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If you have sold or transferred all your shares in **Yankuang Energy Group Company Limited** *, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, or a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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兗礦能源集團股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01171)

- (1) **PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR OFFICERS;**
- (2) **PROPOSAL FOR REAPPOINTMENT OF EXTERNAL AUDITING FIRM FOR THE YEAR 2025;**
- (3) **PROPOSAL FOR THE PROVISION OF FINANCING GUARANTEES TO THE SUBSIDIARIES AND GRANTING OF AUTHORIZATION TO YANCOAL AUSTRALIA AND ITS SUBSIDIARIES TO PROVIDE GUARANTEES FOR THE DAILY OPERATION OF THE SUBSIDIARIES OF THE COMPANY IN AUSTRALIA;**
- (4) **PROPOSAL TO AUTHORIZE THE COMPANY TO CARRY OUT DOMESTIC AND OVERSEAS FINANCING BUSINESSES;**
- (5) **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RELEVANT RULES OF PROCEDURES;**
- (6) **PROPOSAL FOR THE GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE H SHARES; AND**
- (7) **PROPOSED APPOINTMENT OF NON-INDEPENDENT DIRECTOR AND INDEPENDENT DIRECTOR**

The notice convening the AGM to be held at the headquarters of the Company at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m. on Friday, 30 May 2025 was published on 28 April 2025.

Whether or not you are able to attend the meeting in person, you are strongly advised to complete and sign the form of proxy in accordance with the instructions printed thereon. The form of proxy shall be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Office of the Secretary to the Board at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC (for holders of A Shares) as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

For the avoidance of doubt, holders of any treasury Shares shall abstain from voting at the AGM in respect of any treasury Shares held by them, if any.

* For identification purposes only

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DEFINITIONS

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

“AGM”	the 2024 annual general meeting of the Company to be held at the headquarters of the Company, 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m. on Friday, 30 May 2025;
“Articles of Association”	the articles of association of the Company;
“A Shareholders”	holders of A Shares;
“A Share(s)”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“AUD”	Australian dollars, the lawful currency of Australia;
“Board”	the board of Directors of the Company;
“Company”	Yankuang Energy Group Company Limited* (兗礦能源集團股份有限公司), a joint stock limited company established under the laws of PRC in 1997, and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (01171.HK) and the Shanghai Stock Exchange (600188.SH), respectively;
“Company Law”	Company Law of the People’s Republic of China, as revised from time to time;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“H Shareholders”	holders of H Shares;
“H Share(s)”	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Latest Practicable Date”	23 April 2025, being the latest practicable date of ascertaining certain information contained in this circular before the issuing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“PRC”	the People’s Republic of China;
“Record Date”	Tuesday, 17 June 2025, being the record date for determining the Shareholders’ entitlements to 2024 cash dividend;
“Relevant Rules of Procedures”	the Rules of Procedures for Shareholders’ General Meeting and the Rules of Procedures of the Board;
“Repurchase Mandate”	subject to the conditions set out in each of the proposed special resolution approving the Repurchase Mandate at the AGM, the general mandate given to the Board to exercise the power to repurchase H Shares not exceeding 10% of the aggregate nominal value of H Shares of the Company in issue (excluding any treasury Shares) as at the date of the passing of the resolution;
“RMB”	Renminbi, the lawful currency of the PRC;
“SAFE”	the State Administration of Foreign Exchange of the People’s Republic of China;
“Shandong Energy”	Shandong Energy Group Company Limited* (山東能源集團有限公司), a state-controlled limited liability company which is ultimately owned as to 70%, 20%, and 10% by Shandong Provincial People’s Government State-owned Assets Supervision and Administration Commission* (山東省人民政府國有資產監督管理委員會), Shandong Guohui Investment Holding Group Co., Ltd.* (山東國惠投資控股集團有限公司) and Shandong Caixin Assets Operation Co., Ltd.* (山東省財欣資產運營有限公司), respectively; and the controlling Shareholder of the Company holding directly and indirectly approximately 52.83% of the total issued share capital of the Company as at the Latest Practicable Date;
“Shareholders”	the shareholders of the Company;
“Share(s)”	the ordinary share(s) of the Company;
“Supervisor(s)”	the supervisor(s) of the Company;

DEFINITIONS

“Supervisory Committee”	the supervisory committee of the Company;
“treasury Shares”	has the meaning ascribed thereto under the Listing Rules;
“Yancoal Australia”	Yancoal Australia Limited, a controlled overseas subsidiary of the Company, the shares of which are listed on the Australian Stock Exchange (Stock Code: YAL) and the Hong Kong Stock Exchange (Stock Code: 03668);
“%”	per cent.

* *For identification purposes only*

LETTER FROM THE BOARD



兗礦能源集團股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED*

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

(Stock Code: 01171)

Directors:

Li Wei
Liu Jian
Liu Qiang
Zhang Haijun
Su Li
Huang Xiaolong

Independent non-executive Directors:

Peng Suping
Zhu Limin
Woo Kar Tung, Raymond
Zhu Rui

Registered office:

949 South Fushan Road
Zoucheng
Shandong Province
PRC
Postal Code: 273500

Principal place of

business in Hong Kong:
40th Floor, Sunlight Tower
248 Queen's Road East
Wanchai
Hong Kong

28 April 2025

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR OFFICERS;**
- (2) PROPOSAL FOR REAPPOINTMENT OF EXTERNAL AUDITING FIRM FOR THE YEAR 2025;**
- (3) PROPOSAL FOR THE PROVISION OF FINANCING GUARANTEES TO THE SUBSIDIARIES AND GRANTING OF AUTHORIZATION TO YANCOAL AUSTRALIA AND ITS SUBSIDIARIES TO PROVIDE GUARANTEES FOR THE DAILY OPERATION OF THE SUBSIDIARIES OF THE COMPANY IN AUSTRALIA;**
- (4) PROPOSAL TO AUTHORIZE THE COMPANY TO CARRY OUT DOMESTIC AND OVERSEAS FINANCING BUSINESSES;**
- (5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RELEVANT RULES OF PROCEDURES;**
- (6) PROPOSAL FOR THE GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE H SHARES; AND**
- (7) PROPOSED APPOINTMENT OF NON-INDEPENDENT DIRECTOR AND INDEPENDENT DIRECTOR**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with information relating to (1) the proposed renewal of liability insurance for Directors, Supervisors and senior officers of the Company; (2) the proposal for reappointment of external auditing firm for the year 2025; (3) the proposal for the provision of financing guarantees to the Subsidiaries and granting of authorization to Yancoal Australia and its subsidiaries to provide guarantees for the daily operation of the subsidiaries of the Company in Australia; (4) the proposal to authorize the Company to carry out domestic and overseas financing businesses; (5) the proposed amendments to the Articles of Association and Relevant Rules of Procedures; (6) the proposal for the general mandates to issue Shares and repurchase H Shares; and (7) the proposed appointment of non-independent Director and independent Director.

II. PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR OFFICERS

It is proposed that the Company will renew the liability insurance for the Directors, Supervisors and senior officers of the Company for a maximum insured amount of USD15 million.

III. PROPOSAL FOR REAPPOINTMENT OF EXTERNAL AUDITING FIRM FOR THE YEAR 2025

It is proposed that Baker Tilly China Certified Public Accountants LLP and Baker Tilly Hong Kong Limited be reappointed as the Company's domestic and overseas auditors for the year 2025, respectively, responsible for the audit and review of the Company's financial statements and assessment of the internal control audits, with a term of office commencing from the date of conclusion of the AGM at which this proposal is considered until the date of conclusion of the next annual general meeting of the Company, and arrangements in respect of their remuneration be approved.

It is proposed that the remuneration to be paid to the auditors in 2025 is as follows:

- 1) the audit service fees for the domestic and overseas businesses will be RMB8.4 million (including the audit fee of RMB6.2 million for the annual reports and the audit fee of RMB2.2 million for internal control) for the year 2025; and
- 2) to authorize the Board to decide the payment for increased follow-up auditing, internal control audit and other services resulted from the Company's new subsidiaries or changes of regulations.

LETTER FROM THE BOARD

IV. PROPOSAL FOR THE PROVISION OF FINANCING GUARANTEES TO THE SUBSIDIARIES AND GRANTING OF AUTHORIZATION TO YANCOAL AUSTRALIA AND ITS SUBSIDIARIES TO PROVIDE GUARANTEES FOR THE DAILY OPERATION OF THE SUBSIDIARIES OF THE COMPANY IN AUSTRALIA

The Board proposed:

- 1) in order to reduce financing costs of the Subsidiaries and ensure the normal operation funding needs of which can be satisfied, to approve the provision of financing guarantee(s) of an aggregate amount not exceeding the equivalent of US\$4 billion by the Company to its controlled subsidiaries and invested companies (the “Subsidiaries”);
- 2) in order to satisfy the requirements of daily operations of the Company’s subsidiaries in Australia and further reduce the operating cost, in accordance with the Australian Corporate Law and relevant laws and regulations, to approve the provision of guarantees by Yancoal Australia and its subsidiaries for an amount not exceeding AUD1.5 billion to the subsidiaries of the Company in Australia for their daily operations;
- 3) to approve and authorize any one of the Directors to deal with matters in relation to the aforesaid financing guarantees in accordance with the relevant laws, regulations and rules, such matters include but are not limited to the following:
 - (1) to determine the appropriate controlled subsidiaries which will be provided with the guarantees based on their financing needs;
 - (2) to determine the exact terms and conditions of the guarantee agreements, which include but are not limited to the amount, term, scope and method of guarantee; and to execute the guarantee agreement(s) involved and other relevant legal documents; and
 - (3) to deal with the filing and reporting of documents in respect of the guarantee(s) and other relevant matters.
- 4) that the aforementioned authorization shall become valid from the date of conclusion of the AGM at which this resolution is considered until the date on which the next annual general meeting of the Company is concluded, except where the circumstances require the person(s) so authorized to exercise his powers after the expiry of the term of authorization in relation to any contracts, agreements or decisions regarding the financing guarantees that have been made within the term of authorization.

LETTER FROM THE BOARD

V. PROPOSAL TO AUTHORIZE THE COMPANY TO CARRY OUT DOMESTIC AND OVERSEAS FINANCING BUSINESSES

In order to optimise the Company's debt structure, and satisfy the capital demands of the Company's daily operations, projects and external investment, subject to the relevant laws, regulations as well as listing rules in places where the Company's securities are listed, the Board proposed:

- 1) to approve the Company or its controlled subsidiaries to carry out financing businesses of aggregate amount not exceeding the equivalent of RMB80 billion and to determine the financing currency and methods based on merits of market conditions, which includes the following financing methods: bank loans, corporate bonds and other financing methods that comply with regulatory requirements.

When the financing businesses are to be implemented, the necessary approval procedures and information disclosure obligations shall be performed in accordance with the relevant regulations of the places where the Company is listed.

- 2) to authorize any one of the Directors to deal with all matters in respect of the abovementioned financing businesses in accordance with the relevant laws and regulations, which include but are not limited to the followings:
 - (1) in light of the Company's situation and the market conditions, and according to the relevant laws, rules and the requirements of regulatory authorities, to formulate and adjust specific plan in relation to such financing businesses, including but not limited to the determination of the suitable entity to carry out the financing businesses, the amounts, methods, terms and other matters related to financing businesses;
 - (2) to determine the engagement of intermediaries and to sign and implement all agreements and documents in respect of the financing businesses and disclose the relevant information; and
 - (3) to deal with the reporting, registration, approval of the materials in respect of the financing businesses provided to the domestic and overseas regulatory authorities and other relevant authorities, and other relevant matters.
- 3) the aforementioned authorization shall become valid after the date of conclusion of the AGM at which this proposal is considered until the date of conclusion of the next annual general meeting of the Company, except where the circumstances require the person(s) so authorized to exercise his powers after the expiry of the term of authorization in relation to any contracts, agreements or decisions regarding the financing businesses that have been made within the term of authorization.

LETTER FROM THE BOARD

VI. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RELEVANT RULES OF PROCEDURES

The sixteenth meeting of the ninth session of the Board considered and approved the Resolution in Relation to the Amendments to the Articles of Association and Relevant Rules of Procedures. The Board agreed to submit the same to the AGM for discussion and consideration.

As disclosed in the announcement of the Company dated 25 April 2025, in accordance with the new Company Law (officially implemented in July 2024), the “Guidelines for the Articles of Association of Listed Companies” and the “Rules for the Shareholders’ Meetings of Listed Companies” of the China Securities Regulatory Commission, and other laws and regulations as well as the regulatory rules of the listing place, the Company proposed to amend the relevant provisions of the Articles of Association, and amendment to the relevant contents of the Relevant Rules of Procedures accordingly, as well as abolish the “Rules of Procedure of the Supervisory Committee of Yankuang Energy Group Company Limited” (**“Rules of Procedure of the Supervisory Committee”**), so as to further improve the corporate governance structure, strengthen the protection of Shareholders’ rights and interests, and improve the rights and responsibilities of the controlling Shareholder and the actual controller.

In accordance with the amendment to the Articles of Association, the Company intends to accordingly abolish the Supervisory Committee, and the current positions of Supervisors of the Company will be automatically terminated.

Details of the proposed amendments to the Articles of Association and Relevant Rules of Procedures are set out in Appendix II to this circular.

VII. PROPOSAL FOR THE GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE H SHARES

To ensure flexibility and to grant discretion to the Board to issue Shares, the Company will put forward a special resolution at the AGM to grant a general mandate to the Board to allot, issue and deal with Shares (including any sale or transfer of any treasury Shares) of up to a maximum of 20% of the number of issued Shares of the Company in issue (excluding any treasury Shares) as at the date of passing of the resolution.

The mandate to issue Shares would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution at the AGM; or (b) the date on which the authority conferred by the relevant resolutions is revoked or varied by a special resolution of the Shareholders at a general meeting.

LETTER FROM THE BOARD

To ensure flexibility and to grant discretion to the Board to repurchase any H Shares under appropriate circumstances (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), the Company will put forward a special resolution at the AGM, respectively, to grant the Repurchase Mandate to the Board to repurchase H Shares not exceeding 10% of the aggregate nominal value of H Shares of the Company in issue (excluding any treasury Shares) as at the date of passing of the resolution approving the Repurchase Mandate, and to approve the Board to authorize any one of the Directors to act on behalf of the Board to make timely decision about the specific matters of the repurchase of H Shares after the Board has been granted the general mandate to repurchase up to 10% of the total issued H Shares (excluding any treasury Shares), and carries out the relevant approval and disclosure procedures (if applicable), including but not limited to, determinate the timing, quantity and price of the repurchase and open overseas securities account and carry out the corresponding change of foreign exchange registration procedures, inform creditors and make public announcement, sell or transfer any treasury Shares, cancel the Shares repurchased, decrease the registered capital, amend the Articles of Association, and carry out the corresponding change of registration procedures and execute and handle other documents and matters related to the repurchase.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for (a) reducing its share capital; (b) a merger with another entity that holds the shares of the Company; (c) granting shares for the employee stock ownership plan or share incentive; (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with merger or division of the company; (e) the repurchased shares are used for the corporate bonds convertible into shares of the listed company; or (f) the repurchase is necessary for maintaining the value of the listed company and the interests of its shareholders. The Articles of Association provide that, subject to obtaining the approval of the relevant regulatory authorities and complying with the Articles of Association, share repurchase may be effected by the Company for the reduction of its share capital, a merger between itself and another entity that holds its shares, use of the Shares for the employee stock ownership plan or share incentive, the request of its shareholders who disagree with shareholders' resolutions in connection with merger or division of the company, the conversion of convertible corporate bonds issued by the listed company, maintenance of the value of the company and the interests of its shareholders, or in circumstances permitted by law or administrative regulations.

The Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the board of directors to repurchase H shares of such company that is listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders at the AGM.

As the H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company for any repurchase of H Shares will, therefore, be paid in Hong Kong dollars, the approvals of SAFE and other relevant government authorities are required for any repurchase of H Shares.

LETTER FROM THE BOARD

In accordance with the requirements of the Articles of Association applicable to capital reduction, prior to exercising the Repurchase Mandate, the Company will have to notify its creditors in writing of the passing of such special resolutions and the possible reduction of the registered capital of the Company. The Company shall notify its creditors within 10 days after the passing of such special resolutions and also by way of publication of announcement in newspaper within 30 days after the passing of such special resolutions. Creditors then have a period of up to 30 days after the Company's written notification or if no such notification has been received, up to 45 days after the publication of the newspaper announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

The Repurchase Mandate will be conditional upon (a) the special resolution for the grant of the Repurchase Mandate being approved at the AGM; (b) the approvals of the SAFE and/or any other regulatory authorities (if applicable) as required by the laws, rules and regulations of the PRC being obtained; and (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the provisions of the Articles of Association. If the Company determines to repay any amount to any of its creditors in circumstances described under condition (d) above, it expects to do so out of its internal resources. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercised by the Board.

The Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolutions at the AGM; or (b) the date on which the authority conferred by the relevant resolutions is revoked or varied by a special resolution of the Shareholders at a general meeting.

The total number of H Shares which may be repurchased pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue (excluding any treasury Shares) as at the date of passing of the resolution approving the Repurchase Mandate.

Details of the special resolutions to be proposed at the AGM in relation to the granting of the Repurchase Mandate to the Board are set out respectively in the notice of the AGM.

Explanatory Statement

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Board the Repurchase Mandate.

LETTER FROM THE BOARD

VIII. PROPOSED APPOINTMENT OF NON-INDEPENDENT DIRECTOR AND INDEPENDENT DIRECTOR

Reference is made to the announcement of the Company dated 24 February 2025. The Board convened the thirteenth meeting of the ninth session of the Board on 24 February 2025, during which the proposal of the nomination of the Director of the ninth session of the Board of the Company was considered and approved, and the Board resolved to nominate Mr. Wang Jiuhong (“**Mr. Wang**”) as the non-independent Director of the ninth session of the Board of the Company, with the term of his service commencing from the date of the passing of the relevant resolution at the general meeting of the Company until the ending date of the term of the ninth session of the Board of the Company. The ordinary resolution approving Mr. Wang to be appointed is proposed at the AGM, with his appointment subject to the approval by the Shareholders of the Company at the AGM.

The biographical details of Mr. Wang are as follows:

Wang Jiuhong, born in June 1976, a professorate senior engineer with a bachelor’s degree in engineering, is the Party secretary of the CPC Committee and the general manager of the Company. Mr. Wang was appointed as chief engineer of Nantun Coal Mine of the Company in September 2014, secretary to the Party Branch and the general manager of Anyuan Coal Mine of Yanzhou Coal Ordos Neng Hua Co., Ltd. in December 2016, and the deputy director of the production technology department and the deputy director of ventilation and disasters prevention department of the Company in October 2017. He was appointed as secretary to the Party Branch, the executive director and the general manager of Ordos Zhuanlongwan Coal Co., Ltd. in September 2018, the vice general manager of Yanzhou Coal Ordos Neng Hua Co., Ltd. and the secretary to the Party Branch, director and the general manager of Inner Mongolia Haosheng Coal Mining Company Limited in December 2020. In November 2021, Mr. Wang took positions as the Party secretary and the general manager of Yanzhou Coal Ordos Neng Hua Co., Ltd., and the chairman of the board of directors of Inner Mongolia Haosheng Coal Mining Company Limited. In June 2022, he became the director of Inner Mongolia Haosheng Coal Mining Company Limited. In October 2022, he became the vice general manager of the Company and took positions as the Party secretary, the chairman of the board of directors and the general manager of Yankuang Energy (Ordos) Company Limited and served as the Party secretary and the chairman of the board of directors of Inner Mongolia Mining (Group) Co., Ltd. In December 2022, he was appointed as a member of the CPC Committee of the Company. In May 2023, he started to serve as the Party secretary and the chairman of the board of directors of Yankuang Energy (Ordos) Company Limited. In November 2024, he was appointed as the Party secretary of the CPC Committee and the general manager of the Company. In February 2025, he was appointed as the non-executive director of Yancoal Australia Limited. Mr. Wang graduated from Hebei University of Engineering (河北建築科技學院).

As at the Latest Practicable Date, Mr. Wang is interested in 235,560 A Shares of the Company (representing approximately 0.0023% of the entire issued share capital of the Company as at the Latest Practicable Date) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

LETTER FROM THE BOARD

As at the Latest Practicable Date, saved as disclosed above, Mr. Wang confirms: (i) he has not held any directorships in any public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas in the past three years, nor held any other major appointment and professional qualification; (ii) he does not hold any other position with the Company or its subsidiaries; (iii) he does not hold any interests in the Shares or securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) he does not have any other relationship with other current Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, saved as disclosed above, there are no other matters in relation to the appointment of Mr. Wang as the non-independent Director of the Company that need to be brought to the attention of the Shareholders of the Company nor is there any other information required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Conditional on the approval by the Shareholders of the Company for the appointment of Mr. Wang as the Director taking effect, the Company shall enter into a service contract of director with Mr. Wang. The remuneration of Mr. Wang as the non-independent Director of the Company shall be determined at the general meeting of the Company with reference to his duties, responsibilities, experience and the prevailing market conditions. For details of his remuneration, please refer to the annual report to be published by the Company in due course. The remunerations of Mr. Wang for holding other positions of the Company are determined by the remuneration policies of the Company.

Reference is made to the announcement of the Company dated 25 April 2025. The Board convened the sixteenth meeting of the ninth session of the Board on 25 April 2025, during which the proposal of the nomination of the director of the ninth session of the Board of the Company was considered and approved and the Board resolved to nominate Mr. Gao Jingxiang (“**Mr. Gao**”) as the independent non-executive director of the ninth session of the Board of the Company, with the term of his service commencing from the date of the passing of the relevant resolution at the AGM until the ending date of the term of the ninth session of the Board of the Company. The ordinary resolution approving Mr. Gao to be appointed shall be proposed at the AGM, with his appointment subject to the approval by the Shareholders of the Company at the AGM.

The biographical details of Mr. Gao are as follows:

Gao Jingxiang, aged 65, holds a doctoral degree in engineering and is a doctoral supervisor entitled to the special government allowance granted by the State Council. Mr. Gao focuses his studies on mine surveying and intelligent mapping. Mr. Gao was the deputy director of the Mining Department, the Party Secretary of the School of Environment and Spatial Informatics, the head of Academic Department, and the executive vice president of the Graduate School at China University of Mining and Technology. Mr. Gao is currently the deputy director of the Academic Committee, the director of Teaching Advisory Board and the Undergraduate Teaching Consultant of China University of Mining and Technology, a member of International Society for Mine Surveying (ISM) – Commission 1, a member of the Engineering Competency Assessment Committee of the Chinese Society of Engineers

LETTER FROM THE BOARD

(undertaking the tasks of the international accreditation of engineers), a member of the Higher Education Surveying and Mapping Teaching Advisory Board, Ministry of Education, a member of the Surveying, Mapping and Geoinformation Accreditation Commission of China Engineering Education Accreditation Association, and the executive director of the National Higher Education Teaching Research Association. Mr. Gao graduated from China University of Mining and Technology.

As at the Latest Practicable Date, saved as disclosed above, Mr. Gao confirms that: (i) he has not held any directorships in any public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas in the past three years, nor held any other major appointment and professional qualification; (ii) he does not hold any other position with the Company or its subsidiaries; (iii) he does not hold any interests in the Shares or securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) he does not have any other relationship with other current Directors, senior management or substantial or controlling Shareholders of the Company.

Conditional on the approval by the Shareholders of the Company for the appointment of Mr. Gao as the Director taking effect, the Company shall enter into a service contract of director with Mr. Gao. The remuneration of Mr. Gao as the independent non-executive Director of the Company shall be determined at the general meeting of the Company with reference to his duties, responsibilities, experience and the prevailing market conditions. For details of his remuneration, please refer to the annual reports to be published by the Company in due course.

As at the Latest Practicable Date, saved as disclosed above, there are no other matters in relation to the appointment of Mr. Gao as the independent non-executive Director of the Company that need to be brought to the attention of the Shareholders of the Company nor is there any other information required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Gao has confirmed that he has satisfied the requirements pursuant to Rule 3.13 of the Listing Rules in relation to independence. The Company is of the view that according to all rules in relation to independence pursuant to the Listing Rules, Mr. Gao is an independent person.

IX. AGM

The notice convening the AGM were published on 28 April 2025.

The following resolutions will be proposed to the Shareholders at the AGM:

As ordinary resolutions:

1. To consider and approve the working report of the Board for the year ended 31 December 2024, details of which are set out in the section headed “Board of Directors’ Report” in the 2024 annual report of the Company;

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2. To consider and approve the working report of the Supervisory Committee for the year ended 31 December 2024;
3. To consider and approve the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2024, details of which are set out in the 2024 annual report of the Company;
4. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2024 and to authorize the Board to distribute a cash dividend of RMB0.54 (tax inclusive) per Share for the year 2024 based on the number of Shares on the Record Date;
5. To consider and approve the renewal of the liability insurance of the Directors, Supervisors and senior officers;
6. To consider and approve the remuneration of the Directors and Supervisors for the year ending 31 December 2025;
7. To consider and approve the reappointment and remuneration of external auditing firm for the year 2025;
8. To consider and approve the appointment of Mr. Wang JiuHong as a non-independent Director of the Company; and
9. To consider and approve the appointment of Mr. Gao Jingxiang as an independent Director of the Company.

As special resolutions:

1. To consider and approve the proposal in relation to the provision of financing guarantee(s) to the Subsidiaries and the granting of authorization to Yancoal Australia Limited and its subsidiaries to provide guarantee(s) in relation to daily operations to the subsidiaries of the Company in Australia;
2. To consider and approve the proposal to authorize the Company to carry out domestic and overseas financing businesses;
3. To consider and approve the amendments to the Articles of Association of Yankuang Energy Group Company Limited* and the Relevant Rules of Procedures;
4. To consider and approve the proposal in relation to the general mandate authorizing the Board to issue additional Shares; and
5. To consider and approve the proposal in relation to the general mandate authorizing the Board to repurchase H Shares.

LETTER FROM THE BOARD

Whether or not you are able to attend the general meeting in person, you are strongly advised to complete and sign the form of proxy dated 28 April 2025 in accordance with the instructions printed thereon. For holders of H Shares of the Company, the proxy form shall be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. For holders of A Shares of the Company, the proxy form shall be lodged at the Office of the Secretary to the Board at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish. For the avoidance of doubt, holders of any treasury Shares shall abstain from voting at the AGM in respect of any treasury Shares held by them, if any.

X. CLOSURE OF H SHARE REGISTER OF MEMBERS OF THE COMPANY

1. Attending the AGM

The H Share register of members of the Company will be closed from Wednesday, 21 May 2025 to Friday, 30 May 2025 (both days inclusive) (the record date is Friday, 30 May 2025), during which period no transfer of the Company's H Shares will be registered for the purpose of ascertaining the eligibility of Shareholders to attend the AGM. In order to attend the AGM, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 20 May 2025 for registration. H Shareholders whose names appear on the H Share register of members of the Company maintained by Computershare Hong Kong Investor Services Limited at the close of business on Friday, 30 May 2025 will be eligible to attend the AGM.

2. Receipt of final dividend

The Company will put forward an ordinary resolution at the AGM to approve the distribution of a final cash dividend of RMB0.54 (tax inclusive) per Share for the year 2024 based on the number of Shares on the Record Date. The final cash dividend for the year 2024 is expected to be paid on Friday, 11 July 2025.

To determine the identity of the Shareholders entitled to receive the final dividend, the Company's H Share register of members will be closed from Monday, 9 June 2025 to Tuesday, 17 June 2025 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be entitled to the final dividend, H Shareholders who have not registered the transfer documents are required to deposit the transfer documents together with the relevant Share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 6 June 2025.

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XI. RECOMMENDATION OF THE BOARD

The Directors believe that the resolutions set out in the notice of the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the AGM.

XII. ADDITIONAL INFORMATION

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

XIII. RESPONSIBILITY STATEMENT

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

By order of the Board of Directors
Yankuang Energy Group Company Limited*
Li Wei
Chairman

This explanatory statement contains all the information required to be given to the Shareholders pursuant to Rule 10.06(1)(b) of the Listing Rules in connection with the proposed Repurchase Mandate, which is set out as follows:

1. Listing Rules

The Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their securities subject to certain restrictions. Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the applicable laws of the jurisdiction in which the company is incorporated or otherwise established. Any repurchase must be made out of funds which are legally available for the purpose and in accordance with the laws of the PRC and the memorandum and articles of association of the company. Any premium payable on a repurchase over the par value of the shares may be effected out of funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purchase of repurchase.

2. Reasons for Repurchase of H Shares

The Board believes that the flexibility afforded by the Repurchase Mandate to repurchase H Shares would be beneficial to and in the best interests of the Company and its Shareholders. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net asset value and/or its earnings per Share and will only be made when the Board believes that such a repurchase will benefit the Company and its Shareholders.

3. Registered Capital

As at the Latest Practicable Date, the registered capital of the Company as filed in the relevant company registration agency of the PRC was RMB10,039,860,402 comprising 4,075,500,000 H Shares of RMB1.00 each and 5,964,360,402 A Shares of RMB1.00 each. As at the Latest Practicable Date, the Company has 5,964,360,402 A Shares and 4,075,500,000 H Shares.

4. Exercise of the Repurchase Mandate

Subject to the passing of the special resolution approving the granting of the Repurchase Mandate to the Board at the AGM respectively, the Board will be granted the Repurchase Mandate until the end of the Relevant Period (as defined in the special resolutions in the notice of the AGM). The exercise of the Repurchase Mandate is subject to: (1) the approvals of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained; and (2) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the provisions of the Articles of Association applicable to reduction of share capital.

The exercise in full of the Repurchase Mandate (on the basis of 4,075,500,000 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM) would result in a maximum of 407,550,000 H Shares being repurchased by the Company during the Relevant Period, being the maximum of 10% of the total H Shares in issue (excluding any treasury Shares) as at the date of passing the relevant resolutions.

5. Funding of Repurchases

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and undistributed profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to purchase its H Shares. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose, or from sums standing to the credit of the share premium account of the Company. The Company may not purchase securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

Based on the financial position disclosed in the recently published audited accounts for the year ended 31 December 2024, the Board considers that there will not be any material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Board at the relevant time having regard to the circumstances then prevailing and in the best interests of the Company.

6. Status of Repurchased H Shares

The Company may cancel such repurchased Shares or hold them as treasury Shares. The listing of all Shares which are held as treasury Shares shall be retained. The listing of all H Shares which are purchased by the Company but not held as treasury Shares shall be automatically cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company for the purpose of reducing registered capital will be cancelled within 10 days after the repurchase date; the H Shares repurchased by the Company for the purpose of protecting the value of the Company and the interests of the Shareholders will be cancelled or transferred within three years. The Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

7. H Shares Prices

The highest and lowest closing prices at which the H Shares have been traded on the Hong Kong Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

H Share Prices		
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2024		
April	13.918	12.201
May	15.103	12.824
June	14.662	11.020
July	11.580	9.650
August	10.280	9.410
September	10.980	8.900
October	11.880	10.120
November	10.460	8.930
December	9.510	8.590
2025		
January	8.820	7.870
February	8.300	7.710
March	8.840	8.060
April (up to the Latest Practicable Date)	7.340	8.360

8. Substantial Shareholders

As at the Latest Practicable Date, the interests of substantial Shareholder of the Company which was interested in more than 10% of the issued Shares were as follows:

Name	Class of shares	Capacity	Nature of interests	Number of ordinary shares held in the Company	Percentage of total issued share capital of the Company ^(b)
Shandong Energy	A Shares (state legal person share)	Beneficial owner	Long position	4,395,142,871	43.78%
			Short position	209,803,279	2.09%
Shandong Energy ^(a)	H Shares	Interest of controlled corporation	Long position	908,756,550	9.05%
			Short position	282,697,893	2.82%
Total				5,303,899,421	52.83%

Notes:

- (a) Shandong Energy's controlled subsidiary incorporated in Hong Kong holds such H Shares in the capacity of beneficial owner.
- (b) The figures of the percentage ratios are rounded to the nearest two decimal places.

9. General Information

- (a) None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their close associates, have any present intention to sell any H Shares to the Company or any of its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.
- (b) The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase the H Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the PRC.
- (c) No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell H Shares to the Company or its subsidiaries, or has undertaken not to do so, if the Repurchase Mandate is granted and is exercised.
- (d) Neither the explanatory statement nor the proposed share repurchase has any unusual features.

10. Takeovers Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

Assuming that the substantial Shareholders do not dispose of their Shares, if the Repurchase Mandate was exercised in full and all Shares repurchased were cancelled, the percentage shareholdings of the substantial Shareholders before and after such repurchase would be as follows:

Substantial Shareholder	Before repurchase	After repurchase
Shandong Energy	52.83%	55.06%

On the basis of the shareholdings held by the substantial Shareholder named above, an exercise of the Repurchase Mandate in full will not have any implications for the substantial Shareholders under the Takeovers Code.

The Company was informed by Shandong Energy that Shandong Energy and its wholly-owned subsidiary (Yankuang Group (Cayman) Limited) had issued exchangeable corporate bonds that are exchangeable into A Shares/H Shares of the Company, which may result in a decline of Shandong Energy's percentage shareholdings in the Company. For detailed information about the exchangeable corporate bonds issued by Shandong Energy, please refer to the relevant announcements of the Company dated 8 April 2022, 14 April 2022, 22 April 2022, 25 September 2024 and 3 October 2024.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Hong Kong Stock Exchange.

The Directors have no intention to exercise the Repurchase Mandate to an extent which may result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

Save as disclosed above, the Directors are not aware of any consequences that may arise under the Takeovers Code and/or any relevant law of which the Directors are aware, if any, as a result of any share repurchases made.

11. Share Repurchases Made by the Company

During the six months period preceding the Latest Practicable Date, the Company did not repurchase any H Shares (whether on the Hong Kong Stock Exchange or otherwise).

As disclosed in the announcement of the Company dated 25 April 2025, in accordance with the new Company Law (officially implemented in July 2024), the “Guidelines for the Articles of Association of Listed Companies” and the “Rules for the Shareholders’ Meetings of Listed Companies” of the China Securities Regulatory Commission, and other laws and regulations as well as the regulatory rules of the listing place, the Company proposed to amend the relevant provisions of the Articles of Association, and amendment to the relevant contents of the Relevant Rules of Procedures accordingly, as well as abolish the Rules of Procedure of the Supervisory Committee, so as to further improve the corporate governance structure, strengthen the protection of Shareholders’ rights and interests, and improve the rights and responsibilities of the controlling Shareholder and the actual controller. The specific proposed amendments are as follows:

I. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original	Amendments
CHAPTER 1 GENERAL PROVISIONS	
Article 1 These Articles of Association are drawn up in accordance with the “Company Law of the People’s Republic of China” (the “Company Law”), the “Securities Law of the People’s Republic of China” (“Securities Law”), and other relevant laws and regulations with the aims of protecting the legitimate interests of Yankuang Energy Group Company Limited (the “Company”) and its shareholders and creditors, and regulating the organization and conducts of the Company.	Article 1 These Articles of Association are drawn up in accordance with the “Company Law of the People’s Republic of China” (the “Company Law”), the “Securities Law of the People’s Republic of China” (“Securities Law”), and other relevant laws and regulations with the aims of protecting the legitimate interests of Yankuang Energy Group Company Limited (the “Company”) and its shareholders, <u>employees</u> and creditors, and regulating the organization and conducts of the Company.
—	Article 3 <u>With the approval of the former Securities Commission of the State Council (Zheng Wei Fa [1997] No. 61), the issuer issued 820,000,000 H shares to Hong Kong and international investors and over-allotted 600,000 American Depositary Receipts (equivalent to 30,000,000 H shares), which were listed on the Hong Kong Stock Exchange on 1 April 1998 and the New York Stock Exchange on 31 March 1998, respectively. With the approval of the Department of Policies and Regulations of the former Ministry of Coal Industry (Mei Zheng Han Zi [1997] No. 4) and the China Securities Regulatory Commission (Zheng Jian Fa Zi [1998] No. 79), the issuer issued 80,000,000 RMB ordinary shares (including 8,000,000 employee shares of the Company) to the public on 8 June 1998, which were listed on the Shanghai Stock Exchange on 1 July 1998.</u>

Original	Amendments
Article 5 The Company' s legal representative is the Chairman of the board of directors of the Company.	Article 6 The Company' s legal representative is the Chairman of the board of directors of the Company. <u>If the legal representative resigns as the Chairman of the board of directors, he/she shall be deemed to have resigned as the legal representative at the same time.</u> <u>If the legal representative has resigned, the Company shall appoint a new legal representative within a reasonable period of time from the date of the legal representative's resignation.</u> Article 7 <u>The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.</u> <u>Restrictions imposed on the powers of the legal representative by these Articles of Association or by shareholders' meetings shall not be invoked against a bona fide counterparty.</u> <u>If the legal representative causes damage to others while performing his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming the civil liability, seek compensation from the legal representative at fault in accordance with laws or these Articles of Association.</u>
Article 8 All assets of the Company are divided into shares of equal value. The shareholders are liable for the Company up to the amount of shares they subscribed and all the Company' s assets are made liable for its debts.	Article 10 All assets of the Company are divided into shares of equal value. The shareholders are liable for the Company up to the amount of shares they subscribed and all the Company' s <u>properties</u> are made liable for its debts.

Original	Amendments
Article 7 From the date on which these Articles of Association come into effect, this Articles of Association shall 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, which are legally binding on the Company and its shareholders, directors, supervisors, and senior management of the Company. A shareholder may take action against another shareholder, the directors, supervisors, general manager, vice general managers and other senior management of the Company pursuant to these Articles of Association. A shareholder may take action against the Company pursuant to these Articles of Association and vice versa. The Company is also entitled to file law suits against the shareholders, directors, supervisors, general managers, vice general managers and other senior management.	Article 11 From the date on which these Articles of Association come into effect, this Articles of Association shall 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, which are legally binding on the Company and its shareholders, directors, and senior management of the Company. A shareholder may take action against another shareholder, the directors, general manager, vice general managers and other senior management of the Company pursuant to these Articles of Association. A shareholder may take action against the Company pursuant to these Articles of Association and vice versa. The Company is also entitled to file law suits against the shareholders, directors, general managers, vice general managers and other senior management.
–	Article 13 The Company shall establish a <u>Communist Party organization and carry out party activities in accordance with the provisions of the Constitution of the Chinese Communist Party. The Company shall provide the necessary conditions for such party activities.</u>

Original	Amendments
CHAPTER 3 SHARES	CHAPTER 3 <u>ISSUANCE AND TRANSFER OF SHARES</u>
Article 19 When Directors, Supervisors or senior management of the Company or shareholders holding more than 5% of the shares of the Company sell their shares or other securities with equity nature within six months after they are acquired or purchase shares or other securities with equity nature within six months after they are disposed of, the board of directors shall repatriate any profits derived from such dealings and the profits derived shall belong to the Company. However, for securities companies which have acquired shares underwritten and become shareholders having more than 5% of the shares of the Company and other circumstances specified by China Securities Regulatory Commission (the “CSRC”) are excluded. Shares or other securities carrying equity interests held by Directors, Supervisors, senior management, natural person shareholders referred to in the preceding paragraph include those held by their spouses, parents, children and using the accounts of others to hold shares or other securities carrying equity interests. 	Article 22 When Directors or senior management of the Company or shareholders holding more than 5% of the shares of the Company sell their shares or other securities with equity nature within six months after they are acquired or purchase shares or other securities with equity nature within six months after they are disposed of, the board of directors shall repatriate any profits derived from such dealings and the profits derived shall belong to the Company. However, for securities companies which have acquired shares underwritten and become shareholders having more than 5% of the shares of the Company and other circumstances specified by China Securities Regulatory Commission (the “CSRC”) are excluded. Shares or other securities carrying equity interests held by Directors, senior management, natural person shareholders referred to in the preceding paragraph include those held by their spouses, parents, children and using the accounts of others to hold shares or other securities carrying equity interests.

Original	Amendments
Article 21 The Company or the Company's subsidiaries (including the Company's controlled subsidiaries) shall not provide any financial assistance in the form of grants, advances, guarantees, compensation or loans to persons who purchase or propose to purchase shares of the Company.	Article 23 The Company or the Company's subsidiaries (including the Company's controlled subsidiaries) shall not provide financial assistance in the form of grants, advances, guarantees, compensation or loans to <u>others for the acquisition of shares of the Company or those of its parent company, except where the Company has implemented an employee stock ownership plan.</u> <u>In the interests of the Company, the Company may, by the resolution(s) of a shareholders' meeting, or by the resolution(s) of the board of directors in accordance with these Articles of Association or a mandate granted by shareholders, provide financial assistance to others for the acquisition of shares of the Company or those of its parent company, provided that the cumulative total of such financial assistance shall not exceed 10% of the total issued share capital. The relevant resolution(s) of the board of directors shall be passed by more than two-thirds of all directors.</u>
CHAPTER 4 INCREASE, DECREASE AND REPURCHASE OF SHARES	
Article 22 Based on the needs for corporate operation and development, the Company, in accordance with the laws and regulations, may, increase its capital in the following ways as approved by the general meeting of shareholders in separate resolutions: (1) Public issue of shares; (2) Non-public issue of shares; (3) Bonus shares to existing shareholders; (4) transfer of capital by public reserves; (5) Other methods as stipulated by laws and administrative regulations and approved by CSRC.	Article 27 Based on the needs for corporate operation and development, the Company, in accordance with the laws and regulations, may, increase its capital in the following ways as approved by the general meeting of shareholders in separate resolutions: (1) <u>issuance of shares to non-specific investors;</u> (2) <u>issuance of shares to specific investors;</u> (3) Bonus shares to existing shareholders; (4) transfer of capital by public reserves; (5) Other methods as stipulated by laws and administrative regulations and <u>required</u> by CSRC.

Original	Amendments
Article 25 The Company may not purchase its own shares except under the following circumstances: (1) cancellation of shares for the purposes of reducing its capital; (2) merging with another company that holds shares in the Company; (3) to grant the shares as incentives to the Company's staff; (4) shareholders who disagree with the resolutions for the merger and separation of the Company made in a general meeting may demand the Company to purchase their shares; (5) to trade shares for the exchangeable bonds issued by the listed company; (6) the necessity for the listed company to maintain the value of the Company and the rights and interests of its shareholders; (7) other circumstances permitted by laws and administrative regulations.	Article 30 The Company may not purchase its own shares except under the following circumstances: (1) <u>reduction of the registered capital of the Company;</u> (2) merging with another company that holds shares in the Company; (3) to grant the shares as incentives to the Company's staff; (4) shareholders who disagree with the resolutions for the merger and separation of the Company made in a general meeting may demand the Company to purchase their shares; (5) to trade shares for the exchangeable bonds issued by the listed company; (6) the necessity to maintain the value of the Company and the rights and interests of its shareholders; <u>In the case referred to in the item (6), one of the following conditions shall be met:</u> <u>1. the closing price of the Company's shares is lower than its net assets per share for the most recent period;</u> <u>2. a cumulative decline of 30% in the closing price of the Company's shares over a period of 20 consecutive trading days;</u> <u>3. other conditions as prescribed by the CSRC.</u> (7) other circumstances permitted by laws and administrative regulations.

Original	Amendments
Article 27 The Company must obtain the prior approval of the shareholders in a general meeting before it can repurchase shares pursuant to the reasons set out in the Article 25 (1) and (2) herein the Articles of Association. The Company must obtain the prior approval at the board of directors' meeting where over 2/3 of directors are present in accordance to the Articles of Association or the authorization of general meeting of shareholders before it can repurchase shares pursuant to the reasons set out in Article 25 (3), (5), (6) herein the Articles of Association. Following shares being repurchased by the Company pursuant to the provisions in Article 25, in the case of (1), the shares repurchased shall be cancelled within 10 days of the completion of the repurchase. In the case of (2) and (4), the shares repurchased shall be transferred or cancelled within six months of the completion of the repurchase. The shares the Company repurchases in accordance with the provisions in Article 25 (3), (5), (6) shall not be more than 10% of the total issued shares of the Company and should be transferred or cancelled within three years.	Article 32 The Company must obtain the prior approval of the shareholders in a general meeting before it can repurchase shares pursuant to the reasons set out in the Article <u>30</u> (1), (2) herein the Articles of Association. The Company must obtain the prior approval at the board of directors' meeting where over 2/3 of directors are present before it can repurchase shares pursuant to the reasons set out in Article <u>30</u> (3), (5), (6) herein the Articles of Association. Following shares being repurchased by the Company pursuant to the provisions in Article <u>30</u>, in the case of (1), the shares repurchased shall be cancelled within 10 days of the completion of the repurchase. In the case of (2) and (4), the shares repurchased shall be transferred or cancelled within six months of the completion of the repurchase. The shares the Company repurchases in accordance with the provisions in Article <u>30</u> (3), (5), (6) shall not be more than 10% of the total issued shares of the Company and should be transferred or cancelled within <u>3</u> years.

Original	Amendments
CHAPTER 5 SHAREHOLDERS' RIGHTS AND OBLIGATIONS	CHAPTER 5 SHAREHOLDERS
Article 30 The shareholders of the Company shall enjoy the following rights: (2) the right to apply for, convene, hold, attend or appoint a proxy to attend shareholders' meeting and to speak up or vote thereat; (5) the right to obtain relevant information in accordance with these Articles of Association, including: (e) minutes of shareholders' general meetings; (f) the copies of the Company's debentures, resolutions of the meetings of the board of directors, resolutions of the meetings of the Supervisory Committee, financial and accounting reports; 	Article 35 The shareholders of the Company shall enjoy the following rights: (2) the right to <u>request to call</u>, convene, hold, attend or appoint a proxy to attend shareholders' meeting and to speak up or vote thereat; (5) the right to obtain relevant information in accordance with these Articles of Association, including: (e) minutes of shareholders' meetings; (f) the copies of the Company's debentures, resolutions of the meetings of the board of directors, financial and accounting reports, <u>and (for shareholders who meet the relevant requirements) the Company's accounting books and vouchers</u>;
Article 32 In the event that the resolution of a shareholders' meeting or a board meeting is against the law or administrative rules and has infringed the legitimate interest of a shareholder, the shareholder shall have the right to submit to the People's Court to declare the resolution invalid. In the event the procedures for convening the shareholders' meeting and the board of directors meeting and voting thereat violate the law, administrative regulations or the provisions of these Articles, or the content resolved being in contrary to these Articles, the shareholder shall have the right to submit to the People's Court to rescind the resolution within 60 days after the resolution is made.	Article 37 In the event that the resolution of a shareholders' meeting or a board meeting is against the law or administrative rules and has infringed the legitimate interest of a shareholder, the shareholder shall have the right to submit to the People's Court to declare the resolution invalid. In the event the procedures for convening the shareholders' meeting and the board of directors meeting and voting thereat violate the law, administrative regulations or the provisions of these Articles, or the content resolved being in contrary to these Articles, the shareholder shall have the right to submit to the People's Court to rescind the resolution within 60 days after the resolution is made. <u>However, this does not apply if such procedures for convening the shareholders' meeting and the board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.</u>

Original	Amendments
	<u>Where the board of directors, shareholders and other stakeholders dispute the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.</u> <u>Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the regulations of the CSRC and stock exchanges, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.</u> <u>Article 38 A resolution of the shareholders' meeting or board meeting of the Company shall not be valid under any of the following circumstances:</u> <u>(1) no shareholders' meeting or board meeting has been convened to pass the resolution;</u> <u>(2) the resolution is not voted on at the shareholders' meeting or board meeting;</u> <u>(3) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association;</u> <u>(4) the number of persons or the number of voting rights held by them voting for the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association.</u>

Original	Amendments
Article 33 In the event the directors and senior management violate the law, administrative regulations or the provisions of these Articles in performing the Company's duties, and incur a loss to the Company, shareholder(s), either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to submit a written request to the Supervisory Committee for commencing legal proceedings in the People's Court. In the event the Supervisory Committee violates the law, administrative regulations or the provisions of these Articles in performing the Company's duties, and incur a loss to the Company, the shareholders shall have the right to submit a written request to the board of directors for commencing legal proceedings in the People's Court. In the event the Supervisory Committee or the board of directors refuses to commence legal proceedings after receiving the written request from the shareholders as provided in the paragraph above, or has not commenced legal proceedings 30 days after receiving the written request, or in case of emergency, without commencing legal proceedings forthwith will result in damages in the interests of the Company considerably difficult to rectify, the shareholders as provided in the paragraph above shall have the right to commence legal proceedings directly in the People's Court in their own names for the interests of the Company. In the event the legal interests of the Company are being violated by other parties and incur a loss to the Company, the shareholders as provided in the first paragraph of this Article shall commence legal proceedings in the People's Court in accordance with the provisions in the earlier two paragraphs.	Article 39 In the event the directors and senior management <u>other than members of the audit committee</u> violate the law, administrative regulations or the provisions of these Articles in performing the Company's duties, and incur a loss to the Company, shareholder(s), either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to submit a written request to the <u>audit committee</u> for commencing legal proceedings in the People's Court. In the event <u>a member of the audit committee</u> violates the law, administrative regulations or the provisions of these Articles in performing the Company's duties, and incur a loss to the Company, the <u>aforementioned</u> shareholders shall have the right to submit a written request to the board of directors for commencing legal proceedings in the People's Court. In the event the <u>audit committee</u> or the board of directors refuses to commence legal proceedings after receiving the written request from the shareholders as provided in the paragraph above, or has not commenced legal proceedings 30 days after receiving the written request, or in case of emergency, without commencing legal proceedings forthwith will result in damages in the interests of the Company considerably difficult to rectify, the shareholders as provided in the paragraph above shall have the right to commence legal proceedings directly in the People's Court in their own names for the interests of the Company. In the event the legal interests of the Company are being violated by other parties and incur a loss to the Company, the shareholders as provided in the first paragraph of this Article shall commence legal proceedings in the People's Court in accordance with the provisions in the earlier two paragraphs.

Original	Amendments
	<u>In the event the directors and senior management of a wholly-owned subsidiary of the Company violate the law, administrative regulations or the provisions of these Articles of Association in performing their duties, and incur a loss to the Company, or in the event the legal interests of a wholly-owned subsidiary of the Company are violated by other parties and a loss is incurred, shareholders, either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days may submit a written request to the audit committee or the board of directors of the wholly-owned subsidiary for commencing legal proceedings in the People's Court, or directly file a lawsuit with the People's Court in their own name.</u>
Article 36— Shareholder holding more than 5% of the shares with voting right in the Company shall submit a written report to the Company when creating a pledge over its shares on the date the same is effected:	—
—	CHAPTER 6 CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS
Article 37— The controlling shareholders of the Company and persons in actual control of the Company shall not damage the lawful rights of the Company and the public shareholders by means of connected transaction. Those who violate the provisions in the paragraph above resulting in loss on the Company shall assume indemnity liabilities.	<u>Article 43 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the requirements of the CSRC and stock exchanges to safeguard the interests of the Company.</u>

Original	Amendments
The controlling shareholders of the Company and persons in actual control of the Company have fiduciary duties towards the Company and the public shareholders. The controlling shareholders shall exercise his rights as investors strictly in accordance with the laws. The controlling shareholders shall not damage the lawful rights of the Company and the public shareholders by means of profit distribution, assets restructuring, external investment, use of capital and loan guarantee etc and shall not take advantage of its controlling position to damage the interest of the Company and the public shareholders. Article 38—In operational fund transactions between the controlling shareholder of the Company and its related parties, appropriation of funds of the Company shall be strictly restricted. The controlling shareholder of the Company and its related parties shall not require the Company to pay advance fees such as salary, benefits, insurance, advertising, and they shall not undertake costs and other expenses on each other's behalf. Article 39—The Company shall establish a special system to prevent the appropriation of assets of the Company by the controlling shareholder of the Company and its related parties. The Company shall conduct periodic self-inspections as to whether the controlling shareholder of the Company and its related parties have engaged in non-operational appropriations of funds of the Company and report such matters to the relevant regulatory authorities within 10 business days before publication of its quarterly reports, interim reports and annual reports.	Article 44 <u>Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:</u> <u>(1) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;</u> <u>(2) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;</u> <u>(3) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;</u> <u>(4) not to appropriate the Company's funds in any way;</u> <u>(5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;</u> <u>(6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;</u> <u>(7) not to prejudice the legitimate interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;</u> <u>(8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;</u>

Original	Amendments
If there are non- operational appropriations of funds of the Company conducted by the controlling shareholder of the Company and the Company fails to prevent such appropriations of funds or fails to recover such funds so appropriated in a timely manner, the Board shall be entitled to realize the repayment of such by, among others, applying to a court for an injunction and auction of equities of the Company held by its controlling shareholder.	<u>(9) laws, administrative regulations, and provisions of the CSRC, business rules of stock exchanges and other requirements of these Articles of Association.</u> <u>Where a controlling shareholder or de facto controller of the Company instructs a director or senior officer to engage in an act that is detrimental to the interests of the Company or its shareholders, he/she shall bear joint and several liability with the director or senior officer.</u> Article 45 <u>Where a controlling shareholder pledges the shares of the Company that he/she holds or effectively controls, he/she shall maintain the stability of the Company's control and that of its production and operation.</u> Article 46 <u>Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in laws, administrative regulations, the regulations of the CSRC and stock exchanges, as well as his/her undertakings in respect of restrictions on the transfer of shares.</u>
CHAPTER 6 SHAREHOLDERS' GENERAL MEETINGS	CHAPTER 7 SHAREHOLDERS' MEETINGS
Article 41 The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers as follows: (1) to decide on the Company's operational policies and investment plans; (2) to elect and replace directors (non-employee representatives), supervisors and to decide on matters relating to the remuneration of directors and supervisors; (3) to examine and approve the board of directors' reports; (4) to examine and approve the supervisory committee's reports; (5) to examine and approve the Company's proposed annual preliminary and final financial budgets;	Article 47 <u>The shareholders' meeting of the Company is composed of all shareholders. The shareholders' meeting is the organ of authority of the Company and shall exercise its functions and powers as follows:</u> <u>(1) to elect and replace directors (non-employee representatives) and to decide on matters relating to the remuneration of directors;</u> <u>(2) to examine and approve the board of directors' reports;</u> <u>(3) to examine and approve the Company's profit distribution plans and loss recovery plans;</u> <u>(4) to decide on the increase or reduction of the Company's registered capital;</u> <u>(5) to decide on the issuance of debentures by the Company;</u>

Original	Amendments
(6) to examine and approve the Company' s profit distribution plans and loss recovery plans; (7) to decide on the increase or reduction of the Company's registered capital; (8) to decide on the issuance of debentures by the Company; (9) to decide on matters such as merger, division, dissolution, liquidation or amendment to the organizational structure of the Company; (10) to amend the Articles of Association; (11) to decide on the appointment, dismissal and non-reappointment of the accountants of the Company; (12) to consider and approve issues of guarantee as provided in Article 42 and issues of financial assistance as provided in Article 43; (13) to consider issues on acquisitions and disposals of assets during a year which exceeds 30% of the latest audited total assets of the Company; (14) to consider and approve issues on the change in use of proceeds of financing; (15) to consider the mutual provision of loans among overseas subsidiaries of the Company, where the accumulative amount of such mutual loans in 12 consecutive months account for more than 50% of the latest audited net asset value of the Company calculated on the basis of PRC accounting standards, provided that such mutual loans are in compliance with the laws, rules and relevant regulations of the relevant place(s) of incorporation of such overseas subsidiaries; (16) to consider share incentive schemes and employee share-holding plan; (17) other matters to be decided in shareholders' general meeting as provided by the laws, administrative regulations, departmental rules or these Articles of Association.	(6) to decide on matters such as merger, division, dissolution, liquidation or amendment to the organizational structure of the Company; (7) to amend the Articles of Association; (8) to decide on the appointment, dismissal and non-reappointment of the accountants of the Company; (9) to consider and approve issues of guarantee as provided in Article 49 and issues of financial assistance as provided in Article 50; (10) to consider issues on acquisitions and disposals of assets during a year which exceeds 30% of the latest audited total assets of the Company; (11) to consider and approve issues on the change in use of proceeds of financing; (12) to consider share incentive schemes and employee share-holding plan; (13) other matters to be decided in shareholders' meeting as provided by the laws, administrative regulations, departmental rules or these Articles of Association. <u>The shareholders' meeting may authorize the board of directors to make a resolution on the issuance of corporate bonds.</u>

Original	Amendments
Article 42 The provision of guarantees by the Company to its shareholders, persons in actual control of the Company and their associates shall be considered and approved by the shareholders in a general meeting. (3) the cumulative amount of the guarantee for a period of twelve consecutive months exceeds 30% of the Company 's latest audited total assets; 	Article 48 The provision of guarantees by the Company to its shareholders, persons in actual control of the Company and their associates shall be considered and approved by the shareholders in a general meeting. (3) <u>the amount of the guarantee provided to others by the Company for a year exceeds 30% of the Company 's latest audited total assets;</u>
Article 44 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six months from the end of the preceding financial year. The Company shall convene an extraordinary general meeting within two (2) months of the occurrence of any one of the following events: (4) whenever the board of directors deems necessary or the supervisory committee so requests; 	Article 50 Shareholders' meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six months from the end of the preceding financial year. The Company shall convene an extraordinary general meeting within two (2) months of the occurrence of any one of the following events: (4) whenever the board of directors deems necessary or <u>the audit committee so proposes;</u>
Article 48 The board of directors, Supervisory Committee and qualified shareholders as provided in these Articles of Association shall have the right to convene the shareholders' general meeting in accordance with the relevant laws, regulations and the provisions of these Articles of Association. The board of directors shall timely convene the shareholders' general meeting within the timeframe as provided in Article 44 of these Articles of Association.	Article 54 The board of directors, <u>the audit committee</u> and qualified shareholders as provided in these Articles of Association shall have the right to convene the shareholders' meeting in accordance with the relevant laws, regulations and the provisions of these Articles of Association. The board of directors shall timely convene the shareholders' meeting within the timeframe as provided in these Articles of Association.
Article 49 The independent directors are entitled to propose to the board of directors to convene an extraordinary general meeting of shareholders. 	Article 55 <u>With the approval by a majority of all independent directors,</u> the independent directors are entitled to propose to the board of directors to convene an extraordinary general meeting of shareholders.

Original	Amendments
Article 50 The supervisory committee is entitled to propose to the board of directors in writing for convening the extraordinary general meeting. 	Article 56 <u>The audit committee</u> is entitled to propose to the board of directors in writing for convening the extraordinary general meeting.
Article 51 Shareholders who request for of an extraordinary general meeting or a class meeting shall comply with the following procedures: (1) Shareholders who individually or together hold over 10% of the shares are entitled to propose to convene an extraordinary general meeting to the board of directors in writing. Within 10 days of receiving such proposal, the board of directors shall provide its written decision as to whether it agrees to convene such general meeting in accordance with the laws, administrative regulations and the Articles of Association. (3) If the board of directors decides against convening the proposed extraordinary general meeting, or if it fails to provide its written decision within 10 days of receipt of the proposal, shareholders individually or in aggregate holding over 10% of the shares of the Company are entitled to propose to convene general meeting to the supervisory committee in writing. (4) If the Supervisory Committee agrees to convene the proposed extraordinary meeting, it shall issue the notice of meeting within 5 days of receipt of the proposal, and any changes to the original proposal shall be made only with the consent of the shareholders. (5) If the Supervisory Committee fails to issue a notice of meeting within the prescribed period, the supervisory committee shall be deemed not to convene and chair the meeting. Shareholders individually or in aggregate holding over 10% of the shares of the Company for 90 consecutive days may convene and chair the meeting on their own.	Article 57 Shareholders who request for of an extraordinary general meeting or a class meeting shall comply with the following procedures: (1) Shareholders who individually or together hold over 10% of the shares <u>(excluding treasury shares)</u> are entitled to propose to convene an extraordinary general meeting to the board of directors in writing. Within 10 days of receiving such proposal, the board of directors shall provide its written decision as to whether it agrees to convene such general meeting in accordance with the laws, administrative regulations and the Articles of Association. (3) If the board of directors decides against convening the proposed extraordinary general meeting, or if it fails to provide its written decision within 10 days of receipt of the proposal, shareholders individually or in aggregate holding over 10% <u>(excluding treasury shares)</u> of the shares of the Company are entitled to propose to convene general meeting to <u>the audit committee</u> in writing. (4) If <u>the audit committee</u> agrees to convene the proposed extraordinary meeting, it shall issue the notice of meeting within 5 days of receipt of the proposal, and any changes to the original proposal shall be made only with the consent of the shareholders. (5) If <u>the audit committee</u> fails to issue a notice of meeting within the prescribed period, <u>the audit committee</u> shall be deemed not to convene and chair the meeting. Shareholders individually or in aggregate holding over 10% <u>(excluding treasury shares)</u> of the shares of the Company for 90 consecutive days may convene and chair the meeting on their own.

Original	Amendments
All reasonable expenses incurred for such meeting convened by the Supervisory Committee or shareholders as a result of the failure of the board of directors to convene a meeting as required by the above request(s) shall be borne by the Company.	All reasonable expenses incurred for such meeting convened by <u>the audit committee</u> or shareholders as a result of the failure of the board of directors to convene a meeting as required by the above request(s) shall be borne by the Company.
Article 52 If the Supervisory Committee or the shareholders decides/decide to convene the shareholders' general meeting by itself/themselves, a written notice shall be given to the board of directors and in the meantime report shall be made to the stock exchange for record. Before publishing the resolutions of the shareholders' general meeting, shares held by the convening shareholder(s) shall not be less than 10%. The Supervisory Committee or convening shareholder(s) shall submit the relevant documents to the stock exchange before issuing the notice for convening of the shareholders' general meeting and the announcement on resolution proposed to the shareholders' general meeting.	Article 58 If <u>the audit committee</u> or the shareholders decides/decide to convene the shareholders' meeting by itself/themselves, a written notice shall be given to the board of directors and in the meantime report shall be made to the stock exchange for record. Before publishing the resolutions of the shareholders' meeting, shares held by the convening shareholder(s) shall not be less than 10% <u>(excluding treasury shares)</u>. <u>The audit committee</u> or convening shareholder(s) shall submit the relevant documents to the stock exchange before issuing the notice for convening of the shareholders' meeting and the announcement on resolution proposed to the shareholders' meeting.
Article 53 The Board and the secretary to the board of directors should accommodate to the shareholders' general meeting convened by the Supervisory Committee or the shareholders. The board of directors shall provide the list of shareholders on the record day.	Article 59 The Board and the secretary to the board of directors should accommodate to the shareholders' meeting convened by <u>the audit committee</u> or the shareholders. The board of directors shall provide the list of shareholders on the record day.

Original	Amendments
Article 54 When the Company convenes a shareholders' general meeting, the board of directors, the supervisory committee and shareholder(s) individually and jointly holding more than 3% of the Company' s shares have the right to propose resolutions to the Company. Shareholder(s) individually and jointly holding more than 3% of the Company' s shares may propose special resolutions in writing to the convenor 10 days before the shareholders' general meeting is convened. The convenor shall issue a supplementary notice of the general meeting within two days after receiving the resolutions to announce the contents of the resolutions. 	Article 61 When the Company convenes a shareholders' meeting, the board of directors, <u>the audit committee</u> and shareholder(s) individually and jointly holding more than <u>1%</u> of the Company' s shares have the right to propose resolutions to the Company. Shareholder(s) individually and jointly holding more than <u>1%</u> of the Company' s shares may propose special resolutions in writing to the convenor 10 days before the shareholders' meeting is convened. The convenor shall issue a supplementary notice of the general meeting within two days after receiving the resolutions to announce the contents of the resolutions. <u>However, this does not apply if the proposal violates laws, administrative regulations or the provisions of these Articles of Association or is not within the scope of the terms of reference of the shareholders' meeting.</u>
Article 59 Unless otherwise provided by the relevant laws and regulations, the listing rules issued at the listing place of the Company and the Articles of Association in respect of the means of receipt of corporate communication, when the Company convenes a shareholders' annual general meeting, an announcement of the meeting shall be given to notify the shareholders twenty (20) business days before the date of the meeting. When the Company convenes a shareholders' extraordinary general meeting, written notice of the meeting shall be given and announced ten (10) business days or fifteen (15) days (whichever is longer) before the date of the meeting. (When calculating the days' period, the dates on which the notice of the meeting is given and the meeting is held shall not be included). A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance within the dates limit specified in the notice.	Article 65 Unless otherwise provided by the relevant laws and regulations, the listing rules issued at the listing place of the Company and the Articles of Association in respect of the means of receipt of corporate communication, when the Company convenes a shareholders' annual general meeting, an announcement of the meeting shall be given to notify the shareholders <u>twenty-one (21) days</u> before the date of the meeting. When the Company convenes a shareholders' extraordinary general meeting, written notice of the meeting shall be given and announced fifteen (15) days before the date of the meeting. (When calculating the days' period, the dates on which the notice of the meeting is given and the meeting is held shall not be included). A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance within the dates limit specified in the notice.

Original	Amendments
Article 65 The proxy form appointing a proxy of a shareholder shall be in writing. Such written form shall state the following: (1) The name of the proxy; (2) Whether or not the proxy has any voting right; (3) An indication to vote for or against each and every matter included in the agenda, (except the proxy of H Shareholders); 	Article 71 The proxy form appointing a proxy of a shareholder shall be in writing. Such written form shall state the following: <u>(1) Name of the appointor, the class and number of shares of the Company held by him/her/it;</u> (2) The name of the proxy; (3) <u>The specific instructions from the shareholder, including</u> an indication to vote for or against each and every matter included in the agenda, (except the proxy of H Shareholders);
Article 67 If the proxy form is signed by another person authorized by the proxy, the power of attorney or other authorization document signed by the proxy shall be notarized. The notarized power of attorney or other authorization document shall be placed at the company's residence or at other place designated in the notice for convening the meeting at the same time as the proxy form for voting. If the appointor is a legal person, its legal representative or such person as is authorised by resolution of its board of directors or other governing body may attend any meeting of shareholders of the Company as a representative of the appointor.	Article 73 If the proxy form is signed by another person authorized by the proxy, the power of attorney or other authorization document signed by the proxy shall be notarized. The notarized power of attorney or other authorization document shall be placed at the company's residence or at other place designated in the notice for convening the meeting at the same time as the proxy form for voting.
Article 71 When convening shareholders' general meeting, all directors, supervisors and secretary to the Board should attend the meeting while general managers and other senior management should be present at the meeting.	Article 77 <u>If a shareholders' meeting requires the attendance of directors or senior management, the directors or senior management shall do so and answer shareholders' inquiries. The directors and senior management shall respond to and provide an explanation for inquiries or suggestions from shareholders, except for matters involving the Company's trade secrets that cannot be disclosed at the shareholders' meeting.</u>

Original	Amendments
Article 72 The chairman of the board of directors shall chair every shareholders' general meeting. If the chairman is unable to attend the meeting for any reason, the vice-chairman of the board of directors shall chair the meeting. If the vice-chairman of the board of directors is unable or fail to perform his duty, then a director may be nominated by more than half of all the directors to chair the meeting. The chairman of the Supervisory Committee shall chair shareholders' general meeting being convened by the Supervisory Committee and act as the chairman of the meeting. If the chairman of the Supervisory Committee is unable to attend the meeting for any reason, the vice-chairman of the Supervisory Committee shall chair the meeting. If the vice-chairman of the Supervisory Committee is unable or fail to perform his duty, then a Supervisor may be nominated by more than half of all Supervisors to chair the meeting. 	Article 78 The chairman of the board of directors shall chair every shareholders' meeting. If the chairman is unable to attend the meeting for any reason, the vice-chairman of the board of directors shall chair the meeting. If the vice-chairman of the board of directors is unable or fail to perform his duty, then a director may be nominated by <u>a majority</u> of all the directors to chair the meeting. <u>The convener of the audit committee shall chair shareholders' meeting being convened by the audit committee and act as the chairman of the meeting. If the convener of the audit committee is unable to attend the meeting for any reason, then a member may be nominated by a majority of all members of the audit committee to chair the meeting.</u>
Article 97 Minutes of a shareholders' general meeting shall be kept and such minutes shall be prepared by the Secretary to the board of directors. Minutes of the shareholders' general meetings should set out the following: (7) other contents which should be recorded in the minutes as provided for in these Articles of Association.	Article 102 Minutes of a shareholders' meeting shall be kept and such minutes shall be prepared by the Secretary to the board of directors. Minutes of the shareholders' meetings should set out the following: <u>(7) the number of voting shares held by the holders of domestic shares, the holders of domestic listed foreign shares and the holders of ordinary shares attending the shareholders' meeting and the respective proportions such shareholders represent of the total number of Company's shares;</u> <u>(8) when recording the voting results, the votes of the holders of domestic shares, the holders of domestic listed foreign shares and the holders of ordinary shares for each resolution shall also be recorded;</u> (9) other contents which should be recorded in the minutes as provided for in these Articles of Association.

Original	Amendments
Article 98 The convenor shall ensure that the content of the minutes shall be true, accurate and complete. Minutes shall be signed by attendees of the meeting, including the directors, supervisors, secretary to the board of directors, the convenor or its representative and the chairman of the meeting. Minutes shall, together with the register relating to the shareholders present at the meeting in person and the proxy form if present by proxy, or via Internet or other permitted means be kept by the Company for a period of not less than ten years.	Article 103 The convenor shall ensure that the content of the minutes shall be true, accurate and complete. Minutes shall be signed by attendees of the meeting, including the directors, secretary to the board of directors, the convenor or its representative and the chairman of the meeting. Minutes shall, together with the register relating to the shareholders present at the meeting in person and the proxy form if present by proxy, or via Internet or other permitted means be kept by the Company for a period of not less than <u>10</u> years.
Article 99 Online voting access for domestic shareholders shall be provided through internet service providers designated by China Securities Regulatory Commission and Shanghai Stock Exchange. The holders of Overseas Listed Foreign Invested Shares will not be provided with online voting access.	Article 104 Online voting access for domestic shareholders shall be provided through internet service providers designated by China Securities Regulatory Commission and Shanghai Stock Exchange.
CHAPTER 7 BOARD OF DIRECTORS	CHAPTER 8 <u>DIRECTORS AND</u> BOARD OF DIRECTORS
Article 102 A director may submit his resignation before the expiry of his term. He should deliver a written resignation letter to the board of directors. The board of directors shall disclose such resignation within two days. Article 103 If a director's resignation will result in the number of directors falling below the legally prescribed minimum, his resignation shall not come into force until his vacancy is filled by another person. The original director(s) shall continue to assume the responsibilities in accordance with the laws, administrative regulations, departmental rules and these Articles of Association before the new director(s) take office. Apart from the above, the resignation of a director shall become effective when the written resignation letter is submitted to the board of directors.	Article 107 A director may submit his resignation before the expiry of his term. He should deliver a written resignation letter to <u>the Company</u>, and <u>the resignation will take effect on the day the Company receives the resignation report</u>. <u>The Company</u> shall disclose such resignation within two days. If a director's resignation will result in the number of directors falling below the legally prescribed minimum, his resignation shall not come into force until his vacancy is filled by another person. The original director(s) shall continue to assume the responsibilities in accordance with the laws, administrative regulations, departmental rules and these Articles of Association before the new director(s) take office.

Original	Amendments
Article 104 When a director resigns or his term of office expires, his obligation of confidentiality relating to the Company's trade secrets remains in force after the end of his office until such secrets become public information.	
–	Article 109 <u>The shareholders' meeting may resolve to dismiss a director, and the dismissal shall take effect on the date of the resolution.</u> <u>If a director is dismissed without just cause before the end of his/her term, the director may seek compensation from the Company.</u>
Article 106 Independent Directors are directors who do not hold any positions in the Company other than as director and do not maintain with the Company and its substantial shareholders a connection which may hamper their independent and objective judgments.	Article 110 Independent Directors are directors who do not hold any positions in the Company other than as director and do not maintain with the Company and its substantial shareholders a connection which may hamper their independent and objective judgments. <u>An independent director shall comply with laws and administrative regulations, the provisions of the CSRC, stock exchanges and these Articles of Association, conscientiously perform their duties, play a role in decision-making, overseeing check-and-balance and providing professional advice as a member of the board of directors, thus safeguarding the overall interests of the Company and protecting the legitimate interests of minority shareholders.</u>
Article 107 The independent directors should possess the following basic qualifications: (5) other qualifications specified by laws, regulations and these Articles of Association.	Article 111 The independent directors should possess the following basic qualifications: <u>(5) having good personal character without major breach of trust or other adverse records;</u> <u>(6) other qualifications specified by laws, administrative regulations, the provisions of the CSRC and business rules of stock exchanges and these Articles of Association.</u>

Original	Amendments
Article 108 An independent director should be independent. The following persons shall not act as independent directors: (4) persons who fell within the above three categories within the past year; (5) persons who provide financial, legal and consulting services to the Company or its subsidiaries or persons who work in the relevant organisations; (6) other persons specified by laws, administrative regulations, departmental rules, etc.; (7) other people specified by the Articles of Association; (8) other persons identified by the securities regulatory authority of the State Council; (9) other persons who are defined as non-independent according to the regulatory requirements of the listing place.	Article 112 An independent director should be independent. The following persons shall not act as independent directors: (4) <u>persons employed by the subsidiaries of the Company's controlling shareholders or de facto controllers and their spouses, parents and children;</u> (5) <u>persons who have major business dealings with the Company and its controlling shareholders or de facto controllers or their respective subsidiaries, or persons who hold positions in units that have major business dealings with the above entities and in the controlling shareholders or de facto controllers of such units;</u> (6) <u>persons who provide financial, legal, consulting and sponsorship services to the Company and its controlling shareholders or de facto controllers or their respective subsidiaries, including but not limited to all project team members, reviewers at all levels, persons signing the reports, partners, directors, senior management and principal persons in charge of the intermediary agency providing such services;</u> (7) <u>persons who belonged to either group of persons described in items (1) to (6) above in the past twelve months;</u> (8) <u>other persons who do not possess independence as stipulated by laws, administrative regulations, the provisions of the CSRC, business rules of stock exchanges, and these Articles of Association.</u> <u>The subsidiaries of the Company's controlling shareholders and de facto controllers as referred to in items (4) to (6) above do not include companies which are controlled by the same state-owned asset administration institution as the Company and which do not have a connected relationship with the Company in accordance with the relevant regulations.</u> <u>Independent directors shall conduct self-examination of their independence on an annual basis and submit such self-examination results to the board of directors. The board of directors shall assess the independence of incumbent independent directors on an annual basis and issue a special opinion in relation thereto, which shall be disclosed at the same time as the annual report.</u>

Original	Amendments
Article 109 The board of directors, the supervisory committee, and the shareholders who hold more than 1% issued shares individually or jointly may nominate candidates for independent directors to be elected at the shareholders' general meeting.	Article 113 The board of directors, the audit committee, and the shareholders who hold more than 1% issued shares individually or jointly may nominate candidates for independent directors to be elected at the shareholders' meeting.
—	Article 115 As a member of the board of directors, an independent director has a duty <u>of loyalty and diligence to the Company and all its shareholders, and shall prudently perform the following duties:</u> (1) <u>to participate in the decision-making of the board of directors and express clear opinions on matters discussed;</u> (2) <u>to oversee potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, and to protect the legitimate interests of minority shareholders;</u> (3) <u>to provide professional and objective advice on the operation and development of the Company and promote the enhancement of the decision-making level of the board of directors;</u> (4) <u>other duties as stipulated by laws, administrative regulations, the CSRC and these Articles of Association.</u>
Article 113 The Special Meetings of Independent Directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; in the event that the convenor fails to perform his/her duties or is unable to perform his/her duties, two or more independent directors may convene the meeting and elect a representative to chair the meeting. The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.	Article 118 The Special Meetings of Independent Directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; in the event that the convenor fails to perform his/her duties or is unable to perform his/her duties, two or more independent directors may convene the meeting and elect a representative to chair the meeting. <u>Minutes of Special Meetings of Independent Directors shall be made in accordance with relevant regulations, and the opinions of independent directors shall be recorded in the minutes. Independent directors shall sign the minutes to confirm them.</u> The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.

Original	Amendments
Article 119 The Company shall have a board of directors consisting of eleven (11) directors, of which is one shall be a staff representative, with one (1) chairman and one (1) vice-chairmen. The Board may establish special committees such as Strategic Committee, Audit Committee, Nomination Committee and Remuneration Committee as it deems appropriate. The special committees are to be comprised solely of Directors. The independent directors of the Company should take up the majority of the Audit Committee, the Nomination Committee and the Remuneration Committee and be responsible for as conveners of meetings. The members of the Audit Committee should have at least one independent director who is an accounting professional.	Article 124 The Company shall have a board of directors consisting of eleven (11) directors, of which is one shall be a staff representative, with one (1) chairman and one (1) vice-chairmen.
Article 120 The board of directors is accountable to the shareholders in general meeting and exercises the following functions and powers: (3) to determine the Company's business plans and investment proposals; (4) to formulate the Company's annual preliminary and final financial budgets; (18) to exercise any other powers specified by the law, administrative regulations, departmental rules, these Articles of Association and as authorised by the shareholders' general meeting.	Article 125 The board of directors is accountable to the shareholders in general meeting and exercises the following functions and powers: (3) to <u>exercise the decision-making power for medium and long-term development, consider and determine the medium and long-term development plan of the Company and the Company's business plans and investment proposals;</u> (7) <u>to exercise the management power over significant financial matters and, within the scope of power authorized by the shareholders' meeting, determine external investment, acquisition and sale of assets, pledge of assets, external guarantees, entrusted financial management, connected transactions, external donations and other matters of the Company;</u>

Original	Amendments
Except as otherwise provided in these Articles of Association, other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (11) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.	<u>(17) to exercise the management power over the distribution of employee wages, formulate management measures for total wages, specify the mechanism for determining the total wages, dynamically monitor the implementation of indicators related to employee wages, and comprehensively promote the reform of the internal income distribution system of the Company;</u> <u>(18) to exercise any other powers specified by the law, administrative regulations, departmental rules, these Articles of Association or as authorised by the shareholders' meeting.</u> <u>Matters beyond the scope of power authorized by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.</u>
Article 127 Meetings of the Board shall be held at least four times every year and shall be convened by the chairman of the board of directors. All of the directors and supervisors should be notified about the meeting fourteen (14) days beforehand. An extraordinary meeting of the board of directors may be held under the following circumstances: (4) when the supervisory committee so requests; 	Article 132 Meetings of the Board shall be held at least four times every year and shall be convened by the chairman of the board of directors. All of the directors should be notified about the meeting fourteen (14) days beforehand. An extraordinary meeting of the board of directors may be held under the following circumstances: (4) when <u>the audit committee</u> so requests;
–	Article 139 <u>The board of directors shall formulate the rules of procedure of the board of directors to ensure the efficiency and scientific decision-making of the board of directors.</u> <u>The rules of procedure of the board of directors shall be formulated by the board of directors of the Company and considered and approved at the shareholders' meeting.</u>

Original	Amendments
–	<u>Section 4 Special Committees under the Board of Directors</u> <u>Article 140</u> The board of directors of the Company shall establish an audit committee to exercise the functions and powers of the supervisory committee as stipulated by the Company Law, as well as other functions and powers stipulated by laws, administrative regulations, the CSRC, the listing rules of the place of listing, and the provisions of these Articles of Association. <u>Article 141</u> The audit committee shall consist of three members, all of whom shall be external directors, among whom the majority shall be independent directors, with an independent director with a professional accounting background serving as the convener of the committee. <u>Article 142</u> The audit committee shall be responsible for reviewing the financial information of the Company and the disclosure thereof, as well as supervising and evaluating internal and external audits and internal control. The following matters shall be submitted to the board of directors for consideration after being approved by a majority of all members of the audit committee: (1) disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control; (2) appointment or dismissal of an accounting firm which undertakes the audit work of the Company; (3) appointment or dismissal of the person in charge of the finance of the Company; (4) changes in accounting policies or accounting estimates or corrections of significant accounting errors due to reasons other than changes in accounting standards; (5) other matters as stipulated by laws, administrative regulations, the CSRC and these Articles of Association.

Original	Amendments
	Article 143 <u>The audit committee shall convene at least one meeting each quarter. An extraordinary meeting may be convened when two or more members of the committee deem, or the convener deems, necessary. A meeting of the audit committee shall be convened only when more than two thirds of the members are present.</u> <u>Any resolution of the audit committee shall be passed by a majority of its members.</u> <u>When voting on a resolution of the audit committee, each director shall have one vote.</u> <u>Resolutions of the audit committee shall be recorded in accordance with relevant regulations, and the members of the audit committee attending the meeting shall sign the meeting minutes.</u> <u>The detailed working rules of the audit committee shall be formulated by the board of directors.</u> Article 144 <u>The board of directors of the Company shall set up special committees for nomination, remuneration, strategy and development, and sustainable development. These committees shall be authorized by these Articles of Association and the board of directors to perform their duties, and the resolutions proposed by these special committees shall be submitted to the board of directors for consideration and approval. The detailed working rules of these special committees shall be formulated by the board of directors.</u> <u>The nomination committee shall consist of three directors, of whom at least two members shall be independent directors, with an independent director serving as the convener of the committee.</u> <u>The remuneration committee shall consist of three directors, all of whom shall be independent directors.</u> <u>The strategy and development committee shall consist of five directors, with external directors making up the majority, including at least one independent director.</u> <u>The sustainable development committee shall consist of three directors.</u>

Original	Amendments
	Article 145 The nomination committee shall be responsible for formulating the criteria and procedures for the selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications, and making recommendations to the board of directors on the following matters: (1) nomination or appointment and removal of directors; (2) appointment or dismissal of senior management; (3) other matters as stipulated by laws, administrative regulations, the CSRC, the regulatory rules of the place of listing, and the provisions of these Articles of Association. If the board of directors does not adopt, or does not fully adopt, the recommendations of the nomination committee, the opinions of the nomination committee and the specific reasons for not adopting the recommendations shall be recorded in the board resolutions and disclosed. Article 146 The remuneration committee shall be responsible for formulating the criteria for appraising the performance of directors and senior management and conducting such appraisals, and formulating and reviewing remuneration policies and proposals, such as the remuneration determination mechanisms, decision-making processes, payment and stop-payment recourse arrangements for directors and senior management, and making recommendations to the board of directors on the following matters: (1) the remuneration of directors and senior management; (2) the formulation or modification of share incentive schemes, employee share ownership plans, as well as the fulfillment of the conditions for the grant of entitlement to incentive participants and the exercise of such entitlement;

Original	Amendments
	<u>(3) the arrangement of stock ownership plans for subsidiaries to be spun off by directors and senior management;</u> <u>(4) other matters as stipulated in laws, administrative regulations, the CSRC, the regulatory rules of the place of listing, and the provisions of these Articles of Association.</u> <u>If the board of directors does not adopt, or does not fully adopt, the recommendations of the remuneration committee, the opinions of the remuneration committee and the specific reasons for not adopting the recommendations shall be recorded in the board resolutions and disclosed.</u> <u>Article 147 The main duties and responsibilities of the strategy and development committee shall be:</u> <u>(1) to research and make recommendations on the long-term development strategy and significant investment decisions of the Company;</u> <u>(2) to research and make recommendations on the annual strategic development plan and business plan of the Company;</u> <u>(3) to research and make recommendations on other significant issues affecting the development of the Company;</u> <u>(4) to supervise the implementation of the matters above;</u> <u>(5) other duties assigned by the board of directors.</u> <u>Article 148 The sustainable development committee shall be primarily responsible for the Company's work in relation to corporate governance and environmental and social responsibility management, and shall make relevant suggestions and recommendations to the board of directors. Specifically, they include:</u> <u>(1) to review the Company's policies and strategies in relation to corporate governance and environmental and social responsibility to ensure that they are in compliance with laws, regulations and standards;</u>

Original	Amendments
	<u>(2) to assess and sort out the Company's risks and opportunities in relation to corporate governance and environmental and social responsibility, and make recommendations to the board of directors;</u> <u>(3) to review the Company's systems in relation to corporate governance, environmental and social responsibility management and internal control, and make recommendations to the board of directors on their appropriateness and effectiveness;</u> <u>(4) to review and supervise the objectives and implementation of the Company's work in relation to corporate governance and environmental and social responsibility, and make recommendations to the board of directors;</u> <u>(5) to review the social responsibility reports disclosed by the Company and make recommendations to the board of directors;</u> <u>(6) to guide the development of the Company's management vision, objectives and strategies in relation to corporate governance and environmental and social responsibility, and make recommendations to the board of directors;</u> <u>(7) other duties assigned by the board of directors.</u>
CHAPTER 9 GENERAL MANAGER AND SENIOR MANAGEMENT ETC	CHAPTER 10 SENIOR MANAGEMENT
Article 138 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers: 	Article 152 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers: <u>The general manager shall attend meetings of the board of directors.</u>
CHAPTER 10 SUPERVISORY COMMITTEE	–

Original	Amendments
Article 148—The Company shall have a supervisory committee. Each supervisor shall serve for a term of three (3) years, which term is renewable upon re-election and re- appointment. Article 149—The supervisory committee shall have one chairman. The election or removal of the chairman of the supervisory committee shall be determined by two- thirds or more of the members of the supervisory committee. The chairman shall serve for a term of three (3) years, which term is renewable upon re-election and re- appointment. Article 150—The tenure of a supervisor shall commence from the date when he takes office until the end of the tenure. If an appointment is not made in time upon the termination of the tenure of the senior officer so that a quorum of the supervisory committee is not met, the original senior officer(s) shall assume the responsibilities in accordance with the laws, administrative regulations, departmental rules and these Articles of Association before the new senior officer(s) take office. Article 151—The supervisors of the Company shall ensure that the information disclosed by the Company is true, accurate and complete, and sign the written confirmation for the periodic reports. Article 152—The Supervisory Committee is to be comprised of three members. Members of the Supervisory Committee should be comprised of shareholder representative supervisors and an appropriate proportion of employee representative supervisors. The number of employee representative supervisors should not be less than one- third of the total number of the members of the Supervisory Committee. Shareholders representative supervisors are elected and removed by general meetings and employee representative supervisors are elected and removed by democratic elections of the employees.	—

Original	Amendments
Article 153 Under normal circumstances, the Company's supervisory committee shall submit a list of candidates for supervisors (except for staff candidates for supervisors) to the shareholders' general meeting. The Company's shareholders and board of directors may nominate the candidates for supervisors according to these Articles of Association. Article 154 The directors and senior managers shall not act concurrently as supervisors. Article 155 Meetings of the supervisory committee shall be held at least once every six months, and shall be convened by the chairman of the supervisory committee. The supervisors may propose to convene the extraordinary meeting of the supervisory committee. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. Where the chairman of the supervisory committee is unable to or does not perform the duty, a supervisor nominated by more than one-half of the supervisors shall perform the duty. If a supervisor fails to attend two consecutive meetings of supervisory committee, he shall be deemed to have failed to discharge his duties. The shareholders' general meeting or staff representatives' meeting shall replace him. Article 156 The supervisory committee shall be accountable to the shareholders in a general meeting and shall exercise the following functions and powers in accordance with law: (1) to review the regular reports of the Company prepared by the board of directors and give its opinion of review; (2) to inspect the Company's financial position; (3) to supervise the directors and senior management and to propose removal of a director or a senior officer who has contravened any law, administrative regulation, these Articles of Association or resolutions passed at a shareholders' general meeting;	

Original	Amendments
(4) to demand any director or senior officer who acts in a manner which is harmful to the Company's interest to rectify such behaviour; (5) to check the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meetings and to authorise, in the Company's name, publicly certified and practising accountants to assist in the re-examination of such information should any doubt arise in respect thereof; (6) to propose to convene a shareholders' extraordinary general meeting and an extraordinary board meeting. Where the board of directors fails to convene or hold the general meeting of shareholders in accordance with the provisions of the Company Law, to convene and hold the shareholders' general meeting; (7) to propose resolutions to the shareholders' general meeting; (8) to initiate proceedings against the directors and senior management in accordance with the relevant provisions of the Company Law; (9) to conduct investigation into any identified irregularities in the Company's operations; When necessary, professional institutions such as accounting firms and law firms can be retained to assist their work, and the expenses will be covered by the Company; (10) other functions and powers specified in these Articles of Association. Supervisors shall attend meetings of the board of directors, and make queries or recommendations to the matters resolved by the board of directors.	

Original	Amendments
Article 157 Notices of meetings and extraordinary meetings of the supervisory committee shall be delivered in person, by facsimile, by express delivery service, by registered mail or by other means of electronic communication. The time limits for the delivery of such notices are: for a supervisory meeting, at least five (5) days before the meeting; and for an extraordinary supervisory meeting, at least two (2) days before the meeting. Resolutions of the supervisory committee shall be passed by the affirmative vote of more than half of all of its members. Resolutions may be passed by a show of hands or by poll. Notice of meetings shall contain the following contents: date and place of meeting; duration of meeting; business to be discussed; and date of notice. Minutes shall be taken of the meetings of the supervisory committee. The participating supervisors and the person who records the minutes should sign the minutes. The supervisors shall have the right to request the record of his speech in the meeting for a particular illustrative description. The minutes of the meetings of the supervisory committee shall be kept as the Company's record for at least ten years. Article 158 The supervisory committee shall formulate its rules of meetings to ensure its working efficiency and scientific decision. The rules of meetings of the supervisory committee shall be drawn up by the supervising committee of the Company and be considered and approved at the shareholders' general meeting.	

Original	Amendments
CHAPTER 11 THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY	CHAPTER 11 THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY
Article 159 A person may not serve as a director, supervisor or senior officer of the Company if any of the following circumstances apply: (2) a person who has been sentenced for corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, where less than a term of five (5) years has lapsed since the sentence was served, or a person who has been deprived of his political rights and not more than five (5) years have lapsed since the sentence was served; (5) a person who has a relatively large amount of debts which have become overdue; Anyone who is elected, appointed, or engaged as directors, supervisors, or senior management in violation of this article shall be invalid. In the event that a director, supervisor or senior management falls under any of the cases specified in this article during the tenure, the Company shall dismiss him from the post.	Article 162 A person may not serve as a director or senior officer of the Company if any of the following circumstances apply: (2) a person who has been sentenced for corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, <u>or who has been deprived of his/her political rights after being found guilty of a crime</u>, where less than a term of five (5) years has lapsed since the sentence was served, <u>or, in the case of a suspended sentence, where less than two years have lapsed since the date of expiration of the probation period</u>; (5) a person who has a relatively large amount of debts which have become overdue <u>and has been listed as a judgment defaulter by the People's Court</u>; (7) <u>has been publicly declared by any stock exchange to be unsuitable for serving as the directors and senior management of any listed company</u>; Anyone who is elected, appointed, or engaged as directors or senior management in violation of this article shall be invalid. In the event that a director or senior management falls under any of the cases specified in this article during the tenure, the Company shall dismiss him from the post <u>and cease his/her duties</u>.

Original	Amendments
Article 166 Any loss incurred by the Company as a result of the violation of laws, administrative regulations, departmental rules and these Articles of Association by the directors; supervisors and senior management in performing the Company's duties shall be indemnified by the directors, supervisors and senior officers.	Article 169 <u>If a director or senior officer of the Company causes damage to others while performing his/her duties, the Company shall bear liability for compensation; if a director or senior officer of the Company does so with intent or gross negligence, he/she shall also be liable for compensation.</u> Any loss incurred by the Company as a result of the violation of laws, administrative regulations, departmental rules and these Articles of Association by the directors and senior management in performing the Company's duties shall be indemnified by the directors and senior officers.
CHAPTER 12 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND INTERNAL AUDIT	
Article 169 The Company shall not keep accounts other than those required by law. No assets of the Company shall be used to set up deposit accounts in any other name.	Article 172 The Company shall not keep accounts other than those required by law. No <u>funds</u> of the Company shall be used to set up deposit accounts in any other name.
Article 172 The common reserve fund of the Company shall be applied for the following purposes: (1) to compensate losses; (2) to expand the Company's production and operation; (3) to convert the common reserve fund into share capital in order to increase its capital. The Company may convert its common reserve fund into share capital with the approval of shareholders in a general meeting. When such conversion takes place, the Company shall either distribute new shares in proportion to the existing shareholders' number of shares, or increase the par value of each share, provided, however, that when the statutory common reserve fund is converted to share capital, the balance of the statutory common reserve fund may not fall below 25% of the registered capital before the conversion. Capital reserve fund shall not be used to make up losses of the Company.	Article 175 The common reserve fund of the Company shall be applied for the following purposes: (1) to compensate losses; (2) to expand the Company's production and operation; (3) to convert the common reserve fund into share capital in order to increase its capital. <u>When the common reserve fund is used to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first; if the losses still cannot be made up, the capital reserve fund may be used according to relevant regulations.</u> The Company may convert its common reserve fund into share capital with the approval of shareholders in a general meeting. When such conversion takes place, the Company shall either distribute new shares in proportion to the existing shareholders' number of shares, or increase the par value of each share, provided, however, that when the statutory common reserve fund is converted to share capital, the balance of the statutory common reserve fund may not fall below 25% of the registered capital before the conversion.

Original	Amendments
Article 175 Procedures on approving the profit distribution plan The Board is responsible for preparing the profit distribution plan. In the process of determining the profit distribution plan, the Board shall discuss with the independent directors and the supervisory committee adequately, shall adopt different approaches to listen to the opinions of public shareholders, and examine the rationality of the profit distribution plan; the Board shall also study and demonstrate matters including the timing, conditions, the lowest percentage, the conditions of adjustment and determination procedures of distributing cash dividends of the Company.	Article 178 Procedures on approving the profit distribution plan The Board is responsible for preparing the profit distribution plan. In the process of determining the profit distribution plan, the Board shall discuss with the independent directors and <u>the audit committee</u> adequately, shall adopt different approaches to listen to the opinions of public shareholders, and examine the rationality of the profit distribution plan; the Board shall also study and demonstrate matters including the timing, conditions, the lowest percentage, the conditions of adjustment and determination procedures of distributing cash dividends of the Company.
Article 181 The Company implements an internal audit system. Special audit personnel will conduct internal audit supervision on the Company's income and expenditure and economic activities. Article 182 The internal audit system and the duties of the audit personnel shall take effect upon approval by the board of directors. The person in charge of the audit shall be accountable and report to the board of directors.	Article 184 The Company implements <u>an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.</u> <u>The internal audit system of the Company shall be implemented upon approval by the board of directors and disclosed to the public.</u> Article 185 <u>The internal audit agency of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company.</u> Article 186 <u>The internal audit agency is accountable to the board of directors.</u> <u>The internal audit agency shall be subject to the supervision and guidance of the audit committee in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit agency shall immediately report directly to the audit committee upon discovering any relevant major issues or leads.</u>

Original	Amendments
	Article 187 The internal audit agency shall be responsible for the specific organization and implementation of the Company’s internal control evaluation. The Company shall issue an annual internal control evaluation report based on the evaluation report and related information issued by the internal audit agency and reviewed by the audit committee. Article 188 When the audit committee communicates with external audit units such as accounting firms and national audit agencies, the internal audit agency shall proactively cooperate with them and provide necessary support and collaboration. Article 189 The audit committee shall participate in the appraisal of the person in charge of internal audit.
CHAPTER 13 APPOINTMENT OF ACCOUNTANTS	
Article 185 The appointment of an accounting firm by the Company shall be decided by the shareholders’ general meeting, and the board shall not appoint an accounting firm before the decision is made by the shareholders’ general meeting.	Article 192 The appointment <u>and dismissal</u> of an accounting firm by the Company <u>shall be decided by the shareholders’ meeting</u>, and the board shall not appoint an accounting firm before the decision is made by the shareholders’ meeting.
CHAPTER 20 SUPPLEMENTARY	
Article 221 Definitions: (2) De facto controller means a party that is not a shareholder of the company, but shall be capable to control the act of the Company through investment relationship, agreement or other arrangements.	Article 228 Definitions: (2) De facto controller means <u>a natural person, legal person or organization</u> that is not a shareholder of the company, but shall be capable to control the act of the Company through investment relationship, agreement or other arrangements.
Article 228 The expressions of “above”, “within” and “below” shall include the figures mentioned whilst the expression of “less than” and “more than” shall not include the figures mentioned.	Article 235 The expressions of “above”, “within” and “below” shall include the figures mentioned whilst the expression of “less than”, “more than”, <u>“beyond” and “over”</u> shall not include the figures mentioned.

The proposed amendments are finally subject to the change of registration by the municipal registration authority of Jining City, Shandong Province. Except for the proposed amendments above, other provisions of the Articles of Association remain unchanged.

II. AMENDMENTS TO RELEVANT RULES OF PROCEDURE

In accordance with the amendments to the Articles of Association, the relevant contents of the Rules of Procedure for Shareholders' General Meeting and the Rules of Procedure of the Board shall be amended accordingly, and the Rules of Procedure of the Supervisory Committee shall be abolished.

III. EXPLANATION OF RELATED MATTERS

In accordance with the amendments to the Articles of Association, the Company intends to accordingly abolish the Supervisory Committee, and the current positions of Supervisors of the Company will be automatically terminated.