from the date on which this special resolution is passed at the Shareholders’ general meeting until the earliest of: 1. the conclusion of the next annual general meeting of the Company following the date of passing of this resolution; 2. the expiration of twelve months following the date of passing of this resolution at a general meeting; 3. the date on which the authority granted to the Board under this resolution is revoked or varied by a special resolution of the Shareholders at a Shareholders’ general meeting.

LETTER FROM THE BOARD

- (d) The Board is hereby authorized to determine the details of the issuance plan, including but not limited to: 1. the class and number of Shares proposed to be issued; 2. the pricing basis and/or the offer price (including the price range); 3. the date of opening and closing of the issuance; 4. the specific use of the proceeds raised; 5. the recommendation, agreement and share options to be made or granted for the exercise of the said power; 6. other content to be included in the detailed issuance plan as required by the relevant laws and regulations and other regulatory documents, the relevant regulatory authorities and the local stock exchange where the Shares are listed.
- (e) The Board is hereby authorized to implement the issuance plan and deal with the matters related to an increase in the registered capital of the Company so as to reflect the Shares authorized to be issued by the Company under this resolution, and to make such amendments as it deems appropriate and necessary to the provisions related to the issuance of Shares and registered capital in the Articles of Association, and to adopt and complete any other actions and procedures that are necessary for the implementation of the issuance plan and the completion of the increase in the registered capital of the Company.

(B) Relevant mandate

In order to enhance the efficiency of decision-making, reduce internal approval procedures and grasp market opportunities, in respect of the General Mandate to issue Shares, it is proposed to the Board, which in turn proposed to the Shareholders' general meeting to approve the authorization of the Board and any persons authorized by the Board to deal with the matters in connection with the General Mandate to issue Shares. The specific details of the abovementioned mandate given to the authorized persons will be separately determined upon the exercise of the General Mandate by the Board under this resolution.

4. THE AGM

A form of proxy for the AGM is enclosed, which is also published together with this circular on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kmcdwt.com) and available to the Shareholders.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Tricor Investor Services Limited and for holders of Domestic Shares, the proxy form should be returned to the Company's registered office and headquarters in the PRC by personal delivery or by post in any event not less than 24 hours before the time fixed for holding the AGM (i.e. before 2:30 p.m. on Thursday, 26 June 2025) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting.

LETTER FROM THE BOARD

5. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the AGM.

As of the Latest Practicable Date, Kunming Development held 20,959,760 Domestic Shares of the Company, representing approximately 2.04% of the issued share capital of the Company. Therefore, Kunming Development and its associates are required to abstain from voting on the ordinary resolution to be proposed at the AGM for approving the Entrusted Loan Extension Agreement III and the Entrusted Loan Extension Transaction III thereunder.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Entrusted Loan Extension Agreement III and the Entrusted Loan Extension Transaction III thereunder, and no other Shareholder is required to abstain from voting on the resolution approving the Entrusted Loan Extension Agreement III and the Entrusted Loan Extension Transaction III thereunder at the AGM.

6. RECOMMENDATIONS

The Board considers that all the resolutions proposed at the AGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the proposed resolutions at the AGM.

Yours faithfully,
Zeng Feng
Chairperson

* *For identification purposes only*

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 are disclosed in the following annual reports of the Company for the years ended 31 December 2022, 2023 and 2024, respectively, which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.kmdcwt.com>):

- (i) The Group's annual report for the year ended 31 December 2022 published on 24 April 2023 (available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400933.pdf>), particularly as shown in pages 160 to 310.
- (ii) The Group's annual report for the year ended 31 December 2023 published on 18 April 2024 (available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041800330.pdf>), particularly as shown in pages 170 to 316.
- (iii) The Group's annual report for the year ended 31 December 2024 published on 24 April 2025 (available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042401035.pdf>), particularly as shown in pages 169 to 318.

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 April 2025, being the latest practicable date for ascertaining the indebtedness of the Group prior to the publication of this circular, the Group mainly had (i) unsecured current borrowings of approximately RMB445.3 million and unsecured non-current borrowings of approximately RMB178.5 million; (ii) secured current borrowings of approximately RMB1,895.3 million, secured non-current borrowings of approximately RMB2,274.3 million, all of which were secured by charges over mainly the Group's revenue from sewage treatment, together with the property, plant and equipment with carrying value of approximately RMB636.3 million; (iii) financial liability of approximately RMB1,914.6 million; and (iv) capital expenditure contracted for but not yet transpired in respect of property, plant and equipment of approximately RMB84.0 million and commitment for concession projects and construction projects contracted for but not yet transpired of approximately RMB717.4 million.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 30 April 2025, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans of other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities.

3. WORKING CAPITAL OF THE GROUP

The Directors believe that, after taking into account the existing cash and bank balances, other internal resources and available existing unutilised credit facilities, the Group has sufficient working capital for its present needs and to satisfy its requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

Pursuant to Rule 14.66(12) of the Listing Rules, the Company has received a letter of confirmation from the auditors regarding the statement on the adequacy of the Group's working capital.

4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is a key participant in municipal wastewater treatment and reclaimed water supply services in Yunnan Province, the PRC, an integrated water-related services (including running water supply service) provider and a core enterprise implementing the PRC's strategic goal to treat pollutants at Dianchi Lake. The Company's main businesses include wastewater treatment and supply of reclaimed water and running water, with its industrial chain extending from urban wastewater treatment to treatment of industrial wastewater and wastewater in towns and villages, running water supply, use of reclaimed water, sludge resource utilization, disposal of garbage and solid waste, water purification chemicals and water conservation.

For wastewater treatment, as of 31 December 2024, we had a total of 34 wastewater treatment plants in operation (including 14 in Kunming and 20 in other areas), with a total wastewater treatment capacity of 1.9 million cubic meters per day. With our technologically advanced facilities, independently developed patents and strong management skills, we have been able to maintain low costs while providing high-quality wastewater treatment services. In the future, the Group will continue to maintain its advantages, and continue to improve the level of operation and management services, laying a stronger foundation for the Group's expansion in the wastewater treatment business.

For reclaimed water business, as of 31 December 2024, we had 12 reclaimed water stations and 2 second-stage booster pump stations in operation. Meanwhile, we provided entrusted operation services for 5 reclaimed water stations/booster pump stations, with a total designed daily production capacity of reclaimed water facilities of 334,000 cubic meters. Benefiting from the Company's technological foundation, we are able to produce and supply different high-quality reclaimed water based on the different needs of our customers and increase economic benefits. With the increase in market demand and as the government attaches great importance to the use of reclaimed water, the reclaimed water utilization business will also be further developed in the future.

For running water business, as of 31 December 2024, we had 4 running water plants in operation in the PRC. The Company's running water supply business has also been developing steadily in recent years.

In the future, the Company will continue to cultivate its main wastewater treatment business, deploy high-quality projects, actively explore solid waste treatment and disposal, continue to develop new strategic businesses such as comprehensive use of high-quality reclaimed water and continue to build up its professional system service capability in the water industry. We will focus on stabilising operations, improving performance, grasping projects, expanding financing, promoting reform, strengthening the team, consolidating inventories, optimizing incremental growth, and coordinating sustainable high-quality development of the Company.

5. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date of preparation of the latest published audited consolidated financial statements of the Group.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(i) Interests and Short Positions of Directors, Supervisors and Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at the Latest Practicable Date, none of the Directors, Supervisors or senior management of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules.

(ii) Interests of the Substantial Shareholders in the Shares and Underlying Shares of the Company

As at the Latest Practicable Date, so far as is known to any Director of the Company, the interests or short positions in the Shares or underlying shares of the Company of the following persons (other than Directors, Supervisors or chief executives of the Company) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Long positions

Name of Shareholder	Capacity/ nature of interest	Class of Shares	Number of Shares (share)	Approximate percentage of the total issued share capital of the Company (%)	Approximate percentage of the relevant class of Shares of the Company (%)
Kunming Dianchi Investment	Beneficial owner	Domestic Shares	446,889,209 (long positions) (Note 2)	43.42%	64.85%

Name of Shareholder	Capacity/ nature of interest	Class of Shares	Number of Shares (share)	Approximate percentage of the total issued share capital of the Company (%)	Approximate percentage of the relevant class of Shares of the Company (%)
Kunming Anju Group Co., Ltd.* (昆明市安居集團有限公司) (formerly known as Kunming Public Rental Housing Development and Construction Management Co., Ltd. (昆明市公共租賃 住房開發建設管理有限公司))	Security interest	Domestic Shares	33,013,345 (long positions) (Note 3)	3.21%	4.79%
Yunnan Yuntou Finance Leasing Co., Ltd. (雲南雲投融資租賃有限公司)	Beneficial owner	Domestic Shares	213,377,684 (long positions) (Note 4)	20.73%	30.97%
Kunming Industrial Development and Investment Co., Ltd. (昆明產業開發投資有限責任公司)	Beneficial owner	H Shares	59,000,000 (long positions) (Notes 5 and 7)	5.73%	17.35%
Kunming Industrial Development and Construction Company Limited (昆明市產業開發建設有限責任公司)	Interest of controlled corporation	H Shares	59,000,000 (long positions) (Notes 5 and 7)	5.73%	17.35%
Kunming Gangtong Logistics Group Co. Ltd.* (昆明港通物流集團有限公司) (formerly known as Kunming State-owned Assets Management and Operations Co., Ltd. (昆明市國有資產管理營運有限責任 公司))	Beneficial owner	H Shares	39,790,000 (long positions)	3.87%	11.70%
Yunnan Provincial Investment Holdings Group Co., Ltd. (雲南省投資控股集團有限公司)	Beneficial owner	H Shares	64,770,000 (long positions)	6.29%	19.05%
Modern Orient Limited	Interest of controlled corporation	H Shares	47,754,000 (long positions) (Notes 6 and 7)	4.64%	14.04%
Beijing Enterprises Water Group Limited	Beneficial owner	H Shares	47,754,000 (long positions) (Notes 6 and 7)	4.64%	14.04%
Beijing Enterprises Investments Limited	Interest of controlled corporation	H Shares	47,754,000 (long positions) (Notes 6 and 7)	4.64%	14.04%
Beijing Enterprises Holdings Limited	Interest of controlled corporation	H Shares	47,754,000 (long positions) (Notes 6 and 7)	4.64%	14.04%
Beijing Enterprises Group Company Limited	Interest of controlled corporation	H Shares	47,754,000 (long positions) (Notes 6 and 7)	4.64%	14.04%
Beijing Enterprises Group (BVI) Company Limited	Interest of controlled corporation	H Shares	47,754,000 (long positions) (Notes 6 and 7)	4.64%	14.04%
Beijing Enterprises Environmental Construction Limited	Interest of controlled corporation	H Shares	47,754,000 (long positions) (Notes 6 and 7)	4.64%	14.04%

Notes:

1. The data disclosed above are mainly based on information provided on the website of the Stock Exchange (<https://www.hkexnews.hk>) and records of the register required to be kept by the Company under Section 336 of the SFO.
2. Pursuant to the counter-guarantee contract signed by Kunming Dianchi Investment on 29 June 2022, Kunming Dianchi Investment pledged 33,013,345 Domestic Shares of the Company held by it as security for its debts. On 10 December 2024, 213,377,684 Shares originally held by Kunming Dianchi Investment were ordered by the court to be delivered to Yunnan Yuntou Finance Leasing Co., Ltd. for settlement of debts. As at the Latest Practicable Date, a total of 446,889,209 Domestic Shares were held by Kunming Dianchi Investment, accounting for approximately 43.42% of the total issued Shares of the Company.

On 24 October 2022, Kunming Dianchi Investment pledged up to 198,080,068 Domestic Shares in the issued Shares of the Company in favour of Agricultural Bank of China Limited Kunming Dianchi National Tourism Resort Sub-branch (the “**Lender**”) as security for a loan facility in an aggregate amount of RMB200,000,000 provided by the Lender to the Company (please refer to the Company’s announcement dated 23 October 2022 for details). As at the Latest Practicable Date, the financing loans had matured and the Company had fulfilled the relevant repayment obligations. The procedures for the release of the pledged Shares were still in progress.

On 31 August 2023, the Company received the Notice of Assistance in Enforcement from the Shanghai Financial Court (《上海金融法院協助執行通知書》) (“**Notice of Assistance in Enforcement I**”) and the Notice of Assistance in Enforcement from the People’s Court of Changchun Economic and Technological Development Zone (《長春經濟技術開發區人民法院協助執行通知書》) (“**Notice of Assistance in Enforcement II**”). According to the Notice of Assistance in Enforcement I, the Company was requested to assist in the enforcement of freezing of equity interest in the Company held by Kunming Dianchi Investment amounting to RMB250 million (accounting for 24.29% of the issued share capital of the Company) and relevant rights and interests including dividends. The freezing period was three years from 31 August 2023 to 30 August 2026. According to the Notice of Assistance in Enforcement II, the Company was requested to assist in the enforcement of seizure of equity interest in the Company then held by Kunming Dianchi Investment (accounting for 60.951% of the issued share capital of the Company). The seizure period was three years from 31 August 2023 to 30 August 2026 (please refer to the Company’s announcement dated 1 September 2023 for details).

On 18 September 2023, the Company received the Notice of Assistance in Enforcement from the People’s Court of Panlong District, Kunming (《昆明市盤龍區人民法院協助執行通知書》), pursuant to which the Company was requested to assist in the enforcement of freezing of equity interest in the Company held by Kunming Dianchi Investment amounting to RMB123,530,242.28. The freezing period was three years from 18 September 2023 to 17 September 2026 (please refer to the Company’s announcement dated 19 September 2023 for details).

On 23 October 2023, the Company received the Notice of Assistance in Enforcement from the People’s Court of Xishan District, Kunming, Yunnan Province (《雲南省昆明市西山區人民法院協助執行通知書》), pursuant to which the Company was requested to assist in the enforcement of freezing 60.95% equity interests in the Company then held by Kunming Dianchi Investment. The freezing period was three years from 23 October 2023 to 22 October 2026 (please refer to the Company’s announcement dated 24 October 2023 for details).

On 4 January 2024, the Company received the Notice of Assistance in Enforcement from the People’s Court of Xishan District, Kunming, Yunnan Province (《雲南省昆明市西山區人民法院協助執行通知書》), pursuant to which the Company was requested to assist in the enforcement of freezing 2.6236% equity interests in the Company held by Kunming Dianchi Investment amounting to RMB27 million. The freezing period was three years from 4 January 2024 to 3 January 2027 (please refer to the Company’s announcement dated 4 January 2024 for details).

On 25 January 2024, the Company received the Notice of Assistance in Enforcement from the People's Court of Xishan District, Kunming, Yunnan Province (《雲南省昆明市西山區人民法院協助執行通知書》), pursuant to which the Company was requested to assist in the enforcement of the seizure and freezing of equity interest in the Company held by Kunming Dianchi Investment amounting to RMB200,107,000. The seizure and freezing period was three years from 25 January 2024 to 24 January 2027. Subsequent to the Latest Practicable Date, the court has lifted the seizure and freeze on the shareholding (please refer to the announcements of the Company dated 25 January 2024 and 17 January 2025 for details respectively).

On 14 June 2024, the Company received the Notice of Assistance in Enforcement from the People's Court of Xishan District, Kunming, Yunnan Province (《雲南省昆明市西山區人民法院協助執行通知書》), pursuant to which the Company was requested to assist in the enforcement of freezing 60.95% equity interests in the Company then held by Kunming Dianchi Investment. The freezing period was three years from 14 June 2024 to 14 June 2027 (please refer to the Company's announcement dated 14 June 2024 for details).

Two judicial auctions were conducted on the Alibaba Online Judicial Auction Platform from 10:00 a.m. on 6 June 2024 to 10:00 a.m. on 7 June 2024 and from 10:00 a.m. on 23 June 2024 to 10:00 a.m. on 24 June 2024, respectively, regarding the 245,520,000 Shares of the Company (accounting for approximately 23.86% of the total number of Shares of the Company) held by Kunming Dianchi Investment, both of which have been aborted. A judicial sale was conducted on the Alibaba Online Judicial Auction Platform from 10:00 a.m. on 25 July 2024 to 10:00 a.m. on 23 September 2024 regarding the 245,520,000 Shares of the Company (accounting for approximately 23.86% of the total number of Shares of the Company) held by Kunming Dianchi Investment. The judicial sale has been aborted (please refer to the Company's announcements dated 9 May 2024, 7 June 2024, 24 June 2024, 9 July 2024 and 23 September 2024 for details).

The judicial auction was conducted on the JD.com Judicial Auction Online Platform from 3:00 p.m. on 8 September 2024 to 3:00 p.m. on 9 September 2024 in respect of 58,000,000 Shares of the Company (accounting for approximately 5.64% of the total number of Shares of the Company) held by Kunming Dianchi Investment. According to the information displayed on the JD.com Judicial Auction Online Platform, the judicial auction has been withdrawn due to objections raised by Kunming Dianchi Investment (for details, please refer to the Company's announcements dated 26 August 2024 and 9 September 2024, respectively).

On 18 April 2025, the Company received the Notice of Assistance in Enforcement from the Huaiji People's Court of Guangdong (《廣東省懷集縣人民法院協助執行通知書》), in which the Company was requested to assist in the execution of the freezing of the shareholdings of the Company within the range of RMB18 million in value held by Kunming Dianchi Investment for a period of three years, i.e., from 18 April 2025 to 17 April 2028 (except for the lifting of the freezing period) (please refer to the announcement of the Company dated 22 April 2025 for details).

3. Pursuant to the counter-guarantee contract signed between Kunming Anju Group Co., Ltd. and Kunming Dianchi Investment on 29 June 2022, Kunming Anju Group Co., Ltd. has a security interest in the 33,013,345 Domestic Shares held by Kunming Dianchi Investment.
4. On 10 December 2024, Yunnan Yuntou Finance Leasing Co., Ltd. acquired 213,377,684 Shares of the Company held by Kunming Dianchi Investment through judicial procedures (please refer to the Company's announcement dated 11 December 2024 for details).
5. Such 59,000,000 H Shares belong to the same batch of Shares.
6. Such 47,754,000 H Shares belong to the same batch of Shares.
7. Pursuant to Section 336 of the SFO, if certain conditions are fulfilled, the Shareholders are required to submit a form for disclosure of interests. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, the Company is not aware of any other persons (other than the Directors, Supervisors and chief executives of the Company) who have interest or short positions in the Shares or underlying shares of the Company which are required to be recorded in the register under Section 336 of the SFO.

3. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors had entered into or proposed to enter into any service contract with any member of the Group which is not expiring within one year or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors and their respective close associates had any interest in any business (other than the Group's business) which competes or is likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed pursuant to Rule 8.10 of the Listing Rules if they were controlling Shareholders).

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant to the businesses of the Group.

6. DIRECTORS' AND SUPERVISORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

The followings are the particulars of Directors' and Supervisors' employment with substantial Shareholders (holding interests or short positions in the Shares and underlying shares of the Company required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO) as at the Latest Practicable Date:

Mr. Zeng Feng, an executive Director, serves as a director of Kunming Dianchi Investment.

Mr. Xu Jingdong, a non-executive Director, serves as a director and the deputy general manager of Kunming Dianchi Investment.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material or of significance:

- (a) On 9 June 2022, the Company entered into the entrusted loan contract with Kunming Urban Construction and Investment Development Co., Ltd.* (昆明市城建設投資開發有限責任公司) (“**Kunming Urban Investment**”) and Kunming Panlong District Rural Credit Cooperative* (昆明市盤龍區農村信用合作聯社) (“**Panlong District Rural Credit Cooperative**”), pursuant to which the Company entrusted Panlong District Rural Credit Cooperative to provide entrusted loan of RMB310 million to Kunming Urban Investment with a term of 12 months and an interest rate of 8.5% per annum. On 9 June 2023, the parties entered into the entrusted loan extension agreement I for the entrusted loan contract dated 9 June 2022 to extend the term of RMB180 million of the principal amount thereunder to 8 June 2024. On 29 April 2024, the parties entered into the entrusted loan extension agreement II for the entrusted loan contract on 9 June 2022 and the entrusted loan extension agreement I on 9 June 2023 to extend the term of the entrusted loan with principal amount of RMB180 million to 7 June 2026 (please refer to the Company’s announcements and circular disclosed on the websites of the Stock Exchange and the Company on 9 June 2022, 16 June 2022, 9 June 2023, 12 June 2023, 29 April 2024 and 16 May 2024 for details);
- (b) On 24 October 2022, the Company entered into the Entrusted Loan Contract with Kunming Development and Chenggong District Rural Credit Cooperative, pursuant to which the Company entrusted Chenggong District Rural Credit Cooperative to provide a RMB200 million entrusted loan to Kunming Development for a term from 24 October 2022 to 24 September 2023 with an interest rate of 8.5% per annum. On 22 September 2023, the Company entered into the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I with Kunming Development and Chenggong District Rural Credit Cooperative to extend the term of the entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract to 24 August 2024. On 15 July 2024, the Company entered into the Entrusted Loan Extension Agreement II with Kunming Development and Chenggong District Rural Credit Cooperative to extend the term of the entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/ the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I to 24 July 2025. On 19 May 2025, the Company entered into the Entrusted Loan Extension Agreement III with Kunming Development and Chenggong District Rural Credit Cooperative to extend the term of the entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/the Original Entrusted Loan Extension Agreements to 24 June 2026. The Entrusted Loan Extension Transaction III is subject to Shareholders’ approval (please refer to the Company’s announcements and circulars disclosed on the websites of the Stock Exchange and the Company on 24 October 2022, 22 September 2023, 25 October 2023, 15 July 2024, 5 August 2024 and 19 May 2025 for details, respectively);

- (c) On 16 June 2023, the Company entered into the entrusted loan contract with Kunming Anju Group Co., Ltd.* (昆明市安居集團有限公司) (“**Anju Group**”) and Jinma Branch of Kunming Guandu Rural Cooperative Bank* (昆明官渡農村合作銀行金馬支行) (“**Jinma Branch of Guandu Rural Cooperative Bank**”), pursuant to which the Company entrusted Jinma Branch of Guandu Rural Cooperative Bank to provide entrusted loan of RMB80 million to Anju Group with a term of 12 months and an interest rate of 8.5% per annum. On 13 June 2024, the parties entered into the entrusted loan extension agreement for the entrusted loan contract dated 16 June 2023 to extend the term of RMB72 million of the principal amount under the entrusted loan contract to 16 June 2025 (please refer to the Company’s announcements disclosed on the websites of the Stock Exchange and the Company on 16 June 2023 and 13 June 2024 for details, respectively);
- (d) On 20 June 2023, the Company entered into a supplemental agreement to the finance lease agreement dated 24 December 2021 with Industrial Bank Financial Leasing Co., Ltd., to adjust and supplement the finance lease term, interest rate and rental payment arrangement (please refer to the Company’s announcements and circulars disclosed on the websites of the Stock Exchange and the Company on 24 December 2021, 24 February 2022, 20 June 2023 and 24 August 2023 for details);
- (e) On 15 September 2023, the Company, the People’s Government of Malong District, Qujing City, Yunnan Province, Qujing Zefeng Water Co., Ltd.* (曲靖澤豐水務有限公司) and Qujing Zeyuan Water Treatment Co., Ltd.* (曲靖澤源水務有限公司) (formerly known as Qujing Dianchi Water Treatment Co., Ltd.* (曲靖滇池水務有限公司)) entered into the equity transfer agreement, pursuant to which, the Company has conditionally agreed to sell and the People’s Government of Malong District, Qujing City, Yunnan Province and Qujing Zefeng Water Co., Ltd. have conditionally agreed to purchase 100% equity interest in Qujing Zeyuan Water Treatment Co., Ltd. at an estimated consideration of up to RMB151,153,900 (please refer to the Company’s announcement disclosed on the websites of the Stock Exchange and the Company on 15 September 2023 for details);
- (f) On 20 December 2023, the Company (as the transferor), Hunan Zhihong Paper Co., Ltd.* (湖南志鴻紙業有限公司) (as the transferee) and Liuyang Hongyu Thermal Power Co., Ltd.* (瀏陽市宏宇熱電有限公司) (as the target company) entered into the equity transfer agreement, pursuant to which the Company has conditionally agreed to sell and the transferee has conditionally agreed to purchase 100% equity interest in Liuyang Hongyu Thermal Power Co., Ltd., at a consideration comprising the equity transfer price of RMB43.5787 million and the principal amount of the loan of RMB5.02 million provided by the Company to Liuyang Hongyu Thermal Power Co., Ltd. together with interest thereon, of which the interest on the loan shall be determined based on the amount calculated up to the date of actual repayment, and it is estimated that the total consideration will not exceed RMB48.756 million (please refer to the Company’s announcements disclosed on the websites of the Stock Exchange and the Company on 20 December 2023 and 27 December 2023 for details);

- (g) On 29 December 2023, the Company (as the transferor), Sichuan Development Guorun Water Investment Co., Ltd* (四川發展國潤水務投資有限公司) (as the transferee) and three subsidiaries of the Company (the “**Target Companies**”) entered into the equity transfer agreements, respectively, pursuant to which the Company has conditionally agreed to sell and the transferee has conditionally agreed to purchase 80% equity interest in each of the Target Companies (the “**Disposal Interest**”), at a consideration comprising the equity transfer price of the Disposal Interest in the sum of approximately RMB242,762,100 and the interest of approximately RMB2,412,600 in total as agreed to be calculated based on the price to be paid by the transferee in instalments, of which the interest as agreed to be calculated based on the price to be paid by the transferee in instalments shall be subject to the final actual calculated amount, and it is estimated that the total consideration will not exceed RMB245,174,700 (please refer to the Company’s announcement and circular disclosed on the websites of the Stock Exchange and the Company on 29 December 2023 and 7 February 2024 for details);
- (h) On 8 April 2024, the Company, Dianchi International Holdings Limited, a subsidiary of the Company, Dianchi Water (Laos) Wholly-owned Limited Company, a subsidiary of the Company (as the project company) and the Administrative Committee of Bokeo Special Economic Zone in Laos entered into the concession termination agreement. Pursuant to which, the Company and the Administrative Committee of Bokeo Special Economic Zone in Laos agreed to terminate the concession contracts signed by both parties. The Company is entitled to receive, and the Administrative Committee of Bokeo Special Economic Zone in Laos is obliged to pay the corresponding consideration to the Company or the subsidiary designated by the Company in accordance with the relevant provisions of the concession termination agreement, the total consideration was RMB51,141,888.60 (please refer to the Company’s announcement disclosed on the websites of the Stock Exchange and the Company on 8 April 2024 for details);
- (i) On 29 April 2024, the Company entered into the mutual guarantee agreement with Kunming Water Supply Group Co., Ltd. (“**Kunming Water Supply Group**”), pursuant to which the Company and Kunming Water Supply Group agreed to provide guarantees in respect of the liabilities relating to the loans obtained by the other party for a cumulative amount of not more than RMB500 million each, which shall be non-recurring upon full utilization of the amount, and the term of the guarantees to be provided in respect of each loan shall not be more than five years from the date of signing of each loan guarantee agreement. As of the Latest Practicable Date, Kunming Water Supply Group has provided guarantees for the Company’s loans of RMB330.0 million, while the Company has provided guarantees for Kunming Water Supply Group’s loans of approximately RMB100.0 million (please refer to the Company’s announcement and circular disclosed on the websites of the Stock Exchange and the Company on 29 April 2024 and 22 May 2024 for details); and
- (j) On 13 November 2024, the Company entered into the entrusted operation and management framework agreement with Kunming Dianchi Investment, pursuant to which the Group will continue to provide operation and management services to Dianchi Investment Group for a term of three years ending 31 December 2027, including the operation and management services of the wastewater treatment facilities, reclaimed water supply facilities and running water supply facilities (please refer to the announcement and circular of the Company dated 13 November 2024 and 3 December 2024 disclosed on the websites of the Stock Exchange and the Company for details).

8. LITIGATION

The Company was involved in a dispute with Guizhou Construction Group Co., Ltd.* (貴州建工集團有限公司) (“**Guizhou Construction**”) over the settlement of the total consideration of a construction contract, resulting in a lawsuit filed by Guizhou Construction. The court ruled that the Company should pay Guizhou Construction the construction sum of approximately RMB109.5 million and related interest. The Company has filed an appeal against the relevant judgment, and as of the Latest Practicable Date, the court has not yet made a ruling on the appeal (for details, please refer to the Company’s announcement dated 9 October 2024).

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was involved in any litigation or claims of material importance and no litigation or claims of material importance was pending or threatened against any member of the Group.

9. GENERAL

- (a) The Company’s registered office and headquarters in the PRC is located at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC and its principal place of business in Hong Kong is located at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (b) The Company’s H Share Registrar is Tricor Investor Services Limited which is located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The company secretary of the Company is Mr. Chiu Ming King, FCG, FCS.

10. DOCUMENTS FOR INSPECTION

Copies of the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I, the Supplemental Entrusted Loan Extension Agreement I, the Entrusted Loan Extension Agreement II and the Entrusted Loan Extension Agreement III will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.kmcdwt.com>) for a period of 14 days from the date of this circular.

NOTICE OF 2024 ANNUAL GENERAL MEETING



Kunming Dianchi Water Treatment Co., Ltd.

昆明滇池水务股份有限公司

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

(Stock Code: 3768)

NOTICE OF 2024 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 annual general meeting (the “AGM”) of Kunming Dianchi Water Treatment Co., Ltd. (the “Company”) will be held at 2:30 p.m. on Friday, 27 June 2025 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No.7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC, for the following purposes. Unless otherwise specified, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 6 June 2025.

ORDINARY RESOLUTIONS

1. To consider and approve the Report of the Board of Directors of the Company for 2024
2. To consider and approve the Report of the Board of Supervisors of the Company for 2024
3. To consider and approve the audited financial statements of the Company and the independent auditor's report for the year ended 31 December 2024
4. To consider and approve the profit distribution plan of the Company for 2024
5. To consider and approve the re-appointment of Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) as the domestic auditor of the Company for 2025 and Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited) as the international auditor of the Company for 2025 and the authorization to the Board to determine their remunerations
6. To consider and approve the abolition of the Board of Supervisors

NOTICE OF 2024 ANNUAL GENERAL MEETING

7. To consider and approve the extension of the entrusted loan of RMB200 million granted to Kunming Development under the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I, the Supplemental Entrusted Loan Extension Agreement I, the Entrusted Loan Extension Agreement II and the Entrusted Loan Extension Agreement III entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 24 October 2022, 22 September 2023, 15 July 2024 and 19 May 2025, respectively, to 24 June 2026

SPECIAL RESOLUTIONS

8. To consider and approve the repeal of the Rules of Procedures of the Board of Supervisors
9. To consider and approve the proposed amendments to the Articles of Association, the details of which are set out in the circular of the Company dated 6 June 2025
10. To consider and approve the proposed amendments to the Rules of Procedures of the Shareholders' General Meetings, the details of which are set out in the circular of the Company dated 6 June 2025
11. To consider and approve the proposed amendments to the Rules of Procedures of the Board of Directors, the details of which are set out in the circular of the Company dated 6 June 2025
12. To consider and approve the General Mandate to issue Shares

By order of the Board
Kunming Dianchi Water Treatment Co., Ltd.
Zeng Feng
Chairperson

Kunming, the PRC
6 June 2025

NOTICE OF 2024 ANNUAL GENERAL MEETING

Notes:

1. According to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, each of the resolutions set out in the notice of the AGM will be voted by poll. Results of the poll voting will be published on the Company's website at www.kmdcwt.com and the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM.
2. Any Shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's registered office and headquarters in the PRC (for Shareholders of Domestic Shares) or the H Share Registrar of the Company, Tricor Investor Services Limited (for Shareholders of H Shares), at least 24 hours before the AGM (i.e. before 2:30 p.m. on 26 June 2025) or any adjourned meeting thereof. Tricor Investor Services Limited is located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of a proxy form will not preclude a Shareholder from attending and voting at the AGM or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H Shares who are entitled to attend the AGM, the H Share register of members of the Company will be closed from Saturday, 7 June 2025 to Friday, 27 June 2025 (both days inclusive). The holders of H Shares who wish to attend the AGM are required to submit the share certificates together with the transfer documents to the H Share Registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 6 June 2025 for registration. Holders of H Shares whose names appear on the register of members of H Shares of the Company at the close of business on Friday, 6 June 2025 are entitled to attend the AGM. For the purpose of determining the list of holders of Domestic Shares who are entitled to attend the AGM, the Domestic Share register of members of the Company will be closed from Saturday, 7 June 2025 to Friday, 27 June 2025 (both days inclusive). The holders of Domestic Shares who wish to attend the AGM are required to complete the registration procedures for the transfer of Domestic Shares in accordance with the relevant requirements of China Securities Depository and Clearing Corporation Limited before the close of business on Friday, 6 June 2025. Holders of Domestic Shares whose names appear on the register of members of Domestic Shares of the Company at the close of business on Friday, 6 June 2025 are entitled to attend the AGM.
5. In case of joint shareholdings, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The AGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A Shareholder or his proxy should produce proof of identity when attending the AGM.
8. The Company's registered office and headquarters in the PRC is Wastewater Treatment Plant No.7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC.
9. All references to dates and time in this notice are to Hong Kong dates and time.

As of the date of this notice, the Board comprises Mr. Zeng Feng and Mr. Chen Changyong, as executive Directors; Mr. Xu Jingdong, Ms. Cheng Yijing and Mr. Zhang Yang, as non-executive Directors; and Mr. Zha Guiliang, Ms. Zheng Dongyu and Mr. Ong King Keung, as independent non-executive Directors.