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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in **Zhuzhou CRRC Times Electric Co., Ltd.**, you should at once hand this circular and the accompany forms of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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**株洲中车时代电气股份有限公司**  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

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

**(Stock Code: 3898)**

- (1) PROPOSED ISSUE OF A SHARES AND  
LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD;**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (3) FINANCIAL SERVICES FRAMEWORK AGREEMENTS;**
- (4) 2021-23 SHILING MUTUAL SUPPLY FRAMEWORK AGREEMENT;**
- (5) PROPOSED RE-ELECTION OF DIRECTOR;**
- (6) NOTICE OF THE EXTRAORDINARY GENERAL MEETING;**
- (7) NOTICE OF THE CLASS MEETING OF HOLDERS OF DOMESTIC SHARES; AND**
- (8) NOTICE OF THE CLASS MEETING OF HOLDERS OF H SHARES**

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Notices convening the EGM, the Class Meeting of Holders of Domestic Shares and the Class Meeting of Holders of H Shares to be held on Monday, 7 December 2020 are set out on pages 383 to 386, pages 387 to 389 and pages 390 to 392 of this circular, respectively.

Whether or not you intend to attend the meeting, please complete and return the accompanying forms of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time fixed for holding the EGM and the Class Meetings or the adjourned meeting thereof. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the EGM and/or the Class Meetings or at any adjournment thereof if you so wish.

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## DEFINITIONS

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

“2017-18 CRRC Financial Services Framework Agreement”	a financial services framework agreement entered into between CRRC Finance and the Company on 29 December 2017 for a term commencing from 31 December 2017 to 30 December 2018. Please refer to the announcement of the Company dated 29 December 2017 for further details of the 2017-18 CRRC Financial Services Framework Agreement
“2018-19 CRRC Financial Services Framework Agreement”	a financial services framework agreement entered into between CRRC Finance and the Company on 28 December 2018 for a term commencing from 31 December 2018 to 30 December 2019. Please refer to the announcement of the Company dated 28 December 2018 for further details of the 2018-19 CRRC Financial Services Framework Agreement
“2019-20 CRRC Financial Services Framework Agreement”	a financial services framework agreement entered into between CRRC Finance and the Company on 25 October 2019 for a term commencing from 31 December 2019 to 30 December 2020. Please refer to the announcement of the Company dated 25 October 2019 for further details of the 2019-20 CRRC Financial Services Framework Agreement
“2020-23 Financial Services Framework Agreement I”	a financial services framework agreement proposed to be entered into between CRRC Finance and the Company for a term commencing from 31 December 2020 to 30 December 2023
“2021-23 Financial Services Framework Agreement II”	a financial services framework agreement proposed to be entered into between CRRC Hongkong Capital and the Company for a term commencing from 1 January 2021 to 31 December 2023
“2021-23 Shiling Mutual Supply Framework Agreement”	a framework agreement on mutual supply of products and ancillary services proposed to be entered into between Shiling Company and the Company for a term commencing from 1 January 2021 to 31 December 2023
“A Share(s)”	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company proposed to be allotted, issued and listed on the Science and Technology Innovation Board
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company

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## DEFINITIONS

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“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) (formerly known as China Banking Regulatory Commission (中國銀行業監督管理委員會))
“Class Meetings”	the Class Meeting of Holders of Domestic Shares and the Class Meeting of Holders of H Shares to be held
“Class Meeting of Holders of Domestic Shares”	the first class meeting of holders of Domestic Shares of 2020 to be held at Conference Room 103, Guobian Building, 169 Times Road, Shifeng District, Zhuzhou, Hunan Province, the PRC on Monday, 7 December 2020 or any adjournment thereof
“Class Meeting of Holders of H Shares”	the first class meeting of holders of H Shares of 2020 to be held at Conference Room 103, Guobian Building, 169 Times Road, Shifeng District, Zhuzhou, Hunan Province, the PRC on Monday, 7 December 2020 or any adjournment thereof
“Company”	Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CRRC”	CRRC Corporation Limited (中國中車股份有限公司), a joint stock company established in the PRC with limited liability, the A shares and the H shares of which are listed on the SSE and the Stock Exchange respectively; CRRC is held as to approximately 50.78% in aggregate by CRRCG and holds the entire equity interest in the Parent Company
“CRRC Hongkong Capital”	CRRC Hongkong Capital Management Co., Limited (中國中車香港資本管理有限公司), a company incorporated in Hong Kong
“CRRC Finance”	CRRC Finance Co., Ltd. (中車財務有限公司), a company established under the laws of the PRC with limited liability
“CRRCG”	CRRC Group Co., Ltd. (中國中車集團有限公司), a wholly state-owned enterprise of the PRC and the controlling shareholder of CRRC
“CRRCG Group”	CRRCG and its subsidiaries (excluding the Group)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Domestic Share(s)”	ordinary domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for and paid up in RMB
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“EGM”	the 2020 first extraordinary general meeting to be held at Conference Room 103, Guobian Building, 169 Times Road, Shifeng District, Zhuzhou, Hunan Province, the PRC on Monday, 7 December 2020 or any adjournment thereof
“Financial Services Framework Agreements”	collectively, the 2020-23 Financial Services Framework Agreement I and the 2021-23 Financial Services Framework Agreement II
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and are subscribed for and traded in HK\$
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Independent Non-executive Director(s)”	the independent non-executive Director(s) of the Company
“Independent Third Party(ies)”	parties who are independent of, and not connected with, the Company or any of its connected persons
“Latest Practicable Date”	16 November 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New Financial Services Caps”	New Financial Services Caps I and New Financial Services Caps II
“New Financial Services Caps I”	the maximum annual caps for the deposit services, loan services and other financial services under the 2020-23 Financial Services Framework Agreement I

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## DEFINITIONS

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“New Financial Services Caps II”	the maximum annual caps for the loan services and other financial services under the 2021-23 Financial Services Framework Agreement II
“Notices of Class Meetings”	notices of the Class Meeting of Holders of Domestic Shares and the Class Meeting of Holders of H Shares, which are set out on pages 387 to 389 and pages 390 to 392 of this circular, respectively
“Notice of EGM”	notice of the EGM, which is set out pages 383 to 386 of this circular
“Parent Company”	CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司), a company established under the laws of the PRC with limited liability, the controlling shareholder of the Company, and a wholly-owned subsidiary of CRRC
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding the regions of Hong Kong, Macao Special Administrative Region and Taiwan
“Proposed Issue of A Shares”, “Issue of A Shares” or “Issue”	the proposed initial public issue of not more than 240,760,275 A Shares (excluding the A Shares to be issued upon exercise of the over-allotment option, if exercised), which will be listed on the Science and Technology Innovation Board
“related party transaction(s)”	has the meaning ascribed to it under the SSE Sci-Tech Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures for the Board of Directors”	the Rules of Procedures for the Board of Directors of the Company, as amended from time to time
“Rules of Procedures for the General Meetings”	the Rules of Procedures for the General Meetings of the Company, as amended from time to time
“Rules of Procedures for the Supervisory Committee”	the Rules of Procedures for the Supervisory Committee of the Company, as amended from time to time
“SSE”	the Shanghai Stock Exchange
“Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, comprising the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Shares

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## DEFINITIONS

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“Shiling Group”	Shiling Company and its subsidiaries and “Shiling Group Company” refers to any of them
“Shiling Company”	Zhuzhou Shiling Transportation Equipment Co., Ltd. (株洲時菱交通設備有限公司), a company established under the laws of the PRC with limited liability, and held as to 50% by the Company, as to 40% by Mitsubishi Electric Corporation and as to 10% by Mitsubishi Electric (China) Ltd. as of the Latest Practicable Date
“SSE Sci-Tech Listing Rules”	Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the SSE
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Terms of Reference of the Independent Non-executive Directors”	the Terms of Reference of the Independent Non-executive Directors of the Company, as amended from time to time
“%”	per cent.

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## LETTER FROM THE BOARD

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**株洲中车时代电气股份有限公司**  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 3898)

*Executive Directors:*

Mr. Li Donglin (*Chairman*)  
Mr. Liu Ke'an (*Vice Chairman*)  
Mr. Shang Jing  
Mr. Yan Wu

*Registered office:*

Times Road  
Shifeng District  
Zhuzhou  
Hunan Province  
PRC 412001

*Non-executive Director:*

Mr. Zhang Xinning

*Principal place of business in Hong Kong:*

Unit 1106, 11th Floor  
Jubilee Centre  
18 Fenwick Street  
Wanchai  
Hong Kong

*Independent non-executive Directors:*

Mr. Chan Kam Wing, Clement  
Mr. Pao Ping Wing  
Ms. Liu Chunru  
Mr. Chen Xiaoming  
Mr. Gao Feng

20 November 2020

*To the Shareholders*

Dear Sir/Madam,

**(1) PROPOSED ISSUE OF A SHARES AND  
LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
(3) FINANCIAL SERVICES FRAMEWORK AGREEMENTS;  
(4) 2021-23 SHILING MUTUAL SUPPLY FRAMEWORK AGREEMENT;  
(5) PROPOSED RE-ELECTION OF DIRECTOR;  
(6) NOTICE OF THE EXTRAORDINARY GENERAL MEETING;  
(7) NOTICE OF THE CLASS MEETING OF HOLDERS OF DOMESTIC SHARES; AND  
(8) NOTICE OF THE CLASS MEETING OF HOLDERS OF H SHARES**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 30 September 2020 in relation to, among other things, the Proposed Issue of A Shares, proposed amendments to the Articles of Association, other resolutions in relation to the Issue of A Shares and the transactions contemplated under the Financial Services Framework Agreements.

The purpose of this circular is to provide you with the Notice of EGM, the Notices of Class Meetings and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM and the Class Meetings.

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## LETTER FROM THE BOARD

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### **2. PROPOSED ISSUE OF A SHARES AND LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD**

Details of the Proposed Issue of A Shares are set out below:

**(i) Place of listing**

The Science and Technology Innovation Board of the SSE.

**(ii) Class of shares to be issued**

Domestically-listed RMB ordinary shares (A Shares).

**(iii) Nominal value of shares**

RMB1.00 each.

**(iv) Target subscribers**

Price inquiry participants who meet the relevant qualification requirements of the regulatory authorities such as CSRC and natural persons, legal persons and other institutional investors who maintain A Shares securities account with the SSE (excluding those who have been prohibited by laws, regulations, rules and regulatory documents of the PRC).

If any of the above target subscribers of the Issue of A Shares is a related party of the Company (including “related party(ies)” under the SSE Sci-Tech Listing Rules and/or “connected person(s)” under the Hong Kong Listing Rules), the Company will take all reasonable steps to ensure that the subscribers of the A Shares comply with the relevant requirements of the regulatory authorities such as the CSRC and those under the listing rules of the place(s) where the shares of the Company are listed.

**(v) Schedule of the issue and listing**

The Company will proceed with the Issue at an appropriate time after the Issue is approved by the SSE and registered with the CSRC. The specific date for the Issue will be determined by the Board, if so authorised at a general meeting of the Company, upon approval by the SSE and registration with the CSRC.

**(vi) Method of issue**

A combination of off-line placement and on-line subscription with funds, or other methods of issue approved by the CSRC and the SSE.

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## LETTER FROM THE BOARD

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### **(vii) Issue size**

The number of shares to be issued under the Issue will not exceed 240,760,275 A Shares, being 17% of the total share capital of the Company upon completion of the Issue (before any exercise of the over-allotment option). If there is any ex-right event (such as bonus issue and conversion of capital reserve to share capital) prior to the Issue, the number of A Shares to be issued under the Issue will be adjusted accordingly.

The Issue will only involve issue of new Shares, and will not involve a public sale of Shares by existing Shareholders. The Company and the lead underwriter(s) can discuss on whether to exercise the over-allotment option and if so exercised, the number of additional A Shares to be issued will not exceed 15% of the total number of A Shares to be issued under the Issue.

The final issue size will be determined by the Board, if so authorised at a general meeting, after consultation with the lead underwriter(s) according to the actual situation and subject to the decision(s) of approval and/or registration consent of the regulatory authorities including the CSRC. Meanwhile, the issue size will be subject to the relevant requirements of the Hong Kong Listing Rules.

### **(viii) Pricing methodology**

The issue price of the A Shares will be determined through price inquiry with securities companies, fund management companies, trust companies, finance companies, insurance companies, qualified foreign investors, private equity fund managers and other professional institutional investors registered with the Securities Association of China. The Company and the lead underwriter(s) may determine the issue price through initial price inquiry or by other pricing methodology then recognised by the CSRC or the SSE.

According to the relevant supervision and administration requirements on state-owned assets, the issue price of the Issue should not, in principle, be lower than the Company's latest net asset value per Share available when such issue price is determined. The Company should also comply with the relevant requirements under the Hong Kong Listing Rules in respect of the issue price of the Issue of A Shares.

### **(ix) Implementation of strategic placing upon issue**

Strategic placing will be implemented upon the issue and listing of A Shares, and the total number of A Shares to be placed to strategic investors will not exceed 30% of the total number of A Shares to be issued under the Issue (excluding the A Shares to be issued upon the exercise of the over-allotment option). The target subscribers of the strategic placing include but are not limited to securities investment funds legally established and for specific investment purposes, related subsidiaries legally established by the sponsor(s) of the Company or other relevant subsidiaries legally established by the securities companies that actually control the sponsor(s), and specific asset management plan(s) established by the Company's senior management and core employees.

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## LETTER FROM THE BOARD

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**(x) Use of proceeds**

Based on the actual condition of the Company, the proceeds raised from the Issue (after deducting the issue related expenses) will be used for rail transit traction network technology and system R&D application project, smart rail transit bureau and smart urban rail key technology and system R&D application project, new industry advanced technology R&D application project, new-type rail engineering machinery R&D manufacturing platform construction project, innovative experimental platform construction project and replenishment of working capital (the “**Projects to be Financed with Proceeds from the Issue**”). The Company may adjust the Projects to be Financed with Proceeds from the Issue in accordance with the implementation of the plan of the Issue, market conditions, policy adjustments and opinions from regulatory authorities.

Should the actual proceeds from the Issue be insufficient to cover the Projects to be Financed with Proceeds from the Issue, the Company will fill in such shortfalls with self-raised funds. Should the actual proceeds from the Issue exceed the aggregate capital requirements of the Projects to be Financed with Proceeds from the Issue, the Company will apply the surplus to the principal business of the Company after performing necessary procedures in accordance with relevant requirements. Before the proceeds from the Issue are in place, the Company may finance the above-mentioned projects with its own funds and/or bank borrowings based on the actual progress of the projects. After the proceeds are in place, the Company will replace the previously invested amount with such proceeds.

**(xi) Method of underwriting**

Standby commitment.

**(xii) Validity period of resolutions in relation to the issue and listing**

The resolutions in respect of the issue and listing of A Shares will be valid for a period of 12 months from the date of consideration and approval at a general meeting and class meeting(s) of the Company.

The above resolutions in relation to the Issue of A Shares are at the preliminary stage, and are subject to consideration and approval at a general meeting and class meeting(s) of the Company, approval by the SSE and filing with the CSRC to get through the registration procedures for issue.

These resolutions will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

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## LETTER FROM THE BOARD

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### 2.2 OTHER SPECIAL RESOLUTIONS RELATING TO THE ISSUE OF A SHARES

Set out below are the details of other special resolutions relating to the Issue of A Shares to be submitted to the EGM and the Class Meetings for consideration and approval:

**(a) *The resolution on the authorisation to the Board to fully deal with specific matters relating to the Issue of A Shares***

According to the requirements in respect of the Company's application for the Issue of A Shares, the relevant laws, regulations, regulatory documents and listing rules of the place(s) where the shares of the Company are listed and combined with the actual circumstances of the Company, a resolution will be submitted to the Shareholders at a general meeting and class meeting(s) of the Company to authorise the Board and its authorised persons to fully deal with all the matters relating to the Issue of A Shares on behalf of the Company. The scope of authorisation will include without limitation:

- (i) drafting, amending, supplementing, signing, submitting, reporting, disclosing and executing agreement(s), contract(s), deed(s), declaration(s), undertaking(s), confirmation(s) or necessary documents related to the Issue of A Shares, including but not limited to letter of intent, prospectus, sponsoring agreement(s), underwriting agreement(s), listing agreement(s), various announcements, shareholder circular(s), notices(s), and various explanatory letters or letters of undertaking stipulated by regulatory agencies, etc.;
- (ii) engaging sponsor(s), underwriter(s), law firm(s), accounting firm(s) and other intermediaries for the purpose of the Issue of A Shares, executing engagement agreement(s) or appointment agreement(s), and determining and paying the relevant expenses for the Issue of A Shares;
- (iii) in accordance with the resolutions on the Issue of A Shares considered and approved at a general meeting and class meeting(s) of the Company, making corresponding adjustments to the specific resolutions on the Issue of A Shares according to the laws, regulations, regulatory documents, listing rules of the place(s) where the shares of the Company are listed, relevant stipulations and requirements (including the feedback from the review of the application for the Issue of A Shares) of the securities regulatory authorities and the actual circumstances, and being solely responsible for the specific implementation of the resolutions on the Issue of A Shares (including the suspension and termination of the implementation of the plan regarding the Issue), including but not limited to the determination of the specific final issue size, issue and listing schedule, pricing methodology, issue price, target subscribers and placing ratio and other matters related to the Issue of A Shares;

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## LETTER FROM THE BOARD

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- (iv) in accordance with the resolutions on the Issue of A Shares considered and approved at a general meeting and class meeting(s) of the Company, handling the application and reporting matters for the Issue of A Shares, including but not limited to handling the approval, registration, filing, verification, registration, consent and listing procedures with the relevant government departments, the domestic and overseas regulatory authorities, the SSE and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, etc. for the purpose of the Issue of A Shares, and making timely information disclosure in accordance with relevant laws and regulations and the listing rules of the place(s) where the shares of the Company are listed; determining the specific account for proceeds raised from the Issue prior to the Issue of A Shares according to the needs of the Company, signing tripartite supervision agreement(s) for the proceeds raised, specially implementing the investment with proceeds upon completion of the Issue of A Shares, handling matters related to the use of proceeds (including but not limited to capital increase and provision of loans to users of the proceeds); issuing statement(s), undertaking(s) and confirmation(s) related to the Issue, and doing all such acts necessary, expedient or desirable for the purpose of the Issue;
- (v) within the scope of the resolutions on the resolution of the Issue of A Shares approved at a general meeting and class meeting(s) of the Company, adjusting the Projects to be Financed with Proceeds from the Issue, determining the specific plan for the use of proceeds and making corresponding adjustments according to the laws, regulations, regulatory documents, listing rules of the place(s) where the shares of the Company are listed and relevant requirements of the securities regulatory authorities (including the feedback from the review of the application for the Issue of A Shares) and actual circumstances and based on the actual progress and priorities of the Projects to be Financed with Proceeds from the Issue, as well as making timely information disclosure in accordance with relevant laws and regulations and the listing rules of the place(s) where the shares of the Company are listed;
- (vi) adjusting and modifying the Articles of Association, rules of procedures and other internal management policies of the Company as drafted or modified in accordance with the laws, regulations, regulatory documents, listing rules of the place(s) where the shares of the Company are listed and relevant regulations of the securities regulatory authorities in relation to the Issue of A Shares as considered and approved at a general meeting and class meeting(s) of the Company and by the Board, based on the changes in the laws, regulations, regulatory documents, listing rules of the place(s) where the shares of the Company are listed and the relevant provisions of the securities regulatory authorities, the requirements and suggestions of relevant domestic and overseas government and regulatory authorities and the actual circumstances, making timely information disclosure in accordance with relevant laws and regulations and the listing rules of the place(s) where the shares of the Company are listed; and making corresponding amendments to the provisions in the Articles of Association concerning the registered capital and shareholding structure of the Company, and handling the industrial and commercial registration and filing of change upon completion of the Issue of A Shares;

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## LETTER FROM THE BOARD

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- (vii) for the purpose of the Issue of A Shares, communicating with relevant domestic and overseas regulatory authorities (such as the CSRC, the SSE, the Stock Exchange and other regulatory authorities) on behalf of the Company;
- (viii) to the extent permitted by laws, regulations, regulatory documents, listing rules of the place(s) where the shares of the Company are listed and the Articles of Association, handling other matters related to the Issue of A Shares on behalf of the Company;
- (ix) subject to the Board obtaining all of the above authorisations as set out in this resolution, delegating all such authorisations as set out in this resolution to Mr. Shang Jing, an executive Director, or Mr. Yan Wu, an executive Director, for him to exercise on behalf of the Company, except as otherwise provided in relevant laws, regulations, regulatory documents, listing rules of the place(s) where the shares of the Company are listed and the Articles of Association.
- (x) the above authorisations will be valid for a period of 12 months commencing from the date of consideration and approval at a general meeting and class meeting(s) of the Company.

This resolution will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

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## LETTER FROM THE BOARD

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**(b) The resolution on the Projects to be Financed with Proceeds from the Issue of A Shares and feasibility analysis report**

The Company proposes to apply for the initial public issue and listing of A Shares on the Science and Technology Innovation Board. It is proposed that proceeds raised from the Issue (after deducting the issue related expenses) will be used for the following projects:

No.	Project name	Proposed investment amount from proceeds raised (RMB0'000)
1.	<b>Rail transit traction network technology and system R&amp;D application project</b>	<b>209,550</b>
2.	<b>Smart rail transit bureau and smart urban rail key technology and system R&amp;D application project</b>	<b>107,083</b>
3.	<b>New industry advanced technology R&amp;D application project</b>	<b>86,927</b>
3.1	New energy vehicle electric drive system R&D application project	50,371
3.2	New sensor R&D application project	14,796
3.3	Industrial transmission device R&D application project	11,760
3.4	Deep-sea intelligent equipment R&D application project	10,000
4.	<b>New-type rail engineering machinery R&amp;D manufacturing platform construction project</b>	<b>80,000</b>
4.1	New-type rail engineering machinery manufacturing platform construction project	50,000
4.2	New-type rail engineering machinery equipment R&D application project	30,000
5.	<b>Innovative experimental platform construction project</b>	<b>93,100</b>
6.	<b>Replenishment of working capital</b>	<b>200,000</b>
<b>Total</b>		<b>776,660</b>

Should the actual proceeds from the Issue be insufficient to cover the Projects to be Financed with Proceeds from the Issue, the Company will fill in such shortfalls with self-raised funds. Should the actual proceeds from the Issue exceed the aggregate capital requirements of the Projects to be Financed with Proceeds from the Issue, the Company will apply the surplus to the principal business of the Company after performing necessary procedures in accordance with relevant requirements.

Before the proceeds from the Issue are in place, the Company may finance the above-mentioned projects with its own funds and/or bank borrowings based on the actual progress of the projects. After the proceeds are in place, the Company will replace the previously invested amount with such proceeds.

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## LETTER FROM THE BOARD

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Please refer to Appendix I of this circular for the full text of the “Feasibility Study Report on Projects to be Financed with Proceeds from the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.”.

This resolution will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

***(c) The resolution on the accumulated profit distribution plan prior to the Issue of A Shares***

Before completion of the Issue, the Company may distribute profits according to the profit distribution plan formulated by the Board and approved at a general meeting of the Company.

After completion of the Issue, the undistributed profits of the Company accumulated prior to the completion of the Issue of A Shares will be shared by the new holders of the A Shares and the existing holders of H Shares and Domestic Shares upon completion of the Issue in proportion to their respective shareholdings in the total issued share capital of the Company upon completion of the Issue.

This resolution will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

***(d) The resolution on the formulation of the plan for stabilisation of price of A Shares within three years after the Issue of A Shares***

To protect the interest of investors and to further clarify the measures for stabilising the A Share price within three years after the Issue of A Shares, the Company has formulated the “Plan for Stabilisation of Price of A Shares Within Three Years after the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.”.

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## LETTER FROM THE BOARD

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This resolution will take effect from consideration and approval at a general meeting and class meeting(s) of the Company as well as upon completion of the issue and listing of A Shares by the Company, for a term of three years. Pursuant to this resolution, within three years from the date of Issue of A Shares, save for circumstances caused by force majeure, in case that the daily closing prices of the A Shares for 20 consecutive trading days (excluding any trading day(s) on which trading in the A Shares of the Company has been suspended for the whole day) are lower than its latest audited net assets value per Share (in case of changes in net assets or total number of shares of the Company due to profit distribution, conversion of capital reserve into share capital, additional share issue, rights issue etc. after the latest audit reference date, the net asset value per Share will be adjusted accordingly), and the simultaneous satisfaction of the requirements of relevant laws, regulations and regulatory documents regarding actions of share repurchase and increase in shareholding, the measures for stabilising A Share price by the Company and relevant parties will be activated, which may include but not limited to the repurchase of the A Shares by the Company and increase of the shareholding in the A Shares by the controlling shareholders, the Directors (excluding Independent Non-executive Directors) and the senior management of the Company.

Authorisations will be sought at a general meeting and class meeting(s) of the Company for the Board and its authorised person, i.e. Mr. Shang Jing, an executive Director, or Mr. Yan Wu, an executive Director, to make adjustments to the said plan on behalf of the Company according to changes in laws, regulations, regulatory documents and relevant policies or opinions from the domestic and overseas regulatory authorities, and to sign and submit relevant information to the regulatory authorities of the place(s) where the shares of the Company are listed regarding the said plan as well as make information disclosure pursuant to the listing rules of the place(s) where the shares of the Company are listed.

Please refer to Appendix II of this circular for the full text of the “Plan for Stabilisation of Price of A Shares Within Three Years After the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.”.

This resolution will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

**(e) *The resolution on the dilution of immediate return by the Issue of A Shares and recovery measures***

According to the requirements of relevant laws, regulations and regulatory documents, the Company has analysed the impact arising from the dilution of immediate return by the Issues of A Shares and formulated specific recovery measures, regarding which undertakings are proposed to be made by relevant parties to ensure the practical implementation of such recovery measures.

Authorisations will be sought at a general meeting and class meeting(s) of the Company for the Board and its authorised person, i.e. Mr. Shang Jing, an executive Director, or Mr. Yan Wu, an executive Director, to make adjustments to this resolution and the undertakings on behalf of the Company according to changes in laws, regulations, regulatory documents and relevant policies or opinions from the domestic and overseas regulatory authorities.

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## LETTER FROM THE BOARD

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Please refer to Appendix III of this circular for the full text of the “Recovery Measures Regarding the Dilution of Immediate Return Due to Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board and Undertakings of Relevant Parties of Zhuzhou CRRC Times Electric Co., Ltd.”.

This resolution will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

**(f) *The resolution on the three-year dividend distribution plan for Shareholders after the Issue of A Shares***

According to the relevant laws, regulations and regulatory documents as well as the Articles of Association applicable after the Issue of A Shares, combined with the Company’s actual operation circumstances and future development strategies and with a view to further strengthen the awareness of Shareholders’ return, the Company has formulated the “Three-year Dividend Distribution Plan for Shareholders After the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.”.

The plan makes institutional arrangements on the distribution of dividend to the Shareholders for the three years after the Issue of A Shares. It provides, among other things, that where the conditions of distributing cash dividend are fulfilled, the cash dividend distributable each year will not be less than 20% of the realised and distributable profits for the year, and the cumulative cash dividend distributable every three years will not be less than 60% of the realised average distributable profits for the most recent three years.

Authorisations will be sought at a general meeting and class meeting(s) of the Company for the Board and its authorised person, i.e. Mr. Shang Jing, an executive Director, or Mr. Yan Wu, an executive Director, to supplement, fine-tune or adjust the analytical argument content set out in the said dividend distribution plan on behalf of the Company according to relevant requirements, policies or opinions of the CSRC or the stock exchange(s) of the listing place(s). However, if the analytical argument result will change substantially or will result in substantial change in the Company’s dividend policy and dividend distribution plan, such changes should still be submitted to a general meeting for consideration and approval.

Please refer to Appendix IV of this circular for the full text of the “Three-year Distribution Plan for Shareholders After the Initial Public Issue and Listing of A Shares on the Science And Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.”.

This resolution will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

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## LETTER FROM THE BOARD

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**(g) *The resolution on the undertakings regarding the information disclosure in the prospectus for the Issue of A Shares***

According to the requirements of relevant laws, regulations and regulatory documents, in order to apply for the Issue of A Shares, the Company proposes to issue three letters of undertakings, including the “Letter of Undertakings on the Truthfulness, Accuracy and Completeness of the Prospectus and Other Information Disclosure Materials for the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board”, “Letter of Undertakings on No Fraudulent Issue Regarding the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board” and “Letter of Undertakings on the Restrictive Measures Regarding Undertakings Made for the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board”.

The letters of undertakings primarily focus on the undertakings to be made on (i) the truthfulness, accuracy and completeness of the prospectus and other information disclosure materials for the Issue of A Shares; (ii) no fraudulent issue regarding the Issue of A Shares; and (iii) the restrictive measures to be taken upon failure to perform the undertakings publicly made in the prospectus.

At a general meeting and class meeting(s) of the Company, approval on the undertakings to be made by the Company regarding the information disclosure for the Issue of A Shares will be sought, and authorisations will also be sought for the Board and its authorised person, i.e. Mr. Shang Jing, an executive Director, or Mr. Yan Wu, an executive Director, to make adjustments to the said undertakings or give new undertakings on behalf of the Company in accordance with the requirements of relevant laws, regulations and regulatory documents and the changes in relevant policies, or opinions from the regulatory authorities.

Please refer to Appendix V of this circular for the full texts of the (i) “Letter of Undertakings on the Truthfulness, Accuracy and Completeness of the Prospectus and Other Information Disclosure Materials for the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board”; (ii) “Letter of Undertakings on No Fraudulent Issue Regarding the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board”; and (iii) “Letter of Undertakings on the Restrictive Measures Regarding Undertakings Made for the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board”.

This resolution will be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolution.

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## LETTER FROM THE BOARD

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**(h) *The resolution on the proposed amendments to the Articles of Association***

In order to meet the requirements of the Issue of A Shares and further improve and standardise the Articles of Association, the Company proposed to make amendments to the prevailing Articles of Association in accordance with relevant requirements of laws, regulations and regulatory documents and combined with the Company's actual circumstances. The amended Articles of Association will take effect upon consideration and approval at a general meeting of the Company and completion of the issue and listing of A Shares. Upon the amended Articles of Association taking effect, the then prevailing Articles of Association will be repealed simultaneously. Prior to that, the Articles of Association currently in force will continue to be applicable.

The proposed amendments to the Articles of Association are subject to fulfilment of certain conditions, including approval from the Shareholders at the EGM and the Class Meetings by way of special resolution and approval from, registration or filing with relevant PRC government authorities. After the proposed amendments to the Articles of Association come into effect, the Company will go through all necessary filings with the Registrar of Companies in Hong Kong.

After taking into consideration of the above-mentioned factors, all Directors (including Independent Non-executive Directors) are of the opinion that the proposed amendments to the Articles of Association are in the interests of the Company and the Shareholders as a whole.

Please refer to Appendix VI of this circular for details of the proposed amendments to the Articles of Association.

This resolution will be submitted to the EGM for consideration and approval by way of special resolution.

### **2.3 ORDINARY RESOLUTIONS RELATING TO THE ISSUE OF A SHARES**

**(a) *The resolutions on the proposed amendments to certain rules of procedures of the Company***

To meet the requirements of the Issue of A Shares, the Company proposed to make amendments to the prevailing Rules of Procedures for the General Meetings, Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee according to the relevant requirements of laws, regulations, regulatory documents and the Articles of Association and combined with the Company's actual circumstances. The amended rules of procedures as mentioned above will take effect upon consideration and approval at a general meeting of the Company and completion of the issue and listing of A Shares. Upon such amended rules of procedures taking effect, the then prevailing rules of procedures will be repealed simultaneously. Prior to that, such rules of procedures currently in force will continue to be applicable.

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## LETTER FROM THE BOARD

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Please refer to Appendices VII, VIII and IX of this circular for the full texts of (i) the Rules of Procedures for the General Meetings; (ii) the Rules of Procedures for the Board of Directors and (iii) the Rules of Procedures for the Supervisory Committee, respectively.

The resolutions on the proposed amendments to each of these rules of procedures will be submitted to the EGM for consideration and approval by way of ordinary resolution.

**(b) *The resolution on the proposed formulation of the Terms of Reference of the Independent Non-executive Directors***

To meet the requirements of the Issue of A Shares, the Company proposed to formulate the Terms of Reference of the Independent Non-executive Directors according to the relevant requirements of laws, regulations, regulatory documents and the Articles of Association and combined with the Company's actual circumstances. The Terms of Reference of the Independent Non-executive Directors will take effect upon consideration and approval at a general meeting of the Company and completion of the issue and listing of A Shares.

Please refer to Appendix X for the full text of the Terms of Reference of the Independent Non-executive Directors.

This resolution will be submitted to the EGM for consideration and approval by way of ordinary resolution.

**(c) *The resolutions on the proposed formulation of the internal control policies relating to the Issue of A Shares***

To meet the requirements of the Issue of A Shares, the Company proposed to formulate certain internal control policies relating to the Issue of A Shares, including the “Management Policy for External Guarantees”, the “Management Policy for Related Party Transactions”, the “Management Policy for External Investments”, the “Policy for Preventing the Controlling Shareholders, Actual Controllers and Related Parties from Appropriating Funds” and the “Management Policy for Funds Raised from A Shares” according to the relevant requirements of laws, regulations, regulatory documents and the Articles of Association and combined with the Company's actual circumstances.

Please refer to Appendices XI, XII, XIII, XIV and XV of this circular for the full texts of the “Management Policy for External Guarantees”, the “Management Policy for Related Party Transactions”, the “Management Policy for External Investments”, the “Policy for Preventing the Controlling Shareholders, Actual Controllers and Related Parties from Appropriating Funds” and the “Management Policy for Funds Raised from A Shares”.

These resolutions will be submitted to the EGM for consideration and approval by way of ordinary resolution.

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## LETTER FROM THE BOARD

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### **(d) The resolution on the engagement of auditor for the Issue of A Shares**

The Company intends to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's auditor for the Issue of A Shares.

Authorisation will be sought at the EGM for the Board to determine the final audit fees with reference to the market price and audit workload and enter into the relevant service agreement(s).

This resolution will be submitted to the EGM for consideration and approval by way of ordinary resolution.

### **2.4 REASONS FOR AND BENEFITS OF THE PROPOSED ISSUE OF A SHARES**

The Directors consider that the issue of A Shares and listing on the Science and Technology Innovation Board will enable the Company to grasp the major opportunities presented by the capital market reform in the PRC, establish a long-term capital replenishment mechanism, build a diversified financing platform and enhance the Company's strength. The Issue of A Shares will provide funds for the Company to realise its future strategic development goals and meet the needs of the Company's core technology and business development, which will continue to inject momentum into the Company's long-term business development, consolidate business performance and improve the Company's overall value.

The Company considers that the issue of A Shares and listing on the Science and Technology Innovation Board would be beneficial to the Company and its Shareholders as a whole and is beneficial to strengthen the sustainable development of the Company.

### **2.5 INFORMATION ON THE GROUP**

The Group is mainly engaged in the research and development, manufacturing and sale of rail transit equipment products, which primarily include on-board electrical systems and ground electrical devices, communication signal systems, power semiconductor devices and rail engineering machinery vehicles with a focus on traction converter systems of rail transit vehicles. Meanwhile, the Group also actively expands into industries other than rail transit and carries out business operations in the fields of industrial transmission, electric drive system of new energy vehicles and marine equipment.

### **2.6 EFFECTS OF THE ISSUE OF A SHARES ON SHAREHOLDING STRUCTURE OF THE COMPANY**

Upon completion of the Issue of A Shares, all of the existing Domestic Shares will be converted into A Shares and listed on the Science and Technology Innovation Board.

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## LETTER FROM THE BOARD

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Assuming that a total of 240,760,275 A Shares are to be issued (before any exercise of the over-allotment option), the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Issue of A Shares is as follows (assuming there is no other change in the share capital of the Company from the Latest Practicable Date up to and including the date of completion of the Issue of A Shares):

	As at the Latest Practicable Date		Immediately after the completion of the Issue of A Shares	
	Number of shares	Approximate %	Number of shares	Approximate %
<b>Domestic Shares</b>	628,147,237	53.44%	–	–
<b>A Shares to be issued</b>				
(1) New A Shares proposed to be issued	–	–	240,760,275	17.00%
(2) A Shares to be converted from existing Domestic Shares	–	–	628,147,237	44.35%
<b>H Shares</b>	<u>547,329,400</u>	<u>46.56%</u>	<u>547,329,400</u>	<u>38.65%</u>
<b>Total</b>	<u>1,175,476,637</u>	<u>100%</u>	<u>1,416,236,912</u>	<u>100%</u>

*Note:* The difference between the aggregation of the items and the total number (if any) is due to rounding.

Assuming a maximum of 240,760,275 A Shares are issued (before any exercise of the over-allotment option), the Company's public float (including H Shares and A Shares held by the public but excluding any Shares held by the Company's substantial shareholders, Directors, Supervisors, chief executive and their respective close associates) will be above 25% following the completion of the Proposed Issue of A Shares, and the Company will still be able to meet the minimum requirement on public float percentage under the Hong Kong Listing Rules. The Company will closely monitor its public float percentage (including H Shares and A Shares held by the public) to maintain the minimum percentage of listed securities as prescribed by Rule 8.08 of the Hong Kong Listing Rules at all times, including during the price stabilisation period for the newly issued A Shares, in public hands. The Company will continue to comply with the public float requirements under the Hong Kong Listing Rules.

### 2.7 FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

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

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## LETTER FROM THE BOARD

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### 3. CONTINUING CONNECTED TRANSACTIONS UNDER THE FINANCIAL SERVICES FRAMEWORK AGREEMENTS

#### 3.1 2020-23 FINANCIAL SERVICES FRAMEWORK AGREEMENT I

##### **(a) Background**

References are made to the Company's announcements dated 29 December 2017, 28 December 2018 and 25 October 2019 regarding, among other things, the 2017-18 CRRC Financial Services Framework Agreement, 2018-19 CRRC Financial Services Framework Agreement and the 2019-20 CRRC Financial Services Framework Agreement, respectively.

In view of the prospective expiry of the 2019-20 CRRC Financial Services Framework Agreement on 30 December 2020, the Company and CRRC Finance propose to enter into the 2020-23 Financial Services Framework Agreement I, pursuant to which, CRRC Finance will agree to provide the Group with deposit services, loan services and other financial services subject to the terms and conditions provided therein.

##### **(b) Principal terms of the 2020-23 Financial Services Framework Agreement I**

The principal terms of the 2020-23 Financial Services Framework Agreement I are set out below:

###### *(i) Parties*

(A) The Company; and

(B) CRRC Finance

###### *(ii) Term*

A term of three years commencing from 31 December 2020 to 30 December 2023 (the "Term I").

###### *(iii) Material terms*

Pursuant to the 2020-23 Financial Services Framework Agreement I, the services to be provided by CRRC Finance to the Group include deposit services, loan services and other financial services as described below.

CRRC Finance will ensure the stable operation of the capital management system to safeguard the funds and to control the asset and liability risks, so as to satisfy the payment needs of the Group.

The parties have agreed to enter into separate agreements for each service provided under the 2020-23 Financial Services Framework Agreement I and the terms of such agreements will be in compliance with the principle and terms stipulated in the 2020-23 Financial Services Framework Agreement I.

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## LETTER FROM THE BOARD

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(iv) *Pricing policy*

Deposit services

The interest rate for the Group's deposits with CRRC Finance will not be lower than (i) the benchmark interest rate as stipulated by the PBOC for the same period and the same type of deposit; (ii) the interest rate of principal commercial banks in the PRC offered to each member of the CRRCG Group for the same type of deposit services; and (iii) the interest rate determined by CRRC Finance to absorb the same type of deposits of each member of the CRRCG Group.

The commercial terms (including fees and charges) of other daily transactions in respect of the deposits offered by CRRC Finance to the Group will not be less favourable than: (i) the terms offered by principal PRC commercial banks when providing similar services to the Group; and (ii) the terms offered by CRRC Finance to other members of CRRCG Group.

Loan services

The interest rate paid by the Group to CRRC Finance will comply with the loan prime rate (LPR) standard published by the National Interbank Funding Centre as authorised by the PBOC and will not be higher than (i) the interest rate offered by principal PRC commercial banks to each member of the CRRCG Group for loans of the same period and same type; and (ii) the interest rate offered by CRRC Finance to other members of the CRRCG Group for loans of the same period and same type.

Other financial services

The fees charged by CRRC Finance for the provision of other financial services to the Group will comply with the charge standards published by the PBOC or CBIRC for such type of financial services and will not be higher than (i) the fees charged by principal commercial banks in the PRC for the same type of financial services; and (ii) the fees charged by CRRC Finance to other members of the CRRCG Group for the same type of financial services.

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## LETTER FROM THE BOARD

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**(c) Historical transaction records with CRRC Finance**

Set out below is a summary of the historical transaction records under the 2017-18 CRRC Financial Services Framework Agreement, the 2018-19 CRRC Financial Services Framework Agreement and the 2019-20 CRRC Financial Services Framework Agreement:

	31 December 2017	Year ended 31 December 2018	31 December 2019	Six months ended 30 June 2020
(RMB million)				
1. Maximum daily deposit balance (including any interest accrued thereon) placed by the Group with CRRC Finance		690	695	688
2. Maximum daily loan balance (including any interest accrued thereon) granted by CRRC Finance to the Group		0	0	0
3. Fees charged annually by CRRC Finance to the Group for other financial services provided		0	0	0

The historical transaction amounts under the 2017-18 CRRC Financial Services Framework Agreement and the 2018-19 CRRC Financial Services Framework Agreement did not exceed the respective annual caps set thereunder.

As at the Latest Practicable Date, the annual caps set out under the 2019-20 CRRC Financial Services Framework Agreement have not been exceeded. The Board anticipates that the annual amounts of the transactions under 2019-20 CRRC Financial Services Framework Agreement for the period commencing from 31 December 2019 to 30 December 2020 will not exceed the annual caps set thereunder.

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## LETTER FROM THE BOARD

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### **(d) New Financial Services Caps I**

The Company estimates that the New Financial Caps I under the 2020-23 Financial Services Framework Agreement I will be as follows:

	31 December 2020	Year ending 31 December 2021	30 December 2022	30 December 2023	1 January 2023 to
					(RMB million)
1. Maximum daily deposit balance (aggregating deposits denominated in Renminbi and foreign currencies, including any interest accrued thereon) to be placed by the Group with CRRC Finance	700	700	700	700	700
2. Maximum daily loan balance (aggregating loans denominated in Renminbi and foreign currencies, including any interest accrued thereon) to be granted by CRRC Finance to the Group	700	700	700	700	700
3. Fees charged annually by CRRC Finance to the Group for other financial services to be provided	1	10	10	10	10

### *Deposit services*

The proposed annual cap for the deposit services, being the maximum daily deposit balance aggregating deposits denominated in Renminbi and foreign currencies (including any interest accrued thereon) with CRRC Finance, for the period commencing from 31 December 2020 to 30 December 2023, is determined after taking into account: (a) the increasing total assets of the Group; (b) the fact that CRRC Finance is under the supervision of relevant competent financial authorities such as CBIRC and it has been maintaining good risk control, well-regulated management and settlement systems comparable with principal PRC commercial banks; and (c) the fact that the Company's cooperation with CRRC Finance will allow it to reduce financial charges, increase income from interest on deposits, and reduce settlement costs with good risk control.

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## LETTER FROM THE BOARD

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### *Loan services*

The proposed annual cap for the loan services, being the maximum daily loan balance aggregating loans denominated in Renminbi and foreign currencies (including any interest accrued thereon) with CRRC Finance, for the period commencing from 31 December 2020 to 30 December 2023, is determined after taking into account: (a) the financial requirements and financing demands of the Group in future; and (b) cooperation between the Company and CRRC Finance is beneficial to expanding the financing channels of the Company and reducing financing costs and risks.

### *Other financial services*

The other financial services which may be provided by CRRC Finance to the Group include but not limited to finance and financial advisory and consultation services, credit assurance and related consulting and agency services, assistance in the receipt and payment of transaction proceeds, providing guarantees, entrusted loans and entrusted investment, acceptance and discount of bills, intra-group transfer and settlement services, providing settlement solutions, finance leasing, spot and forward foreign exchange settlement and sale as well as spot and forward foreign exchange trading.

The proposed annual cap for other financial services, being the fees payable by the Group to CRRC Finance for the provision of other financial services, for the period commencing from 31 December 2020 to 30 December 2023, is determined after taking into account: (a) the expected business development and demand for other financial services of the Group during the Term I; and (b) the historical fees paid by the Group for the provision of other financial services by CRRC Finance as shown in the section headed “Historical transaction records with CRRC Finance” above.

## 3.2 2021-23 FINANCIAL SERVICES FRAMEWORK AGREEMENT II

### **(a) *Background***

The Company and CRRC Hongkong Capital propose to enter into the 2021-23 Financial Services Framework Agreement II, pursuant to which, CRRC Hongkong Capital will agree to provide the Group with loan services and other financial services subject to the terms and conditions provided therein.

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## LETTER FROM THE BOARD

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**(b) Principal terms of the 2021-23 Financial Services Framework Agreement II**

The principal terms of the 2021-23 Financial Services Framework Agreement II are set out below:

*(i) Parties*

- (A) The Company; and
- (B) CRRC Hongkong Capital

*(ii) Term*

A term of three years commencing from 1 January 2021 to 31 December 2023 (the “**Term II**”).

*(iii) Material terms*

Pursuant to the 2021-23 Financial Services Framework Agreement II, the services to be provided by CRRC Hongkong Capital to the Group include loan services and other financial services as described below.

CRRC Hongkong Capital will ensure the stable operation of the fund management system to safeguard the funds and to control the asset and liability risks, so as to satisfy the payment needs of the Group.

The parties have agreed to enter into separate agreements for each service provided under the 2021-23 Financial Services Framework Agreement II and the terms of such agreements will be in compliance with the principle and terms stipulated in the 2021-23 Financial Services Framework Agreement II.

*(iv) Pricing policy*

Loan services

The interest rate for loans to be granted to the Group by CRRC Hongkong Capital will not be higher than (i) the Hong Kong interbank lending rate; and (ii) the interest rate charged by CRRC Hongkong Capital to other members of the CRRCG Group for loans of the same period and type.

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## LETTER FROM THE BOARD

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### Other financial services

The fees charged by CRRC Hongkong Capital for the provision of other financial services to the Group will not be higher than (i) the fees charged by other financial service institutions in Hong Kong for the same financial services; and (ii) the fees charged by CRRC Hongkong Capital to other members of the CRRCG Group for the same type of financial services.

#### **(c) New Financial Services Caps II**

The Company expects that the New Financial Services Caps II under the 2021-23 Financial Services Framework Agreement II will be as follows:

	Year ending 31 December		
	2021	2022	2023
	(RMB million)		
1. Maximum daily loan balance (aggregating loans denominated in Renminbi and foreign currencies, including any interest accrued thereon) to be granted by CRRC Hongkong Capital to the Group	600	600	600
2. Fees charged annually by CRRC Hongkong Capital to the Group for other financial services to be provided	10	10	10

### *Loan services*

The proposed annual cap for the loan services, being the maximum daily loan balance (including any interest accrued thereon) with CRRC Hongkong Capital, for the period commencing from 1 January 2021 to 31 December 2023, is determined after taking into account: (a) the financial requirements and financing demands of the Group in future; and (b) cooperation between the Company and CRRC Hongkong Capital is beneficial to expanding the financing channels of the Company and reducing financing costs and risks.

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## LETTER FROM THE BOARD

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### *Other financial services*

The other financial services which may be provided by CRRC Hongkong Capital to the Group will be within the business scope of CRRC Hongkong Capital and be approved by the financial regulatory authorities.

The proposed annual cap for other financial services, being the fees payable by the Group to CRRC Hongkong Capital for the provision of other financial services, for the period commencing from 1 January 2021 to 31 December 2023, is determined after taking into account: (a) expected business development and demand for other financial services of the Group during the Term II; (b) the prevailing market charge standard of such other financial services; and (c) cooperation between the Company and CRRC Hongkong Capital will not prejudice the interests of the Company and the Shareholders.

### **3.3 INFORMATION ON CRRCG, CRRC FINANCE AND CRRC HONGKONG CAPITAL**

#### **(a) CRRCG**

The principal scope of business of CRRCG is the authorised state-owned asset management and state-owned equity management, capital operation, investment and investment management, asset management and asset trust management; research and development, sale, leasing and technological services of transportation and urban infrastructure, new energy, energy conservation and environmental protection equipment; design, manufacture and repair of locomotive trains, urban railway transport trains, railway hoisting machinery, various mechanical and electrical equipment and parts, electronic equipment, environmental protection equipment and products; and import and export of goods, technology and agency.

#### **(b) CRRC Finance**

CRRC Finance is a non-banking financial institution established under the laws of the PRC in November 2012 with the approval of the CBIRC and is subject to the supervision of CBIRC. CRRC Finance is principally engaged in providing financial services including but not limited to deposit services, loan and entrusted loan services, discounting services and settlement services to the members of the CRRCG Group (and the Group as contemplated under the 2020-23 Financial Services Framework Agreement I).

#### **(c) CRRC Hongkong Capital**

CRRC Hongkong Capital is a non-banking financial institution incorporated in Hong Kong in August 2010. CRRC Hongkong Capital holds a valid money lenders licence under the Money Lenders Ordinance of Hong Kong (Chapter 163 of the Laws of Hong Kong) and is principally engaged in investment, finance leasing and providing financial services and finance services.

CRRC Hongkong Capital also holds 16,200,000 H Shares, representing 1.38% of the share capital of the Company as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### 3.4 REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL SERVICES FRAMEWORK AGREEMENTS

Whilst both CRRC Finance and CRRC Hongkong Capital will be providing the Group with loan services and other financial services, they will be providing such services to onshore PRC members of the Group and offshore members of the Group, respectively.

Having considered that (1) the interest rates on loans and deposits offered by CRRC Finance to the Group will be no less favourable than those offered by other principal commercial banks in the PRC for the same period and same type; (2) CRRC Finance is regulated by the PBOC and CBIRC and provides its services in accordance with and in satisfaction of the rules and operational requirements of these relevant regulatory authorities; (3) the Group is expected to benefit from CRRC Finance's better understanding of operations of the Group which should allow expedient and efficient service provision (such as it is expected that CRRC Finance may be more efficient in approving the loans than other principal commercial banks in the PRC); and (4) pursuant to the relevant regulations of the PBOC and CBIRC, the customers of CRRC Finance include primarily entities within the CRRCG Group (including the Group), thereby reducing the risks that CRRC Finance may otherwise be exposed to if its customers included other entities not connected with CRRCG Group or the Group, the Directors consider that the 2020-23 Financial Services Framework Agreement I will provide a better utilisation of such surplus cash with acceptable levels of risk and an efficient management of loans, deposits and other financial services within the PRC for meeting the daily operation needs of the Group. The deposit transactions do not have any effect on the assets and liabilities of the Group. In addition, the interest earned out of the deposit transactions will provide satisfactory economic returns for the Group.

Similarly, having considered that (1) the interest rates on loans offered by CRRC Hongkong Capital to the Group will be no less favourable than the relevant Hong Kong interbank lending rate, (2) CRRC Hongkong Capital is a licensed money lender and is regulated by the Money Lenders Ordinance of Hong Kong; (3) the Group is expected to benefit from CRRC Hongkong Capital's better understanding of operations of the Group which should allow expedient and efficient service provision (such as it is expected that CRRC Hongkong Capital may be more efficient in approving the loans than other financial institutions in Hong Kong); and (4) pursuant to the relevant regulations of the PBOC and CBIRC, the customers of CRRC Hongkong Capital are limited to entities within the CRRCG Group (including the Group), thereby reducing the risks that CRRC Hongkong Capital may otherwise be exposed to if its customers included other entities not connected with CRRCG Group or the Group, the Directors consider that the 2021-23 Financial Services Framework Agreement II will provide a better utilisation of such surplus cash with acceptable levels of risk and an efficient management of loans and other financial services outside the PRC for meeting the daily operation needs of the Group.

Mr. Li Donglin, Mr. Liu Ke'an and Mr. Zhang Xinning have abstained from voting on the Board resolutions approving the Financial Services Framework Agreements due to conflict of interests. Save as mentioned above, none of the Directors has material interest in the Financial Services Framework Agreements and hence no other Director has abstained from voting on such Board resolutions.

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## LETTER FROM THE BOARD

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The Directors (excluding Mr. Li Donglin, Mr. Liu Ke'an and Mr. Zhang Xinning but including the Independent Non-executive Directors) consider that the terms of the Financial Services Framework Agreements and the New Financial Services Caps are fair and reasonable and in the interest of the Company and its Shareholders as a whole. The Independent Non-executive Directors also consider that the transactions contemplated under the Financial Services Framework Agreements are conducted in the ordinary and usual course of business of the Group on normal commercial terms.

### 3.5 IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the Latest Practicable Date, CRRCG directly and indirectly holds approximately 50.78% equity interest in CRRC in aggregate, and CRRC directly holds the entire equity interest in the Parent Company. The Parent Company is a controlling shareholder of the Company. As CRRC Finance is held as to 91.36% by CRRC and 8.64% by CRRCG, and CRRC Hongkong Capital is wholly-owned subsidiary of CRRC, they are each a connected person of the Company as defined under the Hong Kong Listing Rules. Therefore, the transactions contemplated under the Financial Services Framework Agreements constitute continuing connected transactions of the Company.

Each of (i) the loan services to be provided by CRRC Finance to the Group under the 2020-23 Financial Services Framework Agreement I and (ii) the loan services to be provided by CRRC Hongkong Capital to the Group under the 2021-23 Financial Services Framework Agreement II will constitute financial assistance to be provided by connected persons for the benefit of the Group. As such services are provided on normal commercial terms which are similar to or even more favourable than those offered by Independent Third Parties for comparable services in the PRC and Hong Kong, and no security over the assets of the Group will be granted in respect thereof, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, such loan services are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

All of the applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) in respect of the proposed annual cap for other financial services under (i) the 2020-23 Financial Services Framework Agreement I and (ii) the 2021-23 Financial Services Framework Agreement II, whether alone or aggregated, are less than 0.1%.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for deposit services under the 2020-23 Financial Services Framework Agreement I, whether alone or aggregated with the proposed annual caps for other financial services under the 2020-23 Financial Services Framework Agreement I and the 2021-23 Financial Services Framework Agreement II, is more than 0.1% but are all less than 5%, the deposit services and other financial services to be provided by CRRC Finance to the Group and the other financial services to be provided by CRRC Hongkong Capital to the Group constitute non-exempt continuing connected transactions of the Company which are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The Company will disclose the relevant details in the next published annual report and accounts of the Company in accordance with the relevant requirements as set out in Rule 14A.71 of the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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### 3.6 IMPLICATIONS UNDER THE SSE SCI-TECH LISTING RULES

Under the SSE Sci-Tech Listing Rules, as CRRCG is the same indirect controlling shareholder of the Company, CRRC Finance and CRRC Hongkong Capital, each of CRRC Finance and CRRC Hongkong Capital is a related party of the Company. Therefore, the transactions contemplated under the 2020-23 Financial Services Framework Agreement I and the 2021-23 Financial Services Framework Agreement II both constitute related party transactions under the SSE Sci-Tech Listing Rules and are required to be approved at a general meeting of the Company.

Each of the Financial Services Framework Agreements will be submitted to the EGM for consideration and approval by way of ordinary resolution.

## 4. 2021-23 SHILING MUTUAL SUPPLY FRAMEWORK AGREEMENT

### (a) **Background**

The Company and Shiling Company proposed to enter into the 2021-23 Shiling Mutual Supply Framework Agreement, pursuant to which, they will agree to a mutual supply of products and ancillary services subject to the terms and conditions provided therein.

### (b) **Principal terms of the 2021-23 Shiling Mutual Supply Framework Agreement**

The principal terms of the 2021-23 Shiling Mutual Supply Framework Agreement are set out below:

#### *(i) Parties*

(A) The Company; and

(B) Shiling Company

#### *(ii) Scope of products and services to be provided*

The Company agreed to supply and procure its subsidiaries to supply to the Shiling Group certain products (including electrical systems and electrical components), parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes.

Shiling Company agreed to supply and procure its subsidiaries to supply to the Group certain products, parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes.

#### *(iii) Term*

A term of three years commencing from 1 January 2021 to 31 December 2023.

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## LETTER FROM THE BOARD

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### **(iv) Pricing principles**

(A) The pricing for the products and/or services supplied by and/or to the Shiling Group will be determined in accordance with the following principles and order of priority:

- (I) the prices prescribed by the government of the PRC or any regulatory authority(ies) (if any) (“**government-prescribed prices**”) or any pricing guidelines or pricing recommendations set by the government of the PRC or any regulatory authority(ies) (if any) (“**government-guided prices**”);
- (II) the final confirmed prices through the bidding and tendering process conducted in accordance with the applicable laws, regulations and rules (if any) (“**bidding prices**”), where neither government-prescribed prices or government-guided prices are available or applicable;
- (III) the market prices determined in accordance with the following priority order: (1) prices charged by independent third parties for such products and/or services with the Group on normal commercial terms in the same or adjacent areas where such products and/or services are provided; or (2) prices charged by independent third parties for such products and/or services on normal commercial terms, where none of the government-prescribed prices, government-guided prices or bidding prices are available or applicable; and
- (IV) the agreed prices based on the actual or reasonable cost incurred thereof plus a reasonable profit, which is determined by reference to the nature, historical price and current market price of such products and/or services and the Group’s forecasted demand and increase in the market price of such products and/or services in the remaining term, where none of the above prices are available or applicable.

### **(v) Payment terms**

Payments for the products and/or services supplied by and/or to the Shiling Group will be settled by way of cash or such other manners as agreed by the parties and in accordance with the agreed timing and manners as specified in the actual product and service contracts to be entered into between the respective members of the Group and the Shiling Group Company.

With respect to the purchase of products and/or services by the Group, in determining whether the prices and/or terms offered by the Shiling Group are reasonable and no less favourable than those offered by the Independent Third Parties, the Group has adopted effective methods and procedures by obtaining and comparing price references from the market to the extent that those products and/or services are of comparable nature, quality, quantity and condition. In the event that the prices and/or terms offered by the Shiling Group are less favourable than those offered by the Independent Third Parties, the Group will have the right to terminate and cancel such transactions.

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## LETTER FROM THE BOARD

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**(c) Annual caps**

	Year ending 31 December		
	2021	2022	2023
	(RMB million)		
Annual cap of the amounts to be paid to the Shiling Group by the Group for the products and/or services to be provided by the Shiling Group	430	463	463
Annual cap of the amounts to be paid to the Group by the Shiling Group for the products and/or services to be provided by the Group	413	446	446

**(d) Information on the Shiling Group**

Shiling Company is a joint venture company held as to 50% by the Company. Shiling Company is principally engaged in the designing, development, manufacturing, sales and after-sales services of electrical and mechanical parts for rail transportation vehicles.

**(e) Implications under the Hong Kong Listing Rules**

Shiling Company is not a connected person of the Company under the Hong Kong Listing Rules. As such, the transactions contemplated under the 2021-23 Shiling Mutual Supply Framework Agreement do not constitute connected or continuing connected transactions of the Company under the Hong Kong Listing Rules.

**(f) Implications under the SSE Sci-Tech Listing Rules**

As Mr. Liu Ke'an, an executive Director, is also the chairman of Shiling Company and Mr. Yan Changqi, a vice general manager of the Company, is also a director of Shiling Company, Shiling Company is a related party of the Company under the SSE Sci-Tech Listing Rules. Therefore, the transactions contemplated under the 2021-23 Shiling Mutual Supply Framework Agreement constitute related party transactions of the Company under the SSE Sci-Tech Listing Rules and are required to be approved at a general meeting of the Company.

The 2021-23 Shiling Mutual Supply Framework Agreement will be submitted to the EGM for consideration and approval by way of ordinary resolution.

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## LETTER FROM THE BOARD

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### 5. PROPOSED RE-ELECTION OF DIRECTOR

Reference is made to the announcement of the Company dated 28 September 2020, in relation to, among others, appointment of Mr. Shang Jing (“**Mr. Shang**”) as an executive Director and general manager of the Company. The term of Mr. Shang as a Director shall commence from 28 September 2020 until the conclusion of the next general meeting, i.e. the EGM of the Company upon appointment of Mr. Shang, and he is eligible for re-election as an executive Director at the EGM.

Having taking into account a wide range of diversity aspects (including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service) and having due regard for the benefits of diversity on the Board as set out in the board diversity policy of the Company, the nomination committee of the Company recommended the Board to propose to re-elect Mr. Shang as an executive Director. The Board proposed to re-elect Mr. Shang as an executive Director with a term until the conclusion of the 2022 annual general meeting to be held in 2023, but is subject to approval by the Shareholders at the EGM. Details of Mr. Shang required to be disclosed under Rule 13.51(2) of the Hong Kong Listing Rules are set out in Appendix XVI of this circular.

### 6. THE EGM AND THE CLASS MEETINGS

The votes at the EGM and the Class Meetings will be taken by poll.

Notices convening the EGM, the Class Meeting of Holders of Domestic Shares and the Class Meeting of Holders of H Shares to be held on Monday, 7 December 2020 are set out on pages 383 to 386, pages 387 to 389 and pages 390 to 392 of this circular, respectively .

In order to determine the entitlements of Shareholders to attend and vote at the EGM and the Class Meetings, the register of members of Domestic Shares of the Company and the register of members of H Shares of the Company will both be temporarily closed from Wednesday, 2 December 2020 to Monday, 7 December 2020 (both days inclusive), during which period no transfer of Shares will be registered.

To be eligible to attend and vote at the EGM and the Class Meetings, all transfer documents together with the relevant Share certificates must be lodged, for holders of the Domestic Shares, with the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC or for holders of the H Shares, the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 1 December 2020.

Proxy forms for appointing proxy are despatched together with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the EGM and/or the Class Meetings, you are requested to complete and return the proxy forms in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM and/or the Class Meetings or the adjournment thereof. Completion and return of the proxy forms will not preclude you from attending and voting in person at the EGM and/or the Class Meetings or at any adjournment thereof if you so wish.

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## LETTER FROM THE BOARD

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### 7. PRECAUTIONARY MEASURES FOR THE EGM AND THE CLASS MEETINGS

In light of the outbreak of the Novel Coronavirus Disease (“**COVID-19**”), the following precautionary measures will be implemented at the EGM, the Class Meeting of Holders of Domestic Shares and the Class Meeting of Holders of H Shares to safeguard the health and safety of the attendees:

- Compulsory body temperature check will be conducted for every Shareholder and proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degree Celsius will not be admitted to the venue;
- Mandatory wearing of surgical face masks for every Shareholder and proxy throughout the meeting; and
- No refreshment and souvenirs will be provided.

To further control the spread of COVID-19, the Company advises the Shareholders, particularly Shareholders who are subject to quarantine in relation to COVID-19, to exercise their voting rights by appointing the chairman of the EGM, the Class Meeting of Holders of Domestic Shares or the Class Meeting of Holders of H Shares (as the case may be) as their proxy to vote according to their indicated voting instructions, as an alternative to attending the meeting in person.

Depending on the development of COVID-19, the Company may implement further changes on the precautionary measures and may publish further announcement in relation to such measures as appropriate.

### 8. RECOMMENDATION

The Board considers that all the resolutions to be proposed at the EGM, the Class Meeting of Holders of Domestic Shares and the Class Meeting of Holders of H Shares are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these proposed resolutions.

### 9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong 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.

### 10. ADDITIONAL INFORMATION

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

*This circular is prepared in both Chinese and English versions. In case of any inconsistencies, the Chinese version shall prevail.*

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## LETTER FROM THE BOARD

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Shareholders and potential investors of the Company should be aware that the Proposed Issue of A Shares is conditional upon, among others, approval from the Shareholders, the CSRC and the SSE and is subject to the market condition. Therefore, the Shareholders and potential investors of the Company should note that there is no assurance whether or when the Proposed Issue of A Shares will proceed and thus the Shareholders and potential investors of the Company are advised to exercise caution while dealing in the securities of the Company. Any person who is in any doubt about his/her position or as to the action to be taken is recommended to consult his/her professional adviser. The Company will disclose further details in relation to the Proposed Issue of A Shares as and when practicable.

Yours faithfully,  
For and on behalf of the Board  
**Li Donglin**  
*Chairman*

**FEASIBILITY STUDY REPORT ON PROJECTS  
TO BE FINANCED WITH PROCEEDS FROM  
THE INITIAL PUBLIC ISSUE AND LISTING OF  
A SHARES ON  
THE SCIENCE AND TECHNOLOGY  
INNOVATION BOARD OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

**ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.  
SEPTEMBER 2020**

Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) proposes to apply for the initial public issue and listing of A shares on the Science and Technology Innovation Board (the “**Issue**”). Pursuant to requirements of relevant laws, regulations and regulatory documents as well as the actual condition of the Company, the Company formulated the feasibility study report on the projects to be financed with proceeds from the Issue, and the feasibility analysis on the use of proceeds raised from the Issue is hereby set out below.

### **I. OVERVIEW OF THE USE OF PROCEEDS RAISED FROM THE ISSUE**

The Company proposes to apply the proceeds raised from the Issue (after deducting the issue related expenses) to the following projects:

*Unit: RMB 0'000*

No.	Project name	Proposed investment amount from proceeds raised
<b>1</b>	<b>Rail transit traction network technology and system R&amp;D application project</b>	<b>209,550</b>
<b>2</b>	<b>Smart rail transit bureau and smart urban rail key technology and system R&amp;D application project</b>	<b>107,083</b>
<b>3</b>	<b>New industry advanced technology R&amp;D application project</b>	<b>86,927</b>
3.1	New energy vehicle electric drive system R&D application project	50,371
3.2	New sensor R&D application project	14,796
3.3	Industrial transmission device R&D application project	11,760
3.4	Deep-sea intelligent equipment R&D application project	10,000
<b>4</b>	<b>New-type rail engineering machinery R&amp;D manufacturing platform construction project</b>	<b>80,000</b>
4.1	New-type rail engineering machinery manufacturing platform construction project	50,000
4.2	New-type rail engineering machinery equipment R&D application project	30,000
<b>5</b>	<b>Innovative experimental platform construction project</b>	<b>93,100</b>
<b>6</b>	<b>Replenishment of working capital</b>	<b>200,000</b>
<b>Total</b>		<b>776,660</b>

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**APPENDIX I      FEASIBILITY STUDY REPORT ON PROJECTS TO BE FINANCED WITH PROCEEDS FROM  
THE INITIAL PUBLIC ISSUE AND LISTING OF A SHARES ON THE SCIENCE AND  
TECHNOLOGY INNOVATION BOARD OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

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Should the actual proceeds raised from the Issue be insufficient to cover the above-mentioned projects, the Company will fill in the shortfalls with self-funded capital. Should the actual proceeds raised from the Issue exceed the total amount required for the above-mentioned projects, the Company will apply the surplus to its principal business after performing necessary procedures in accordance with relevant requirements.

Before the proceeds raised from the Issue are in place, the Company may support the implementation of the above-mentioned projects with its own funds and/or bank borrowings depending on the actual progress of such projects. After the raised proceeds are in place, the Company will replace the funds already invested in the projects with the proceeds raised from the Issue.

**II.    NECESSITY AND FEASIBILITY OF PROJECTS TO BE FINANCED WITH PROCEEDS  
FROM THE ISSUE**

**(I)    Rail transit traction network technology and system R&D application project**

**1.    *Project Overview***

The rail transit traction network technology and system R&D application project, with an emphasis on rail transit electrical equipment, proposes to focus on the R&D and application of related technologies of traction converter system for motor vehicles, locomotives, urban rail and maglev trains, and conduct in-depth research and continuous breakthroughs in electrical system technology, traction converter technology, network control technology, power battery technology, and medium and high speed maglev system etc., so as to establish a modern transportation core technology system that meets China's demands and generally attains internationally advanced level.

**2.    *Project Necessity and Feasibility***

The independent research and development of the core technology of traction converter system, which is the core system of rail transit electrical equipment, is an important index underlying the core creative capacity of rail transit equipment manufacturing enterprises. Its technology research and development and product upgrading play a key role in the development of China's rail transit industry. It is essential for the Company to strengthen its basic and forward-looking technology research, so as to facilitate its rail transit products meet the international demand and better serve China's high-speed rail to go global.

After decades of efforts, the Company has accumulated core technical advantages in the field of traction converter system, and launched a batch of independent products with international advanced level and competitiveness. The Company has a research and development team with strong technical expertise, whose professional background covers mechanical and electronic, electrical engineering, automatic control and other fields. The Company has a number of specialised production bases and advanced production lines, as well as a complete testing system. Profound technical accumulation, solid R&D strength and complete experimental production system lay a solid foundation for the development of the project.

**(II) Smart rail transit bureau and smart urban rail key technology and system R&D application project****1. Project Overview**

The smart rail transit bureau and smart urban rail key technology and system R&D application project mainly focus on information technology, intelligent technology research and system integration deployment in the two fields of smart rail transit bureau and smart urban rail, and the basic and supporting systems involved include, among others, smart trains, smart stations, smart business, smart power supply and smart centres.

**2. Project Necessity and Feasibility**

The Outline of Empowering the Country with Transportation (《交通強國建設綱要》) points out that it is necessary to promote the upgrading of equipment technology, develop a new generation of intelligent transportation management system, and popularise the application of intelligent detection and operation and maintenance technology of transportation equipment. The Outline of Smart Urban Rail Development of China's Urban Rail Transit (《中國城市軌道交通智慧城軌發展綱要》) puts forward “promoting informationisation of urban rail, developing intelligent systems and building smart urban rail”. In the future, with the development trend of “smart transportation”, new technologies such as digitalisation, intelligence, networking, big data, internet, artificial intelligence and blockchain will be deeply integrated with the transportation industry. It is an inevitable choice for the Company to quickly master the key technologies of intelligent rail transit and transform them into products, in order to strengthen advantages and expand market in the intelligent transportation industry.

The construction of smart rail bureau and smart urban rail is a complex and huge project involving multi-disciplines and multi-systems, and covers construction, operation, management and service. The Company has rich product pedigrees such as rail transit vehicle traction converter system, power supply system, power semiconductor devices, new sensors and rail engineering machinery, which provide rich underlying product support and technical foundation for the research and development of informatisation and intelligent systems of the project.

**(III) New industry advanced technology R&D application project**

The new industry advanced technology R&D application project includes four sub-projects: new energy vehicle electric drive system R&D application project, new sensor R&D application project, industrial transmission device R&D application project and deep-sea intelligent equipment R&D application project, with details as follows.

**1. New energy vehicle electric drive system R&D application project****(1) Project Overview**

The new energy vehicle electric drive system R&D application project proposes to focus on the electric drive system, makes use of the resource advantages of the Company's independent IGBT, and makes breakthroughs in a number of research and development and application technologies such as flat wire/oil-cooled motor integration application, SiC module application and double-sided cooling module application, so as to further enhance the Company's core competitiveness and brand influence in the field of new energy vehicle electric drive system.

**(2) Project Necessity and Feasibility**

Electrification is the inevitable direction of automobile development in the future, and the market scale of electric drive system will expand rapidly driven by the industrialisation of new energy vehicles. At present, most domestic electric drive system suppliers are engaged in the R&D and manufacturing of the single products of electronic control, and are not capable of system integration research and development. Leading domestic electric drive manufacturers have commenced to map out, complement their technical constraints through cooperation and expand into new energy vehicle powertrain business.

Leveraging the accumulation in the field of converter technology, the Company possesses a relatively complete industrial chain and technical chain, is capable of independent development of core components of electric drive system, and can develop targeted products with high power density, high power cycle life and high reliability suitable for new energy vehicles. At present, the Company has established cooperative relations with many automakers at home and abroad to varying degrees, and successfully obtained a number of batch orders. Its products have been used in pure electric passenger cars, hybrid passenger cars and other fields, which may effectively support industrial development.

**2. New sensor R&D application project****(1) Project Overview**

Sensors are the key basic components of information systems. With the advancement of informationisation and intelligence, sensors promise broad application potential in intelligent industries, intelligent transportation and other fields. Targeted at the new demand of miniaturisation, networking and intelligence of current sensors, voltage sensors, speed sensors and other types of sensors in the current application market, the new sensor R&D application project carries out research on a number of intelligent sensing technologies, such as ASIC, MEMS chip technology, self-powered and low power consumption technology, (wired/wireless) networking and information transmission technology, multi-sensor data fusion and analysis technology, to create a new sensor core technology system with international competitive advantages.

(2) *Project Necessity and Feasibility*

With the rapid development of information society, people's daily life and work pose increasingly higher requirements for intelligence, and the requirements for the sensor technology and sensor integration application level of the information perception layer are also on the rise. As an information portal, sensors can provide comprehensive solutions for industry informatisation, and the development is the inevitable outcome of the future development trend of information society.

The Company's sensor products cover several categories, including current, voltage, pressure, temperature and speed, which focus on rail transit, wind power generation, photovoltaic and new energy vehicles, with an accumulation of rich experience. The Company has conducted study on the application of magnetic materials, polymer materials and other basic materials for several years, and has overcome many application problems. The above industrial foundations and R&D experience have laid a solid foundation for the development, production and application of new sensors.

**3. *Industrial transmission device R&D application project***

(1) *Project Overview*

At present, the Company's industrial converter field has forged five categories of products: i.e., central air conditioner frequency converter, mine truck traction frequency converter, medium voltage drive frequency converter, high voltage frequency converter and ship propulsion frequency converter. The industrial transmission device R&D application project proposes to conduct in-depth research on the electromechanical assembly technology of variable frequency transmission system, ultra-high speed variable frequency transmission technology and other technologies for the above five categories of products.

(2) *Project Necessity and Feasibility*

The 19th National Congress of the Communist Party of China put forward the idea that "Lucid waters and lush mountains are invaluable assets", and expounded the strategic deployment of accelerating the reform of ecological civilisation system, promoting green development and building a beautiful China. China has issued the Green Efficient Refrigeration Action Plan (《綠色高效製冷行動方案》) and Implementation Opinions on Accelerating the Construction of Green Mines (《關於加快建設綠色礦山的實施意見》) and other guiding opinions, which raised specific requirements for green energy conservation and environmental protection. The frequency conversion products produced by the Company can effectively improve the energy efficiency, which is highly aligned with the national strategic requirements on energy conservation and efficiency improvement.

Relying on years of practice and exploration in the field of rail transit, the Company has accumulated certain industrial application experience in the field of converter, and has a mature technical team and supporting test resources, which may provide bottom support for the implementation of this project.

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**APPENDIX I      FEASIBILITY STUDY REPORT ON PROJECTS TO BE FINANCED WITH PROCEEDS FROM  
THE INITIAL PUBLIC ISSUE AND LISTING OF A SHARES ON THE SCIENCE AND  
TECHNOLOGY INNOVATION BOARD OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

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**4. Deep-sea intelligent equipment R&D application project**

**(1) Project Overview**

The deep-sea intelligent equipment R&D application project targets at the application requirements of marine scientific investigation, submarine cable rapid inspection and submarine resource exploitation, breaks through the new-generation deep-sea robot technology which is deep-sea, low-cost, high-efficiency, intelligent and green, and completes the research and development of low-cost trenching and cable laying robots, high power electric drive deep sea robot and other equipment, as well as marine equipment general key components and intelligent software platforms, thus forming a new-generation deep-sea intelligent equipment technology platform and building a life-cycle supply chain system of electric-driven deep-sea robots.

**(2) Project Necessity and Feasibility**

In recent years, the exploration and development of deep-sea resources has attracted great attention from countries all over the world. The development of deep-sea resources can not only meet the demand of national industrial development for strategic resource supply security, but also promote the research and development of submarine resource exploration and related services and equipment and safeguard national strategic interests.

The Company has a relatively complete product pedigree of deep-sea equipment industry, and has established two deep-sea equipment R&D bases in Newcastle, England and Shanghai, China, respectively. It has a professional research and development team, who master the latest cutting-edge technical information to provide effective support for the development of deep-sea industry.

**(IV) New-type rail engineering machinery R&D manufacturing platform construction project**

**1. New-type rail engineering machinery manufacturing platform construction project**

**(1) Project Overview**

In this project, the Company plans to build new debugging workshops, general assembly workshops, prefabricated workshops and other buildings in the west of Yangping Railway Logistics Park, north of Keji Avenue, east of Shagang Village and south of Longhai Railway in Chencang District, Baoji City, and build public power, environmental protection and fire protection supporting facilities. After the project is put into production, it will effectively improve the production capacity of newly-built rail engineering machinery vehicles.

(2) *Project Necessity and Feasibility*

The Outline of Empowering the Country with Transportation puts forward the idea of promoting green development, low carbon, environmental protection, resource conservation and intensive utilisation and strengthening energy conservation, emission reduction and pollution prevention and control. As such, green, intelligent and efficient rail engineering machinery products are the inevitable choice for the Company to meet the demands of users and conform to the development trends of the industry. However, in the new stage of development, problems such as insufficient production sites and unreasonable production process layout in the existing parks of rail engineering machinery industry still exist, which has affected the Company's long-term development. Through this project, the Company aims to build a new manufacturing base through overall relocation, capacity expansion and production improvement, so as to provide a multi-faceted test site for R&D and manufacturing and further exploration of intelligent manufacturing of rail engineering machinery products of the Company, which is of great significance for comprehensively promoting industrial transformation and industrial upgrading and forming a modern R&D and manufacturing base of construction machinery in the real sense.

The product market of this project has broad prospects, and the planned production capacity matches the future industrial development goals. The main production workshops and material supply places in the planned factory area are planned as a whole, which meets the requirements of the national industrial development policy and the overall strategic planning of the Company, and is conducive to further enhancing the manufacturing capacity and core competitiveness of the Company.

**2. *New-type rail engineering machinery equipment R&D application project***(1) *Project Overview*

The new-type rail engineering machinery equipment R&D application project is mainly aimed at the research and development and achievement transformation of new rail engineering machinery products urgently in need in the market during the "14th Five-Year Plan" period. The main R&D products include turnout replacement integrated paving and replacing equipment, tunnel waste mechanised cleaning equipment, integrated track changing train and comprehensive maintenance train, so as to meet the development requirements of "high speed, high efficiency, energy saving, intelligence and flexible manpower" of rail engineering machinery industry.

(2) *Project Necessity and Feasibility*

Rail engineering machinery equipment are mainly used for railway line inspection, construction and maintenance. With the increase of railway operation period and traffic volume, the change of structure of field workers, and the improvement of environmental protection efficiency, the market demand for mechanisation, automation and intelligence of track engineering equipment becomes increasingly urgent. Taking turnout replacement equipment as an example, large-scale professional construction equipment is seldom used in domestic turnout replacement operation, which features low construction efficiency, high labor intensity and potential safety hazards due to a large number of field personnel. The change of rail engineering machinery market will bring new development opportunities to rail engineering machinery industry. After the successful development of the project, it can be popularised and thus has broad market prospects.

At present, the Company has mastered the core technology and supporting resources of rail engineering machinery industry, and is the main research base of rail transit engineering equipment with leading technology and complete specifications in China. In recent years, it has completed the research and development and the transformation of achievements of various new products with advanced technology in the industry. At the early stage of the project construction, the Company has conducted extensive investigation and visits to several domestic railway bureaus, and explored a new maintenance mode adapted to the railway development according to the demands of users. The existing customer resources and technical reserves have laid a solid foundation for the research and development and subsequent promotion and application of this project.

**(V) Innovative experimental platform construction project****1. Project Overview**

In this project, three new building units are proposed to be built on plot south of the Company's headquarters, which are mainly used for R&D, test and auxiliary office work. The construction of this project will help to strengthen the research and development of the Company in rail transit equipment and other key core technology fields, and at the same time meet the Company's office needs for scientific research and collaborative innovation.

**2. *Project Necessity and Feasibility***

As the leading enterprise of on-board electrical system of rail transit equipment in China, the Company has established certain advantages in several core technical fields such as rail transit electrical system technology, traction converter technology and rail engineering machinery technology for many years. However, with the growth of industrial scale, the continuous expansion of scientific research teams and the improvement of innovation cooperation and exchange, the Company's R&D supporting hardware resources are limited by external factors and do not match the Company's rapid industrial development needs. Through this project, the Company will build a number of laboratories and allocate R&D supporting resources, so as to optimise and improve the R&D site environment, relieve congestion, create a first-class scientific research platform for scientific research teams and build first-class R&D capabilities.

The proposed test capacity of this project involves many industries such as railway, urban rail, new energy vehicle electric drive system and industrial converter, which is an important step to implement the innovation-driven high-quality development management policy, realise the transformation to high-quality development and comprehensively enhance the scientific research and test capacity of various industries of the Company.

**(VI) Replenishment of working capital**

**1. *Necessity for replenishment of working capital***

**(1) *The rail transit market has huge potential, and the Company's business development requires financial support***

As an integral component of comprehensive transportation system and a major livelihood project, railway has long occupied an important position in China's modern transportation system. In the past decade, China's railway operating mileage and high-speed rail operating mileage have maintained steady growth, and will continue steady development trend in the future. The Medium and Long-term Railway Network Plan (《中長期鐵路網規劃》) clearly pointed out that by 2025, the scale of the railway network will reach approximately 175,000 kilometres, including approximately 38,000 kilometres of high-speed railways. The Outline of Empowering the Country with Transportation points out that by 2035, a powerful transportation country will be basically built, including a modern comprehensive transportation system, with a developed fast network, a perfect trunk network and an extensive basic network, generally forming a "national 123 travel traffic circle" and a "global 123 fast cargo flow circle". The Outline of Railway Advance Planning for Transport Power in the New Era (《新時代交通強國鐵路先行規劃綱要》) proposes that by 2035, the national railway network will be approximately 200,000 kilometres, including approximately 70,000 kilometres of high-speed rail. In addition, with the arrival of the overhaul period of high-speed railway, its maintenance and transformation market will also provide broad market potential, thereby bringing new profit growth drivers for the Company's operation and maintenance business.

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APPENDIX I      FEASIBILITY STUDY REPORT ON PROJECTS TO BE FINANCED WITH PROCEEDS FROM  
THE INITIAL PUBLIC ISSUE AND LISTING OF A SHARES ON THE SCIENCE AND  
TECHNOLOGY INNOVATION BOARD OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

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On the other hand, urban rail transit is an important part of modern urban transportation system and the backbone of urban public transportation system. In recent years, the continuous expansion of urban scale has injected impetus into the urban rail transit industry, and China's urban rail transit industry has also ushered in a period of rapid development. The urban rail traction converter system and other products produced and sold by the Company will benefit from the rapid expansion of the market scale and become an important growth driver for the Company's business development.

Meanwhile, the state put forward the concept of "new infrastructure", that is, "new infrastructure construction", and the state will focus on investment in seven major fields including intercity high-speed rail and intercity rail transit. Intercity high-speed rail and intercity rail transit, as one of the key investment fields of "new infrastructure", with a long industrial chain from raw materials, machinery to electrical equipment, public utilities and transportation services, plays an important basic role in promoting social development and digitalisation and intelligence of transportation. In the process of "new infrastructure", the Company is expected to benefit from the continuous investment and construction of intercity high-speed rail and intercity rail transit, and realise the continuous growth of business scale. Partial of the proceeds raised from the Issue will be used to replenish working capital, and further supplement the working capital required for the daily operation and development of the Company, which is conducive to the business expansion and scale improvement of the Company.

*(2) Adhere to the business development of "concentric diversification", and the Company's industrial layout requires financial support*

The Company adheres to the strategy of "concentric diversification". While deeply cultivating the pillar industries of railway, urban rail and track engineering, the Company pays special attention to key technological innovation, gives full play to the Company's industrial chain vertical integration capacity and cross-disciplinary technical advantages, to promote multi-system synergy and innovation integration, continuously enhance incremental industrial growth, and innovate and cultivate strategic emerging industries. It innovates development mindset in the electric drive industry of new energy vehicles, accelerates the effect of resource agglomeration, actively seizes cooperation opportunities and increases market share. In the sensor industry expansion and application field, the Company roots itself in the rail and makes innovations to open up other sensor application market. In the industrial conversion field, the Company steadily adjusts the industrial structure, strengthens the high-quality sector of industrial conversion, and cultivates differentiated competitiveness. In the marine equipment field, the Company practices the strategy of "building China into a maritime power", adheres to market development and scientific and technological marketing, and accelerates the cultivation of maritime equipment business.

Partial of the proceeds raised from the Issue will be used to supplement the working capital, which is conducive to enhancing the Company's capital strength and providing financial guarantee for the Company to realise the "concentric and diversified" development strategy.

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2.      *The impact of replenishing working capital on financial condition*

Replenishing working capital with proceeds raised from the Issue will meet the increasing capital demand of the Company arising from the continuous growth of its business scale and the expansion of business fields, lay a foundation for achieving future profit growth goals and business development targets, rationally adjust the capital structure of the Company and reduce the financial risks of the Company.

*The “Feasibility Study Report on Projects to be Financed with Proceeds from the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**PLAN FOR STABILISATION OF PRICE OF A SHARES WITHIN  
THREE YEARS AFTER THE INITIAL PUBLIC ISSUE AND LISTING OF  
A SHARES ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) proposes to apply for the initial public issue of A shares and listing of the same on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**A Shares Issue and Listing**”). In order to ensure the stability of the share price of the Company’s A shares upon the A Shares Issue and Listing and safeguard the interests of minority shareholders, the “Plan for Stabilisation of Price of A Shares Within Three Years After the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.” (the “**Plan**”) is formulated in accordance with the Securities Law of the People’s Republic of China and the Opinions on Further Promoting the IPO System Reform (CSRC announcement [2013] No. 42) (《關於進一步推進新股發行體制改革的意見》(證監會公告[2013]42號)) and the relevant laws, administrative rules and requirements of the China Securities Regulatory Commission, as well as with the actual circumstances of the Company. Details are as follows:

**I. VALIDITY PERIOD OF THE SHARE PRICE STABILISATION MEASURES AND  
CONDITIONS FOR ACTIVATION AND CESSATION**

- (1) The Plan shall take effect upon consideration and approval at a general meeting, a class meeting of holders of H shares and a class meeting of holders of domestic shares of the Company and completion of the A Shares Issue and Listing, and shall be valid for a term of three years.
- (2) **Conditions for Activation of the Share Price Stabilisation Measures**

During the three years from the date of the A Shares Issue and Listing of the Company, other than as a result of force majeure, the implementation of the share price stabilisation measures by the Company and the relevant entities will be triggered when the daily closing price of the Company’s A shares is lower than the publicly disclosed latest audited net assets per share of the Company (after the reference date of the latest audit, should there be any change in the net assets or the total number of shares of the Company as a result of matters such as profit allocation, capitalisation of capital reserve, issue of additional shares and placing, the net assets per share shall be adjusted accordingly, the same hereinafter) for 20 consecutive trading days (except for trading days on which trading of A shares of the Company is suspended for the whole day, the same hereinafter) while the requirements of the relevant laws, regulations and regulatory documents regarding the relevant repurchase and increase of the shareholding in the Company are satisfied.

**(3) Conditions for Cessation of the Share Price Stabilisation Measures**

Upon satisfaction of the conditions for activation of the share price stabilisation measures, in the event that any of the following circumstances occurs, the formulated or announced share price stabilisation measures shall be terminated, and the share price stabilisation measures which have begun implementation shall be deemed to have been completed without the need for further implementation: ① during or before the implementation of the specific share price stabilisation measures in the Plan, where the closing price of the Company's A shares is not lower than the latest audited net asset per share of the Company for five consecutive trading days; ② continued implementation of the share price stabilisation measures will result in non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where shares of the Company are listed or violation of the relevant prohibitive regulations in force at the time, or the shareholding increase in the Company will trigger the general takeover bid obligations.

**II. SPECIFIC MEASURES OF THE SHARE PRICE STABILISATION PLAN**

Upon satisfaction of the conditions for activation of the share price stabilisation measures, depending on the actual circumstances of the Company and the stock market, the share price stabilisation measures may be implemented in the following priority: ① increase of shareholding in A shares of the Company by the controlling shareholders of the Company; ② repurchase of A shares by the Company; ③ increase of shareholding in A shares of the Company by the directors of the Company (excluding independent non-executive directors, the same hereinafter) and the senior management of the Company.

**1. Share Price Stabilisation Measures by the Controlling Shareholders**

- (1) Where the controlling shareholders of the Company increase shareholding in A shares for the purpose of share price stabilisation, they shall do so in compliance with the provisions of the relevant laws, regulations and regulatory documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收購管理辦法》) and the Guidelines on Shareholding Increase by Shareholders and Parties Acting in Concert of Listed Companies (《上市公司股東及其一致行動人增持股份行為指引》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
- (2) Should the conditions for activating the share price stabilisation measures arise, the controlling shareholders of the Company shall notify the Company in writing of whether there is a specific plan to increase shareholding in A shares of the Company within 20 trading days after the conditions for activation of the share price stabilisation measures are triggered, and the Company shall publish announcement(s) in this regard. If there is a specific plan, information such as the quantity of the shareholding in A shares proposed to be increased, price range, source of capital, method and completion schedule shall be disclosed, and the total amount of proposed increase shall not be less than RMB100 million.

**2. Share Price Stabilisation Measures by the Company**

- (1) Where the Company repurchases A shares for the purpose of A shares price stabilisation, it shall do so in compliance with the relevant laws, regulations and regulatory documents, including the Administrative Measures for Repurchase of Public Shares by Listed Companies (Trial) (《上市公司回購社會公眾股份管理辦法(試行)》), the Supplementary Provisions on Share Repurchases by Listed Companies through Centralised Bidding (《關於上市公司以集中競價交易方式回購股份的補充規定》), the Opinions on Supporting Share Repurchase by Listed Companies (《關於支持上市公司回購股份的意見》) and the Detailed Rules for the Implementation of Share Repurchase by Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司回購股份實施細則》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
- (2) If the controlling shareholders fail to notify the aforementioned specific plan for shareholding increase in A shares as scheduled, or explicitly indicates that there is no plan for shareholding increase in A shares, the board of directors of the Company will announce whether there is a specific A shares repurchase plan within 20 trading days after the conditions for activation of the share price stabilisation measures are triggered for the first time. If so, such information as the quantity of A shares proposed to be repurchased, price range, source of capital, completion schedule, etc. of the shares to be repurchased, and the total amount of such repurchase shall not be less than RMB100 million. The Company shall implement the share price stabilisation measures after performing the relevant procedures stipulated in relevant laws, regulations and regulatory documents and obtaining the necessary approval.

**3. Share Price Stabilisation Measures by the Directors and Senior Management of the Company**

- (1) Where the directors and senior management of the Company increase shareholding in A shares for the purpose of A shares price stabilisation, they shall do so in compliance with the conditions and requirements of the laws, regulations and regulatory documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收購管理辦法》) and the Rules for the Administration of Shares and Changes in Shares Held by Directors, Supervisors and Senior Management of Listed Companies (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.

(2) If the board of directors of the Company fails to announce the aforementioned A shares repurchase plan as scheduled, or the aforementioned A shares repurchase plan fails to be passed at the board meeting or the general meeting due to various reasons, subject to compliance with the laws, regulations, the listing rules of the place(s) where shares of the Company are listed and relevant policy requirements, the then directors and senior management of the Company shall, within 30 trading days (if there are N trading days during which the directors and senior management are restricted from acquiring and selling A shares, then the directors and senior management shall, within 30+N trading days) after the conditions for activation of the A share price stabilisation measures are triggered or within 10 trading days (if there are N trading days during which the directors and senior management are restricted from acquiring and selling A shares, then the directors and senior management shall, within 10+N trading days) after the aforementioned A share repurchase plan fails to be passed at the board meeting or the general meeting, notify the Company in writing of the specific plan for shareholding increase in A Shares, and the Company shall publish announcement(s) on information including but not limited to the quantity of the shareholding in A shares proposed to be increased, price range and completion schedule. The respective accumulated amount for shareholding increase by directors and senior management shall not be less than 10% of their total remuneration (after tax) received from the Company in the previous year.

4. The purpose of the Company's A shares price stabilisation measures is not for the share price to exceed the net asset per share. Within 120 trading days after the implementation of the A shares price stabilisation measures, the obligations of the controlling shareholders, the Company, the directors and senior management to increase their shareholdings in A shares or repurchase will be automatically relieved. Commencing from the 121st trading day after the fulfilment of any discretionary increase or repurchase measures specified in the preceding three paragraphs, if the activation conditions for share price stabilisation measures are triggered again, the controlling shareholders, the Company, the directors and senior management personnel will activate the next round of specific A share price stabilisation measures according to the provisions of the preceding paragraphs.

5. The controlling shareholders, the Company, the directors and senior management shall, when performing their repurchase or shareholding increase obligations of A shares, fulfil the corresponding information disclosure obligations in accordance with the relevant laws, regulations, the listing rules of the place(s) where shares of the Company are listed and other applicable regulatory provisions, and shall comply with the relevant stipulations such as the regulation of state-owned assets.

**III. RELEVANT RESTRAINT MEASURES****1. Restraint Measures for Violation of the Plan by the Controlling Shareholders of the Company**

If the specific plan for the increase of shareholding in A shares by the controlling shareholders of the Company has been announced but cannot be actually implemented due to subjective reasons, the Company shall withhold the cash dividends payable to the controlling shareholders in the amount equal to shareholding increase obligations of A shares of such controlling shareholders, until the controlling shareholders have fulfilled their obligations for shareholding increase in A shares under the Plan. At the same time, the A shares of the Company held by the controlling shareholders shall not be transferred until the controlling shareholders have adopted and implemented the corresponding A shares price stabilisation measures in accordance with the provisions of the Plan.

**2. Restraint Measures for Violation of the Plan by the Company**

If the Company has announced the A shares repurchase plan of the Company but fails to actually implement it due to subjective reasons, the Company shall bear corresponding responsibilities according to the relevant laws, administrative regulations, departmental rules and regulations as well as the provisions of the listing rules of the place(s) where shares of the Company are listed and the requirements of regulatory authorities.

**3. Restraint Measures for Violation of the Plan by the Directors and Senior Management of the Company**

If the directors and senior management of the Company fail to fulfil their obligations to increase their shareholdings in A shares as agreed in the Plan due to subjective reasons during their tenure, the Company shall freeze 30% of the monthly salary and cash dividends (if any) of the relevant personnel from the month when they fail to fulfil their agreed obligations and the accumulated frozen amount shall equal the amount payable to fulfil their obligations to increase their shareholdings in A shares, until the relevant directors and senior management have implemented and completed the corresponding share price stabilisation measures stipulated under the Plan.

**4. If the controlling shareholders, the Company, the directors and senior management cannot fulfil their obligations of shareholding increase in A shares or share repurchase within a certain period of time due to the minimum shareholding ratio of A shares by public shareholders stipulated in the securities regulatory regulations such as the listing rules of the place(s) where the Company's shares are listed or other relevant prohibitive regulations, the relevant responsible subjects may be exempted from the aforementioned restraint measures, but other measures shall be actively taken to stabilise the price of the A shares.**

**IV. OTHERS**

During the validity period of the Plan, the newly appointed directors and senior management of the Company shall perform the obligations of directors and senior management stipulated in the Plan and perform other obligations undertaken by the directors and senior management of the Company for the A Shares Issue and Listing according to the same standards. For the directors and senior management to be appointed by the Company, they shall agree in writing to fulfil the aforementioned undertakings and obligations before being nominated.

In case otherwise stipulated in the relevant laws, regulations and regulatory documents and/or the listing rules of the place(s) where shares of the Company are listed during the implementation of the Plan, the Company shall comply with the relevant provisions.

*The “Plan for Stabilisation of Price of A Shares Within Three Years After the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**RECOVERY MEASURES REGARDING THE DILUTION OF  
IMMEDIATE RETURN DUE TO INITIAL PUBLIC ISSUE AND LISTING OF  
A SHARES ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD  
AND UNDERTAKINGS OF RELEVANT PARTIES OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) proposes to apply for the initial public issue of A shares in the People’s Republic of China (the “**PRC**”) and listing of the same on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Issue**” or the “**A Shares Issue and Listing**”). According to the requirements of the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (Guo Fa [2014] No.17) (《國務院關於進一步促進資本市場健康發展的若干意見》(國發[2014]17號)), the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legal Rights and Interests of Minority Investors in the Capital Market (Guo Ban Fa [2013] No.110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110號)) and the Guidance on Matters Related to Dilution of Immediate Returns as a result of Initial Issue, Refinancing and Major Asset Reorganisation (CSRC Announcement [2015] No.31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(證監會公告[2015]31號)) issued by the China Securities Regulatory Commission (the “**CSRC**”), for dilution of immediate returns as a result of initial public issue, refinancing or merger and reorganisation, undertakings for specific remedial measures in this regard shall be given and implemented.

The Company has carefully analysed the dilution of immediate returns as a result of the Issue and has put forward specific remedial measures. Relevant parties have given undertakings for the practical implementation of the remedial measures proposed to be adopted by the Company.

**I. RISK ALERTS ON DILUTION OF IMMEDIATE RETURNS AS A RESULT OF THE A SHARES ISSUE AND LISTING**

No more than 240,760,275 A shares will be issued under the Issue (before any exercise of the over-allotment option). After the proceeds raised from the Issue are available, the Company’s total share capital and net assets will increase while its gearing ratio will decrease, which is conducive to enhancing the stability of the Company’s financial structure and its risk aversion capacity. However, as it takes certain period before yields from Projects to be Financed with Proceeds from the Issue are generated, the benefits of the utilisation of proceeds may not be obvious in the short term. The growth rate of the Company’s net profit may be lower than that of its net assets and total share capital, and financial indicators such as earnings per share and weighted average return on net assets may face downside risks in the short term. Therefore, the immediate returns of shareholders run the risk of being diluted.

**II. NECESSITY AND RATIONALITY OF THE A SHARES ISSUE AND LISTING****(I) To Deepen the Reform Spirit of State-owned Enterprises, and Promote the State-owned Capital to Become Stronger, Better and Bigger**

The A Shares Issue and Listing will be conducive to the implementation of the keynote of the 19th Congress of the Party regarding the spirit of unswervingly deepening the reform of state-owned enterprises and developing the mixed ownership economy. The listing on the Science and Technology Innovation Board is not only an effective measure for the Company to cope with the current situation and pave a new way forward, but also an inevitable choice for the Company to realise its long-term strategic development goals and further become stronger, better and bigger. It is also a significant attempt for a state-owned enterprise to comprehensively deepen the reform and speed up the pace of development. Promoting the listing on the Science and Technology Innovation Board also marks a potent measure for the Company to press ahead with equity diversification and optimise the shareholding structure, which is also conducive to facilitating the Company establishing a positive impact of the scientific and technological innovation as a state-owned enterprise, enhancing the brand value and influence of the Company, and promoting the state-owned capital to become stronger, better and bigger.

**(II) To Carry Out the Strategic Layout Leveraging the State's Key Support to the High-end Equipment Industry and Comprehensively Enhance International Competitiveness**

In recent years, the state has made on-going efforts to support the development of high-end equipment industry and has continuously issued supportive policies. The establishment of the Science and Technology Innovation Board is also positioned as serving the scientifically and technologically innovative enterprises that meet the national strategy with key core technology breakthroughs and wide market recognition. As a pioneer and leader in the PRC electrified railway equipment industry, the Company shoulders the mission and responsibility of revitalising the high-end equipment industry, commits itself to the independent research and development and industrialisation of the traction converter system, which are bestowed as the “heart” and “brain” of the trains, and continuously extends to closely related fields, to form a complete industrial chain structure of “components + systems + complete machines” with a focus on technology and market. The A Shares Issue and Listing is an important manifestation of the Company's implementation of the national strategic plan as a core enterprise in the high-end equipment manufacturing industry and its response to the call for the reform of the national capital market system, which will also facilitate the Company to achieve its long-term development goals, further consolidate its position in the rail transportation industry, practice the “Belt and Road” initiative, support China's high-speed rail to “go global” and continuously enhance its international competitiveness.

**(III) To Raise Funds for the Company's Strategic Development, Expand Financing Channels and  
Consolidate its Operating Results**

With the arrival of the upsurge of “new infrastructure” and the implementation of China’s “going global” strategy for high-speed rail, China’s rail transportation sector has ushered in new development opportunities. The Company will forge layout in its technological research and innovation, basic capacity building and integrated development strategy, and continue to strengthen the Company’s core advantages in rail transit and other business fields. The A Shares Issue and Listing will provide funds for the Company to realise its future strategic development goals, satisfy the needs for the Company’s core technology and business expansion, broaden the financing channels, continuously instill stimulus to the long-term development of the Company’s business, continuously consolidate its operating performance and enhance the Company’s overall value.

**III. RELATIONSHIP BETWEEN THE PROJECTS TO BE FINANCED WITH PROCEEDS  
FROM THE ISSUE AND THE COMPANY'S EXISTING BUSINESS, AND THE  
COMPANY'S RESERVES IN TERMS OF TECHNOLOGY, PERSONNEL, MARKET AND  
OTHER ASPECTS FOR THE INVESTMENT PROJECTS****(I) Relationship Between the Projects to be Financed with Proceeds from the Issue and the  
Company's Existing Business**

Funds raised from the A Shares Issue and Listing will be mainly used for rail transit traction network technology and system R&D application project, smart rail transit bureau and smart urban rail key technology and system R&D application project, new industry advanced technology R&D application project, new-type rail engineering machinery R&D manufacturing platform construction project, innovative experimental platform construction project and replenishment of working capital (the “**Projects to be Financed with Proceeds from the Issue**”). On the one hand, such Projects to be Financed with Proceeds from the Issue closely focus on the Company’s existing rail transit traction converter system and rail engineering machinery and other pillar businesses, increase investment in research and development, build production bases, lay the foundation for the sustainable development of the principal business, and provide the necessary capital requirements. Meanwhile, such projects focus on the R&D strength construction of new industrial incremental business, increase R&D investment, and improve the efficiency of the transformation of scientific and technological achievements. While maintaining the continuous growth of existing products, the Company will develop and reserve product businesses with more commercial application value, explore new profit growth drivers, and continuously improve the industrial chain structure. In addition, partial of the proceeds raised from the A Shares Issue and Listing will be used to replenish the working capital, which is conducive to improving the Company’s operating efficiency, ensuring the Company’s stable development in terms of operation, further consolidating the competitiveness of the Company’s existing pillar businesses, continuously improving the competitive strength of the incremental businesses, and facilitating the Company to achieve its long-term strategic objectives.

**(II) The Company's Reserves in Terms of Technology, Personnel, Market and Other Aspects for the Investment Projects**

In terms of technical reserve, since its establishment, the Company has always been committed to the independent R&D and industrialisation of the traction converter system, which is hailed as the “heart” and “brain” of the train, and has continuously expanded to related fields. It possesses core technologies such as converter technology, train control technology, high-power semiconductor device technology, and engineering machinery electrical control technology as well as several national-level technical innovation and engineering research centres, several specialised production bases and advanced production lines, and a complete testing and experimental system, covering research tests, type tests and ex-factory tests. In the future, the Company will continue to deepen its technological accumulation and strengthen its technological reserves to provide technical support for the smooth implementation of the Projects to be Financed with Proceeds from the Issue.

In terms of personnel reserve, the Company has an engineering and technical team with strong technical strength, who specialise in mechanical and electronic, electrical engineering, automatic control and other fields. In the future, based on the needs of business development goals, the Company will continue to strengthen the selection and training of professional and technical personnel and management personnel, constantly enhance the talent reserve, and improve the sense of belonging of the Company's talent team through various effective incentives, improve the stability of personnel, and ensure the smooth implementation of the Projects to be Financed with Proceeds from the Issue.

In terms of market reserve, the Company has been deeply involved in the field of rail transit traction converter system for many years. Leveraging the market-leading products and technologies, as well as efficient and perfect technical support service system and thoughtful and prompt customer service, the Company currently operates in more than 20 countries and regions around the world, and has established sound cooperation relations with several well-known enterprises at home and abroad, therefore promising a broad potential and prospects for development. At the same time, rail transit industry, as an integral component of domestic economic development, is expected to maintain sound growth momentum in the long run, which will lay a good market foundation for the implementation of the Projects to be Financed with Proceeds from the Issue.

**IV. SPECIFIC REMEDIAL MEASURES FOR DILUTION OF IMMEDIATE RETURNS AS A  
RESULT OF THE A SHARES ISSUE AND LISTING**

In view of the possible dilution of immediate returns due to the A Shares Issue and Listing, the Company will adopt measures to continuously strengthen technological research and development and product innovation, improve operation and management efficiency, strengthen management over the raised proceeds, reinforce investor return mechanism, increase sales revenue and future yields and enhance shareholder returns, so as to remedy the dilution of immediate returns due to the A Shares Issue and Listing.

**(I) To Consolidate Pillar Business, Expand Incremental Business and Strengthen the  
Operating Results**

The Company will capitalise on the opportunity of the Projects to be Financed with Proceeds from the Issue to further increase the investment in research and development, build up manufacturing capacity, and constantly sharpen its competitive advantages in the traction converter system and rail engineering machinery and other pillar business, so as to provide core product and technical support for the national “Belt and Road” initiative and the “go global” strategy of China’s high-speed rail. Meanwhile, the Company will continue to adhere to the “technology leading, concentric and diversified” development principle and continue to further expand the fields of power semiconductor device, industrial converter products, and electric drive systems for new energy vehicles, in a bid to expand its market share and bring continuous returns to shareholders.

**(II) To Strengthen Management of Raised Proceeds and Rational Use thereof**

In order to regulate the management of the raised proceeds and effectively use the raised proceeds, the Company has formulated the Management Policy for Proceeds Raised from A Shares of Zhuzhou CRRC Times Electric Co., Ltd. (《株洲中車時代電氣股份有限公司A股募集資金管理制度》) in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Notice on Further Regulating the Use of Raised Proceeds of Listed Companies (《關於進一步規範上市公司募集資金使用的通知》) and other relevant regulations and based on its own actual circumstances, which clearly stipulates that the Company adopts a specific account for the raised proceeds, and the sponsors, depository banks and the Company will jointly supervise the use of the raised proceeds according to the committed purposes and amounts. At the same time, the board of directors, independent non-executive directors and the audit committee of the board of directors of the Company will earnestly perform the relevant duties, strengthen supervision and inspection, continue to pay attention to the actual management and use of the raised proceeds and strengthen information disclosure on the use and management of raised proceeds.

After the proceeds raised from the Issue are available, the Company will accelerate the investment and construction of the Projects to be Financed with Proceeds from the Issue, fully tap into the Company’s resources in research and development, procurement, production and comprehensive management, and strive to accelerate the realisation of the expected economic benefits of the Projects to be Financed with Proceeds from the Issue.

**(III) To Continuously Improve Corporate Governance and Provide Institutional Guarantee  
for Corporate Development**

The Company will strictly follow the requirements of the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Code of Governance of Listed Companies (《上市公司治理準則》), the listing rules of the place(s) where the shares of the Company are listed and other laws, regulations and regulatory documents, continuously improve the corporate governance structure and ensure that shareholders fully exercise their rights, the board of directors exercise its powers in accordance with the laws, regulations and the articles of association of the Company, and the independent non-executive directors conscientiously perform their duties to safeguard the overall interests of the Company, especially the legitimate rights and interests of the minority shareholders, thereby providing institutional guarantee for the development of the Company.

**(IV) To Continuously Improve the Profit Distribution Policy and Strengthen the Investor  
Return Mechanism**

According to the Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies (Zheng Jian Fa [2012] No.37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)) and the Guidelines for Listed Companies No.3 – Cash Dividends of Listed Companies (CSRC Announcement [2013] No.43) (《上市公司監管指引第3號—上市公司現金分紅》(證監會公告[2013]43號)) of the CSRC as well as the spirit of the Guidelines for the Articles of Association of Listed Companies (Revised in 2019) (《上市公司章程指引(2019年修訂)》) and based on the actual circumstances of the Company, the Company has formulated the Three-year Distribution Plan for Shareholders After the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd. (《株洲中車時代電氣股份有限公司首次公開發行A股股票並在科創板上市後未來三年股東分紅回報規劃》), which clearly stipulated matters such as cash dividend policy and cash dividend ratio, and the minimum proportion of the Company's profit to be distributed in cash under normal circumstances, so as to facilitate the investors to form stable return expectations. The Company will strictly implement the aforesaid shareholder return plan, maintain the continuity and stability of the profit distribution policy, attach great importance to the protection of shareholders' rights and interests and the reasonable return on investment of shareholders, and take into account the overall interests of all shareholders and the sustainable development of the Company.

**(V) To Strengthen the Construction of Talent Team and Accumulate Development Vitality**

Over the years, the Company has been deeply engaged in the rail transit technology field, and has forged an engineering and technical team with strong expertise. In the future, the Company will further improve the performance appraisal system, set up a market-oriented talent operation mode, establish a more effective incentive and competition mechanism, improve the overall efficiency of human resources operation, and attract and introduce excellent management and technical talents, so as to lay a solid foundation for the Company's capability of sustainable development.

**V. UNDERTAKINGS GIVEN BY THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY FOR THE REMEDIAL MEASURES FOR DILUTION OF IMMEDIATE RETURNS DUE TO THE ISSUE**

The directors and senior management of the Company undertake to faithfully and diligently perform their duties to safeguard the legitimate rights and interests of the Company and all the shareholders, and have given the following undertakings in accordance with the relevant provisions of the CSRC on the practical implementation of the remedial measures for dilution of immediate returns in respect of the Issue:

1. undertake not to transfer benefits to other units or individuals free of charge or under unfair conditions, and not to damage the Company's interests by other means;
2. undertake to restrict the post consumption behaviour of directors and senior management;
3. undertake not to appropriate the Company's assets to engage in investment and consumption activities unrelated to the performance of their duties;
4. undertake to actively promote the improvement of the Company's salary system and render it more in line with the requirements of remedies for dilution of immediate returns; support the linkage between the remuneration system and the implementation of the Company's remedial measures for dilution of immediate returns as formulated by the board of directors or the remuneration committee, and strictly abide by such systems;
5. undertake to actively support the linkage between the exercise conditions of equity incentive and the implementation of the Company's remedial measures for dilution of immediate returns in case that the Company establishes an equity incentive plan (if any);
6. I will strictly abide by the remedial measures formulated by the Company, and will actively take all necessary and reasonable measures to urge the implementation of the remedial measures formulated by the Company within the scope of my authority according to the relevant regulations issued by the CSRC, the Shanghai Stock Exchange and other regulatory agencies in the future;
7. after the date of issue of these undertakings and before the completion of the Issue, if the CSRC or the Shanghai Stock Exchange separately promulgate new regulatory provisions on the remedial measures for dilution of immediate returns and the undertakings thereof, and if the above undertakings cannot meet the requirements of the CSRC or the Shanghai Stock Exchange, I promise to issue supplementary undertaking(s) in accordance with the provisions of the CSRC or the Shanghai Stock Exchange.

*The “Recovery Measures Regarding the Dilution of Immediate Return Due to Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board and Undertakings of Relevant Parties of Zhuzhou CRRC Times Electric Co., Ltd.” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**THREE-YEAR DISTRIBUTION PLAN FOR SHAREHOLDERS AFTER  
THE INITIAL PUBLIC ISSUE AND LISTING OF A SHARES ON  
THE SCIENCE AND TECHNOLOGY INNOVATION BOARD OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) proposes to apply for the initial public issue of A shares and listing of the same on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**A Shares Issue and Listing**”). In order to further improve and standardise the Company’s dividend distribution mechanism, enhance the transparency and operability of dividend distribution decisions, and ensure the shareholders’ rights such as reasonable return on investment, the Three-year Distribution Plan for Shareholders After the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Plan**”) is hereby formulated according to the requirements of the Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and the Guidelines for Listed Companies No.3-Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) of the China Securities Regulatory Commission, the Guidelines for Cash Dividends of Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司現金分紅指引》) of the Shanghai Stock Exchange and other relevant laws, regulations and regulatory documents, as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (Draft) (the “**Articles**”) applicable after the A Shares Issue and Listing. Details are as follows:

#### **I. PRINCIPLES FOR THE FORMULATION OF THE PLAN**

The Company implements a stable, on-going and reasonable profit distribution policy, attaches great importance to the reasonable return to investors and gives due consideration to the sustainable development of the Company. The Company determines a reasonable profit distribution plan each year based on the current operating situation and the capital demand plan for project investment, and correctly handles the relation between short-term interest and long-term development of the Company on the premise of giving full consideration to the interest of the shareholders. The Company shall formulate the distribution plan for shareholders in accordance with the relevant laws and regulations and the Articles, and shall give priority to cash dividends as a means of profit distribution. The board of directors, the supervisory committee and the general meeting of the Company shall have due regard to the opinions of the independent non-executive directors, supervisors and shareholders (especially minority shareholders) in the decision-making and demonstration process of the profit distribution policy.

**II. SPECIFIC DISTRIBUTION PLAN OF THE COMPANY FOR THE THREE YEARS AFTER LISTING****(I) Form of profit distribution**

The Company distributes its profits in the form of cash, stocks or a combination of cash and stocks and other methods in compliance with laws and regulations. Profit distribution shall not exceed the amount of cumulative distributable profits and shall not undermine the Company's capability to operate on an on-going basis. Provided that profits are recorded in a given year and there are no major investment plans or major cash expenditures, the Company shall give priority to dividend distribution in cash.

**(II) Conditions and proportion of profit distribution****1. *Interval between cash dividends***

In principle, the Company will distribute profits once a year. If conditions permit, the board of directors of the Company may propose to distribute interim dividends according to the Company's then profit scale, cash flow situation, development stage and capital demand.

**2. *Specific conditions and proportion of cash dividends***

Except for special circumstances, provided that the Company makes profits in a given year and the accumulated undistributed profits are positive, the Company will give priority to dividend distribution in cash after appropriation in full of statutory reserve and discretionary reserve. When conditions of distributing cash dividends are met, the cash dividend distributable each year shall not be less than 20% of the distributable profit realised in a given year, and the cumulative cash dividend distributable every three years shall not be less than 60% of the annual average distributable profits realised for the most recent three years.

Special circumstances refer to:

- (1) The Company's production and operation are significantly affected as a result of force majeure events (such as wars, natural disasters, etc.);
- (2) The net cash flow generated from a given year's operating activities is negative, and the implementation of cash dividends will affect the subsequent on-going operation of the Company;
- (3) The auditors do not issue a standard unqualified audit report on the Company's financial report for a given year;
- (4) The Company has a major investment plan or other major cash expenditures which have occurred (except for the fund-raising projects);

- (5) Significant changes have taken place in the external operating environment, which have a significant impact on the Company's production and operation;
- (6) Other events that have occurred or are expected to occur within the next 12 months will have a significant impact on the Company's production and operation condition and capital condition;
- (7) The Company's year-end gearing ratio of a given year exceeds 70%.

Major investment plan or major cash expenditure refers to: the accumulated expenditure of the Company's proposed external investment, assets acquisition or equipment purchase within the next 12 months reaches or exceeds 30% of the Company's latest audited net assets;

### ***3. Differentiated policy for distributing cash dividends***

The board shall take into full account of various factors such as features of the industries where the Company operates, the stage of development of the Company, its own business model, level of profitability, and whether there is significant capital expenditure arrangement, to distinguish the following situations and put forward a differentiated cash dividend policy in accordance with the procedures as required by the Articles:

- (1) if the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when making profit distribution;
- (2) if the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when making profit distribution;
- (3) if the Company is at the growth stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when making profit distribution;
- (4) if it is difficult to distinguish the Company's stage of development but the Company has significant capital expenditure arrangement, the profit distribution can be dealt with with reference to the preceding provisions. The specific stage of the Company at the time of actual profit distribution shall be determined by the board of the Company according to the specific circumstances.

**4. *Specific conditions for distributing stock dividends***

When the Company is in good operating condition, and the board of directors believes that the Company's share price does not match the size of its share capital and the stock dividends are in the interests of all shareholders of the Company as a whole, the stock dividend distribution plan can be proposed provided that the above-mentioned conditions for cash dividends are satisfied. When the Company adopts stock dividends for profit distribution, it should be carried out on the premise of giving shareholders a reasonable cash dividend return and maintaining an appropriate share capital scale, with comprehensive consideration of the actual and reasonable factors such as the growth of the Company and the dilution of net assets per share.

**III. DECISION-MAKING MECHANISM OF DISTRIBUTION PLAN****1. Formulation of profit distribution plan**

The Company's profit distribution plan is formulated by the management and thereafter submitted to the board of directors and the supervisory committee for consideration. The board of directors will have full discussions on the reasonableness of the profit distribution plan, form a special proposal and submit the same to the general meeting for consideration. Where the Company records profits in the previous fiscal year, but the board of directors does not pay cash dividends or distributes profits according to a ratio lower than that stipulated in the Articles, the independent non-executive directors shall express independent opinions, and the Company shall provide online voting channel to facilitate participation by the public shareholders in the voting at the general meeting.

**2. Decision-making process of profit distribution**

- (1) When the Company formulates a specific plan for cash dividends, the board of directors shall conscientiously study and demonstrate the timing, conditions and minimum proportion of cash dividends, adjustment conditions and procedure requirements for decision-making of the Company, and the independent non-executive directors shall express independent opinions. Independent non-executive directors may solicit opinions from the minority shareholders, put forward dividend distribution proposals, and directly submit the same to the board of directors for consideration.
- (2) The profit distribution plan shall be submitted to the general meeting for consideration after being approved by the board of directors and the supervisory committee. Before the specific cash dividend plan is considered at a general meeting, the Company shall actively communicate with the shareholders, especially the minority shareholders, through various channels (including but not limited to telephone, fax, email, on-site reception, etc.), fully heed the opinions and demands of the minority shareholders, and address their concerns in a timely manner.

(3) Where the Company does not pay cash dividends due to the special circumstances specified above, the board of directors shall make special explanations on the specific reasons for not paying cash dividends, the exact purpose for the Company's retained earnings and the estimated investment yields, etc. and submit the same to the general meeting for consideration after the independent non-executive directors have expressed their opinions, and disclose it in the media designated by the Company. The Company shall provide the shareholders with online voting methods when the above-mentioned related matters are considered at the general meeting to facilitate the public shareholders to participate in the voting of the general meeting.

#### **IV. FORMULATION CYCLE AND ADJUSTMENT MECHANISM OF THE DISTRIBUTION PLAN**

The Company shall review the distribution plan at least once every three years, and determine the distribution plan for the period concerned according to the Company's operation and the opinions of shareholders (especially the minority shareholders). The dividend policy formulated by the board of directors of the Company and the distribution plan shall be implemented after being approved by the general meeting.

In case of force majeure such as wars and natural disasters, or new laws, regulations or regulatory documents promulgated by the relevant departments of the state on the profit distribution policies of listed companies, or changes in the Company's external operating environment (e.g. adjustment of national policies and regulations) that have a significant impact on the Company's production and operation, or major changes in the Company's own operating conditions, or necessary adjustments to the Company's profit distribution policies from the perspective of protecting shareholders' rights or maintaining the normal and sustainable development of the Company, the Company may adjust the profit distribution policies.

The board of directors shall make a thematic discussion on the adjustment of the Company's profit distribution policy, demonstrate the reasons for the adjustment in detail, form a written demonstration report, which shall be approved by more than two-thirds of the shareholders at the general meeting holding shares carrying voting rights after the independent non-executive directors and the supervisory committee have expressed their review opinions. When considering changes to the profit distribution policies, the Company shall provide shareholders with online voting methods. Opinions of the minority shareholders should be fully taken into account when the changes to the profit distribution policies are considered at the general meeting.

**V. SUPERVISION AND RESTRAINT MECHANISM OF THE DISTRIBUTION PLAN**

The supervisory committee and independent non-executive directors of the Company shall supervise the implementation of the cash dividend policy and distribution plan as well as whether the corresponding decision-making procedures and information disclosure are implemented by the board of directors. If any of the following circumstances is identified in the board of directors, they shall express explicit opinions and urge the board of directors to rectify in time:

- (1) Failure to strictly implement the cash dividend policy and distribution plan;
- (2) Failure to strictly implement the corresponding decision-making procedures for cash dividends;
- (3) Failure to disclose the cash dividend policy and its implementation truthfully, accurately and completely.

**VI. IMPLEMENTATION OF THE PROFIT DISTRIBUTION PLAN**

After a resolution is made at the general meeting on the profit distribution plan, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the conclusion of the general meeting.

**VII. SUPPLEMENTARY PROVISIONS**

Matters not covered in the Plan shall be implemented in accordance with the relevant laws and regulations, regulatory documents and the Articles. The board of directors shall be responsible for the interpretation of the Plan, which shall come into effect upon consideration and approval at a general meeting of the Company and completion of the A Shares Issue and Listing.

*The “Three-year Distribution Plan for Shareholders After the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd.” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

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## APPENDIX V LETTERS OF UNDERTAKINGS PROPOSED TO BE ISSUED RELATING TO THE ISSUE OF A SHARES

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### LETTER OF UNDERTAKINGS ON THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE PROSPECTUS AND OTHER INFORMATION DISCLOSURE MATERIALS FOR THE INITIAL PUBLIC ISSUE OF A SHARES AND LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD

In accordance with the requirements of the Opinions on Further Promoting the Reform on New Share Issuance Mechanism (CSRC Announcement [2013] No. 42) of the China Securities Regulatory Commission (the “**CSRC**”) and relevant regulations, the following undertakings are hereby given by Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) for the purpose of information disclosure upon initial public issue of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Issuance**”):

1. The Company undertakes that there are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance, and shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness.
2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to shareholders and social public investors in trading securities of the Company, the Company shall bear civil compensation liabilities and compensate shareholders and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people’s court and other competent departments.
3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether the Company meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the Company undertakes to repurchase all the A shares issued under the Issuance in the manners set out below:
  - (1) To the extent as permitted by law, if the above-mentioned circumstances occur during the period when the A shares under the Issuance have been issued but yet to be listed, the Company shall repurchase all the A shares issued by the Company from online successful subscribers and offline placement participants at the issue price plus the interest accrued thereon at the current bank deposit rate within 5 business days from the date on which the CSRC, Shanghai Stock Exchange or other competent departments determine that the above-mentioned circumstances have occurred to the Company;

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## APPENDIX V LETTERS OF UNDERTAKINGS PROPOSED TO BE ISSUED RELATING TO THE ISSUE OF A SHARES

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(2) To the extent as permitted by law, if the above-mentioned circumstances occur after the A shares have been issued and listed, the board of directors of the Company shall initiate the procedures for share repurchase within 10 business days from the date on which the CSRC, Shanghai Stock Exchange or other competent departments determine that the above-mentioned circumstances have occurred to the Company, to repurchase all the A shares issued by the Company in accordance with the applicable laws, regulations, regulatory documents and the articles of association of the Company, at a price not lower than the issue price plus the interest accrued thereon at the current bank deposit rate during the relevant period from the date of issuance to the date of repurchase or other prices recognised by the CSRC (such prices shall be adjusted accordingly in case of ex-right and ex-dividend such as dividends, payout, bonus issue, transfer of capital reserve fund to share capital and rights issue).

In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the Company shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to shareholders and public investors. Shareholders and public investors shall have the right to require the Company to fulfill its undertakings through legal channels. If the Company fails to fulfill its undertakings and thus causes losses to shareholders and public investors, the Company shall make compensations according to law.

Zhuzhou CRRC Times Electric Co., Ltd.  
30 September 2020

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## APPENDIX V LETTERS OF UNDERTAKINGS PROPOSED TO BE ISSUED RELATING TO THE ISSUE OF A SHARES

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### LETTER OF UNDERTAKINGS ON NO FRAUDULENT ISSUE REGARDING THE INITIAL PUBLIC ISSUE OF A SHARES AND LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD

Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) proposes to apply for initial public issue of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Issuance**”). In accordance with relevant regulatory requirements and stipulations, the following undertakings on share repurchase due to fraud are hereby given:

1. The Company guarantees that there is no fraud in the Issuance.
2. In the event that the Company does not meet the issuance and listing conditions stipulated in laws, regulations and regulatory documents, seeks approval on an originally unqualified IPO application and has completed issuance and listing, the Company shall initiate the share repurchase procedure within 5 business days after confirmation by the China Securities Regulatory Commission, Shanghai Stock Exchange and other competent departments to repurchase all the A shares issued by the Company.

Zhuzhou CRRC Times Electric Co., Ltd.  
30 September 2020

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## APPENDIX V LETTERS OF UNDERTAKINGS PROPOSED TO BE ISSUED RELATING TO THE ISSUE OF A SHARES

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### LETTER OF UNDERTAKINGS ON THE RESTRICTIVE MEASURES REGARDING UNDERTAKINGS MADE FOR THE INITIAL PUBLIC ISSUE OF A SHARES AND LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD

Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) proposes to apply for initial public issue of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Issuance**”). In accordance with relevant regulatory requirements and stipulations, the Company agrees to take the following restrictive measures in case that it fails to fulfill the public undertakings given in the prospectus:

1. Where the relevant undertakings made publicly by the Company in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If the Company violates such undertakings, the Company agrees to take the restrictive measures already specified in the undertakings.
2. Where the relevant undertakings made publicly by the Company in the prospectus do not contain restrictive measures and the Company fails to fully or effectively fulfill such undertakings due to force majeure, it agrees to adopt the following restrictive measures:
  - (1) The Company shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders and social public investors on newspapers designated by the general meeting, Shanghai Stock Exchange and China Securities Regulatory Commission;
  - (2) The Company shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities;
  - (3) If shareholders and social public investors suffer losses in securities trading due to the Company’s failure to fulfill the above undertakings, the Company shall compensate shareholders and social public investors for the losses according to law;
  - (4) The Company shall not raise the salary or allowance in any form to the directors, supervisors and senior management personnel who are personally responsible for the Company’s failure to fulfill relevant undertakings until the Company has completely eliminated the adverse effects caused by the failure to fulfill relevant undertakings;
  - (5) Other measures available for adoption according to the then prevailing regulations.

Zhuzhou CRRC Times Electric Co., Ltd.  
30 September 2020

*The (i) “Letter of Undertakings on the Truthfulness, Accuracy and Completeness of the Prospectus and Other Information Disclosure Materials for the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board”, (ii) “Letter of Undertakings on No Fraudulent Issue Regarding the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board” and (iii) “Letter of Undertakings on the Restrictive Measures Regarding Undertakings Made for the Initial Public Issue of A Shares and Listing on the Science and Technology Innovation Board” as set out in this appendix are prepared in Chinese versions, and the English translations are for reference only. In case of any inconsistencies between the Chinese and the English versions, the former shall prevail.*

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

### TABLE OF COMPARISON OF THE ARTICLES OF ASSOCIATION OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD. BEFORE AND AFTER AMENDMENTS

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<b>Contents</b>	
<p><b>Note:</b> In the margin notes to the provisions of the Articles of Association, “Company Law” means “The Company Law of the People’s Republic of China”; “Securities Law” means “The Securities Law of the People’s Republic of China”; “Mandatory Provisions” means “The Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the PRC” jointly promulgated by the former Securities Commission of the State Council and the former State Economic System Restructuring Commission; “Special Regulations” means “The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” promulgated by the General Office of the State Council; “Listing Rules” means “The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” promulgated by the Stock Exchange of Hong Kong; “Zheng Jian Hai Han” means “The Letter on the Opinion Regarding the Supplemental Amendments to the Articles of Association of Companies Seeking a Listing in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) jointly promulgated by the Overseas Listing Department of China Securities Regulatory Commission and the Production System Department of the former State Economic System Restructuring Committee; “Opinions” means “The Opinions on Further Standardising Operations and Reform of Companies Listed Outside the PRC” jointly promulgated by the State Economic and Trade Commission and the China Securities Regulatory Commission; the “Practice Guidelines for Secretary” means “The Practice Guidelines for Secretary to the Board of Directors of Companies Listed Outside the PRC” promulgated by the China Securities Regulatory Commission, and the “Reply to Adjustment” means the “Reply of the State Council on Adjusting the Provisions Applicable to the Notice Period of Shareholders’ General Meetings of Overseas Listed Companies” (Guo Han [2019] No.97).</p>	<p><b>Note:</b> In the margin notes to the provisions of the Articles of Association, “Company Law” means “The Company Law of the People’s Republic of China”; “Securities Law” means “The Securities Law of the People’s Republic of China”; “Mandatory Provisions” means “The Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the PRC” jointly promulgated by the former Securities Commission of the State Council and the former State Economic System Restructuring Commission; “Special Regulations” means “The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” promulgated by the General Office of the State Council; “Listing Rules” means “The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” promulgated by the Stock Exchange of Hong Kong; “Zheng Jian Hai Han” means “The Letter on the Opinion Regarding the Supplemental Amendments to the Articles of Association of Companies Seeking a Listing in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) jointly promulgated by the Overseas Listing Department of China Securities Regulatory Commission and the Production System Department of the former State Economic System Restructuring Committee; “Opinions” means “The Opinions on Further Standardising Operations and Reform of Companies Listed Outside the PRC” jointly promulgated by the State Economic and Trade Commission and the China Securities Regulatory Commission; the “Practice Guidelines for Secretary” means “The Practice Guidelines for Secretary to the Board of Directors of Companies Listed Outside the PRC” promulgated by the China Securities Regulatory Commission, and the “Reply to Adjustment” means the “Reply of the State Council on Adjusting the Provisions Applicable to the Notice Period of Shareholders’ General Meetings of Overseas Listed Companies” (Guo Han [2019] No.97).</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After	
<b>Chapter 1 General Provisions</b>		
Nil	<p><u><b>Article 1</b></u> <u>In order to protect the legitimate rights and interests of Zhuzhou CRRC Times Electric Co., Ltd. (hereinafter as the “Company”), shareholders and creditors thereof and to regulate the organisation and behaviour of the Company, the Articles of Association are formulated pursuant to the Company Law of the People’s Republic of China (hereinafter as “Company Law”), the Securities Law of the People’s Republic of China, Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) (hereinafter as “Special Provisions”), the Reply of the State Council on Adjusting the Provisions Applicable to the Notice Period of Shareholders’ General Meetings of Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》), Mandatory Provisions for the Articles of Association of Companies to Be Listed Overseas (《到境外上市公司章程必備條款》), the Letter on the Opinion Regarding the Supplemental Amendments to the Articles of Association of Companies to be listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter as the “Listing Rules of the Stock Exchange”), Measures for the Administration of Registration of Initial Public Offering of Shares on the Science and Technology Innovation Board (Trial) (《科創板首次公開發行股票註冊管理辦法(試行)》), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and other relevant laws, regulations and regulatory documents.</u></p>	

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 1</b> Zhuzhou CRRC Times Electric Co., Ltd. (the “<b>Company</b>”) is a joint stock limited company established in the People’s Republic of China (“<b>the PRC</b>”) in accordance with “The Company Law of the People’s Republic of China” (the “<b>Company Law</b>”), “The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “<b>Special Regulations</b>”) and other relevant laws and administrative regulations of the State.</p> <p>The Company was established by way of promotion pursuant to the approval granted by the State-Owned Assets Supervision and Administration Commission of the State Council in the approval, Guo Zi Gai Ge [2005] No. 1095, and was registered with the Hunan Provincial Administration for Industry and Commerce on 26 September 2005 and had obtained business licence. The unified social credit code of the Company is 914300007808508659.</p> <p>.....</p>	<p><b>Article 2</b> Zhuzhou CRRC Times Electric Co., Ltd. (The “<b>Company</b>”) is a joint stock limited company established in the People’s Republic of China (the “<b>PRC</b>”) in accordance with “The Company Law of the People’s Republic of China” (the “<b>Company Law</b>”), “The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “<b>Special Regulations</b>”) and other relevant laws and administrative regulations of the State.</p> <p>The Company was established by way of promotion pursuant to the approval granted by the State-Owned Assets Supervision and Administration Commission of the State Council in the approval, Guo Zi Gai Ge [2005] No. 1095, and was registered with the Hunan Provincial Administration for Industry and Commerce on 26 September 2005 and had obtained business licence. The unified social credit code of the Company is 914300007808508659.</p> <p>.....</p>
<p><b>Article 6</b> The Articles of Association take effect on the day on which the Company was established.</p> <p>From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company’s organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders interest.</p>	<p><b>Article 7</b> The Articles of Association take effect on the day on which the Company was established <u>the Company initially offered Renminbi denominated ordinary shares and listed the same on the Science and Technology Innovation Board of the Shanghai Stock Exchange. From the effective date of the Articles of Association, the original Articles of Association will automatically become invalid.</u></p> <p>From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company’s organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders interest.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 7</b></p> <p>.....</p> <p>Shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; and shareholders may institute legal proceedings against directors, supervisors, general manager, deputy general managers and other senior management members of the Company, pursuant to the Articles of Association.</p> <p>.....</p> <p>“Other senior management members” referred to in the Articles of Association includes secretary to the board of directors, chief officer, assistant to general manager, financial controller and general counsel of the Company.</p>	<p><b>Article 8</b></p> <p>.....</p> <p>Shareholders may institute legal proceedings against the Company, <del>the Company may institute legal proceedings against shareholders, shareholders may institute legal proceedings against shareholders; and shareholders may institute legal proceedings against directors, supervisors, general manager, deputy general managers and other senior management members of the Company, pursuant to the Articles of Association.</del> <b><u>The Company may institute legal proceedings against shareholders, directors, supervisors, general manager, deputy general managers and other senior management members, pursuant to the Articles of Association.</u></b></p> <p>.....</p> <p><b>Definitions of</b> “other senior management members” referred to in the Articles of Association <del>includes secretary to the board of directors, chief officer, assistant to general manager, financial controller and general counsel of the Company</del> <b><u>are set out in Article 284 of the Articles of Association.</u></b></p>
<p><b>Article 8</b> The Company may invest in other limited liability companies or joint stock limited companies, and the Company’s liabilities to the companies in which the Company has invested shall be limited to the amount of its capital contribution to such companies; However, the Company shall not become a shareholder with unlimited liability of other profit-making organisations.</p>	<p><b>Article 9</b> The Company may invest in other limited liability companies or joint stock limited companies, and the Company’s liabilities to the companies in which the Company has invested shall be limited to the <b><u>committed</u></b> amount of its capital contribution to such companies <b><u>and shares subscribed for in such companies</u></b>; However, <b><u>unless otherwise required by the laws and administrative regulations, the Company shall not become a capital contributor that shall bear several and joint liabilities for the debts of the enterprises it invests in, and</u></b> the Company shall not become the unlimited liability shareholder of any other profit-making organisations.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 9</b> The Company is an independent corporate legal person, all activities of the Company shall comply with laws and regulations concerning the listing of domestically and overseas listed foreign shares and shall protect the lawful interests of shareholders.</p> <p>Subject to the compliance with the laws and administrative regulations of the PRC, the Company has the powers to financing and borrowing. The Company's financing power includes but not limited to the issuance of debentures of the Company, the charge or pledge of part or all of the ownership or right to use of the Company's assets and other rights permitted by the PRC laws and administrative regulations. However, rights of shareholders of any class shall not be prejudiced or revoked when the Company exercise the previous rights.</p> <p>.....</p> <p>The Company shall comply with laws and regulations, strengthen risk management, implement the general counsel system, and strengthen the construction of the culture of integrity.</p>	<p><b>Article 10</b> The Company is an independent corporate legal person, all activities of the Company shall comply with laws and regulations <del>concerning of</del> the listing <b>place(s)</b> of domestically and overseas listed foreign shares and shall protect the lawful interests of shareholders.</p> <p><del>Subject to the compliance with the laws and administrative regulations of the PRC, the Company has the powers to financing and borrowing. The Company's financing power includes but not limited to the issuance of debentures of the Company, the charge or pledge of part or all of the ownership or right to use of the Company's assets and other rights permitted by the PRC laws and administrative regulations. However, rights of shareholders of any class shall not be prejudiced or revoked when the Company exercise the previous rights.</del></p> <p>.....</p> <p>The Company shall comply with laws and regulations, strengthen risk management, implement the general counsel system, and strengthen the construction of the culture of integrity.</p>

## **APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Before</b>	<b>After</b>
<b>Chapter 2 Business Objectives and Scope</b>	
<p><b>Article 11</b> The Company's business scope shall be consistent with the business scope approved by the authority responsible for the Company's registration.</p> <p>The main business scope of the Company include: research, development, production, sale and repair of track transportation traction converter equipment, train network communication products, automation facilities, safety monitoring equipment, technical equipment relating to communication and signal system, power supply system, braking system, screen doors, urban intelligent traffic, industrial converter, photovoltaic power generation and automotive electric drive and their system integration as well as engineering vehicle, electric system for large track maintenance machine, marine equipment, specialised/general testing system, monitoring technology and products, high-power electrical and electronic appliances, lamination busbar, photovoltaic inverter, sanitary units, environmental protection equipment, oil pressure dampers and related electric and electronic products; mechanical and electrical system integration and general contracting; computer network wireless equipment; sale of merchandise as principal and agent, the import and export business of technology (except for those prohibited and restricted under national laws and regulations); related technological development, services, training; computer network system integration, software development services; technology, engineering, project development on new energy; design, construction and maintenance of security &amp; technology protection system; general freight; leasing etc.. (For items subject to approval pursuant to laws, operation could only be commenced upon approval by relevant authorities)</p>	<p><b>Article 12</b> The Company's business scope shall be consistent with the business scope approved by the authority responsible for the Company's registration.</p> <p>The main business scope of the Company include: research, development, production, sale and repair of track transportation traction converter equipment, train network communication products, automation facilities, safety monitoring equipment, technical equipment relating to communication and signal system, power supply system, braking system, screen doors, urban intelligent traffic, industrial converter, photovoltaic power generation and automotive electric drive and their system integration as well as engineering vehicle, electric system for large track maintenance machine, marine equipment, specialised/general testing system, monitoring technology and products, high-power electrical and electronic appliances, lamination busbar, photovoltaic inverter, sanitary units, environmental protection equipment, oil pressure dampers and related electric and electronic products; mechanical and electrical system integration and general contracting; computer network wireless equipment; sale of merchandise as principal and agent, the import and export business of technology (except for those prohibited and restricted under national laws and regulations); related technological development, services, training; computer network system integration, software development services; technology, engineering, project development on new energy; design, construction and maintenance of security &amp; technology protection system; general freight; leasing etc.. (For items subject to approval pursuant to laws, operation could only be commenced upon approval by relevant authorities)</p> <p><b><u>The Company may change its business scope and go through the relevant alteration procedures pursuant to law in accordance with the changes in domestic and foreign markets, business development and its own capabilities.</u></b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Article 12</b> The Company may, based on any changes in domestic and international markets, the demand of domestic business and its own capability of development, adjust its business scope and direction or methods of investment upon passing a resolution in the general meeting and upon submission to relevant competent government authorities for approval; and may set up branches and offices inside and outside of the PRC, the Special Administrative Region of Hong Kong (“ <b>Hong Kong</b> ”), the Special Administrative Region of Macau (“ <b>Macau</b> ”) and Taiwan.	<b>Article 12</b> The Company may, based on any changes in domestic and international markets, the demand of domestic business and its own capability of development, adjust its business scope and direction or methods of investment upon passing a resolution in the general meeting and upon submission to relevant competent government authorities for approval; and may set up branches and offices inside and outside of the PRC, the Special Administrative Region of Hong Kong (“ <b>Hong Kong</b> ”), the Special Administrative Region of Macau (“ <b>Macau</b> ”) and Taiwan.
Chapter 3 Shares and Registered Capital	<b>Chapter 3 Shares</b>
Nil	<b>Section I Share issuance</b>
Nil	<p><b>Article 15 Shares shall be issued in an open, fair and just manner, and shares of the same class shall carry the same rights.</b></p> <p><b>For the same class of shares issued in the same tranche, each share shall be issued subject to the same conditions and at the same price. The price payable per share of the same class subscribed for by any entity or individual shall be the same.</b></p>
<b>Article 15</b> Subject to approval of competent securities regulatory authorities of the State Council, the Company may issue shares to domestic investors and overseas investors.	<p><b>Article 16</b> Subject to approval of the competent securities regulatory authorities of the State Council <b>China Securities Regulatory Commission (hereinafter as the “CSRC”)</b>, the Company may issue shares to domestic investors and overseas investors.</p>
.....	.....
<b>Article 16</b> Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Overseas listed foreign shares are referred to as overseas listed foreign shares.	<p><b>Article 17</b> Shares issued by the Company to domestic investors <b>and other qualified investors</b> for subscription in RMB are referred to as domestic shares <b>(or A shares)</b>. Shares issued by the Company to overseas investors <b>and other qualified investors</b> for subscription in foreign currencies are referred to as foreign shares. Overseas listed foreign shares are referred to as overseas listed foreign shares.</p>
.....	.....

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 17</b> Foreign shares issued by the Company and listed in Hong Kong are referred to as H shares. H shares refer to the shares approved to be listed on The Stock Exchange of Hong Kong Limited (the “<b>Hong Kong Stock Exchange</b>”), the par value of which are denominated in RMB, and are subscribed for and traded in Hong Kong dollars.</p>	<p><b>Article 18 Overseas listed foreign</b> Foreign shares issued by the Company and listed in Hong Kong are referred to as H shares. H shares refer to the shares approved to be listed on The Stock Exchange of Hong Kong Limited (the “<b>Hong Kong Stock Exchange</b>”), the par value of which are denominated in RMB, and are subscribed for and traded in Hong Kong dollars.</p> <p><b><u>The domestic shares of the Company listed in the PRC are referred to as A shares. A shares refer to the shares approved to be registered, issued and listed on domestic stock exchange(s) by the CSRC, the par value of which are denominated in RMB, and are subscribed for and traded in RMB.</u></b></p> <p><b><u>The domestic shares issued by the Company shall be collectively deposited with the China Securities Depository and Clearing Corporation Limited. Overseas listed foreign shares issued by the Company in Hong Kong are mainly held in custody by the securities depository and clearing company in Hong Kong, and may also be held by shareholders in their own names.</u></b></p>
Nil	<p><b>Article 19 Upon approval of the competent securities authorities under the State Council, relevant securities regulatory authorities or stock exchange(s) of the listing place(s), shareholders holding unlisted shares of the Company may list their shares overseas for trading. Shareholders holding unlisted shares of the Company may transfer their shares to overseas investors and list the same overseas for trading. Shareholders holding unlisted shares of the Company may convert them into foreign shares, and the converted shares can be listed and traded overseas. Unless otherwise stipulated by relevant securities regulatory authorities or stock exchange(s) of the listing place(s), there is no need to hold general meeting(s) or class meeting(s) to vote on the listing and trading of the transferred or converted shares on the overseas stock exchange(s). The listing and trading of the above shares on the overseas stock exchange(s) shall also comply with the regulatory procedures, regulations and requirements of the overseas stock exchange(s). After the above shares are listed and traded on the overseas stock exchange(s), they become overseas listed foreign shares, and are of the same class as the original overseas listed foreign shares.</b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 18</b> Upon approval of the company approving department authorised by the State Council, the Company issued 669,611,637 ordinary shares to its promoters upon its establishment, representing 100% of the total then issuable ordinary shares of the Company.</p>	<p><b>Article 18</b> Upon approval of the company approving department authorised by the State Council, the Company issued 669,611,637 ordinary shares to its promoters upon its establishment, representing 100% of the total then issuable ordinary shares of the Company.</p>
<p><b>Article 19</b> After the Company's establishment, and upon approval of the approving department authorised by the State Council, the Company issued 547,329,400 H Shares (of which 505,865,000 shares were new shares issued by the Company and 41,464,400 shares were existing shares sold by promoters).</p>	<p><b>Article 20</b> <u>With the approval of the approving department as authorised by the State Council, the Company issued 669,611,637 ordinary shares to the promoters when it was established, accounting for 100% of the total number of the Company's issuable ordinary shares at that time. In particular, the promoters CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司) held 629,811,637 shares, representing 94.056%, CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司) held 10,000,000 shares, representing 1.493%, CRRC Changzhou Industrial Management Co., Ltd. (中車常州實業管理有限公司) held 10,000,000 shares, representing 1.493%, CRRC Investment &amp; Leasing Co., Ltd. (中車投資租賃有限公司) held 10,000,000 shares, representing 1.493% and CRRC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司) held 9,800,000 shares, representing 1.465%. All the promoters provided its contribution in the form of net assets.</u></p> <p>After the Company's establishment, and upon approval of the approving department authorised by the State Council, the Company issued 547,329,400 H Shares (of which 505,865,000 shares were new shares issued by the Company and 41,464,400 shares were existing shares sold by promoters).</p>
<p>The share capital structure of the Company is as follows: the Company has issued a total of 1,175,476,637 ordinary shares of which 628,147,237 shares or 53.438% are held by shareholders of domestic shares and 547,329,400 shares or 46.562% are held by shareholders of overseas listed foreign shares.</p>	<p>The <u>current</u> share capital structure of the Company is as follows: the Company has issued a total of 1,175,476,637 ordinary shares of which 628,147,237 shares or 53.438% are held by shareholders of domestic shares and 547,329,400 shares or 46.562% are held by shareholders of overseas listed foreign shares.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>Upon approval by the Shanghai Stock Exchange and registration with the CSRC, the Company initially issued [ • ] domestically-listed shares to the public in [month] [year], which were listed on the Shanghai Stock Exchange on [date] [month] [year]. Upon completion of the above-mentioned issuance, the Company's total share capital comprises [ • ] million shares, and the Company's share capital structure comprises [ • ] million ordinary shares, of which [ • ] million shares are held by holders of domestically-listed shares, accounting for [ • ]% of the total number of ordinary shares issued by the Company; and [ • ] million shares are held by holders of overseas listed foreign shares, accounting for [ • ]% of the total number of ordinary shares issued by the Company.</u></p>
<p><b>Article 20</b> The Company's proposal for the issuance of overseas listed foreign shares and domestic shares, upon approval by securities regulatory authorities of the State Council, may be implemented by the board of the Company through separate offerings.</p> <p>The Company may implement its proposal for issuance of overseas listed foreign shares and domestic shares respectively pursuant to the preceding paragraph within 15 months from the date of approval by securities regulatory authorities of the State Council.</p>	<p><b>Article 21</b> The Company's proposal for the issuance of overseas listed foreign shares and domestic shares, upon approval by securities regulatory authorities of the State Council, may be implemented by the board of the Company through separate offerings.</p> <p>The Company may implement its proposal for issuance of overseas listed foreign shares and domestic shares respectively pursuant to the preceding paragraph within 15 months from the date of approval <u>or registration</u> by securities regulatory authorities of the State Council. <u>Where the relevant approval or registration documents of the securities regulatory authorities stipulate otherwise, such provisions shall prevail.</u></p>
<p><b>Article 22</b> The registered capital of the Company is RMB1,175,476,637.</p>	<p><b>Article 23</b> The registered capital of the Company is RMB[ • ]. <u>After the Company has issued new shares, the registered capital of the Company shall be adjusted according to the circumstances of the actual issuance, and the change of the registered capital of the Company shall go through the registration formalities for the change of the registered capital.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Section II Increase, decrease and repurchase of shares</b></u>
<b>Article 23</b> The Company may, based on its operational and development needs and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.	<b>Article 24</b> The Company may, based on its operational and development needs and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.
The Company may increase its capital in the following ways:	The Company may increase its capital in the following ways: <u><b>and in accordance with the provisions of laws and regulations and subject to resolutions at the general meeting, increase its capital in the following ways:</b></u>
<ul style="list-style-type: none"> <li>(1) offering new shares to non-designated investors for subscription;</li> <li>(2) placing new shares to its existing shareholders;</li> <li>(3) distributing new shares to its existing shareholders; and</li> <li>(4) any other way permitted by law and administrative regulations.</li> </ul>	<ul style="list-style-type: none"> <li>(1) <del>offering new shares to non-designated investors for subscription</del> <b><u>public issuance of shares;</u></b></li> <li><b><u>(2) non-public issuance of shares;</u></b></li> <li><b><u>(23) placing new shares to its existing shareholders;</u></b></li> <li><b><u>(34) distributing new shares to its existing shareholders; and</u></b></li> <li><b><u>(4) any other way permitted by law and administrative regulations.</u></b></li> <li><b><u>(5) conversion of reserve into share capital;</u></b></li> <li><b><u>(6) other methods prescribed by laws and administrative regulations and other methods approved by the CSRC.</u></b></li> </ul>
The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations.	The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations <u><b>and the securities supervision and regulation authorities of the place(s) where the shares of the Company are listed.</b></u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 4 Reduction of Capital and Repurchase of Shares</b>	<b>Chapter 4 Reduction of Capital and Repurchase of Shares</b>
<b>Article 25</b> In accordance with the provisions of the Articles of Association, the Company may reduce its registered share capital.	<b>Article 25</b> In accordance with the provisions of the <del>Articles of Association</del> , The Company may reduce its registered share capital. <u><b>The Company shall reduce its registered capital in accordance with the Company Law and other relevant regulations and procedures stipulated in the Articles of Association.</b></u>
<b>Article 26</b> .....  The Company shall notify its creditors within 10 days of the date of the Company's resolution for reduction of share capital and shall publish a notice in a newspaper (including a newspaper in the PRC and in accordance with the "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" ("Listing Rules")) at least three times within 30 days of the date of such resolution. A creditor has the right within 30 days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 90 days of the date of the first public notice, to demand the Company to repay its debts or provide a corresponding guarantee for such debt. <sup>1</sup>  .....  <sup>1</sup> This part is based on the requirements of Article 23 of the Mandatory Provisions, Article 177 of the Company Law provides that "the company shall notify its creditors within 10 days of the date of the company's resolution for reduction of share capital and shall publish a notice in a newspaper within 30 days of the date of such resolution. A creditor has the right within 30 days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 45 days of the date of the first public notice, to demand the company to repay its debts or provide a corresponding guarantee for such debt." As the provisions in the Mandatory Provisions are stricter than that of the Company Law, the provisions of the Mandatory Provisions have been adopted herein. Corresponding amendments will be made to the Articles of Association when the Mandatory Provisions is amended.	<b>Article 26</b> .....  The Company shall notify its creditors within 10 days of the date of the Company's resolution for reduction of share capital and shall publish a notice in a newspaper (including a newspaper in the PRC and in accordance with the "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" ("Listing Rules of the Stock Exchange")) at least three times within 30 days of the date of such resolution. A creditor has the right within 30 days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within <u>90</u> <u>45</u> days of the date of the first public notice, to demand the Company to repay its debts or provide a corresponding guarantee for such debt. <sup>1</sup>  .....  <sup>1</sup> This part is based on the requirements of Article 23 of the Mandatory Provisions, Article 177 of the Company Law provides that "the company shall notify its creditors within 10 days of the date of the company's resolution for reduction of share capital and shall publish a notice in a newspaper within 30 days of the date of such resolution. A creditor has the right within 30 days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 45 days of the date of the first public notice, to demand the company to repay its debts or provide a corresponding guarantee for such debt." As the provisions in the Mandatory Provisions are stricter than that of the Company Law, the provisions of the Mandatory Provisions have been adopted herein. Corresponding amendments will be made to the Articles of Association when the Mandatory Provisions is amended.

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 27</b> The Company may, with approval according to the procedures provided in the Articles of Association and subject to the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances:</p> <ul style="list-style-type: none"> <li>(1) cancellation of shares for the reduction of its capital;</li> <li>(2) merging with another company that holds shares in the Company; and</li> <li>(3) other circumstances permitted by laws and administrative regulations.</li> </ul>	<p><b>Article 27</b> The Company may, <u>in accordance with the provisions and procedures of laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association</u> and with approval according to the procedures provided in the Articles of Association and subject to the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances:</p> <ul style="list-style-type: none"> <li>(1) <u>cancellation of shares for the reduction of its registered capital;</u></li> <li>(2) merging with another company that holds shares in the Company; and</li> <li>(3) other circumstances permitted by laws and administrative regulations. <u>use of shares for employee stock ownership plans or equity incentives;</u></li> <li>(4) <u>for acquisition of shares held by shareholders (upon their request) who vote against any resolution proposed in the general meeting on the merger or division of the Company;</u></li> <li>(5) <u>use of shares for conversion of corporate bonds which are convertible into shares issued by the Company; and</u></li> <li>(6) <u>where it is necessary for the Company to safeguard its value and the shareholders' interests.</u></li> </ul> <p><u>Except for the above circumstances, the Company shall not purchase or sell shares of the Company.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 28</b> The Company may, with the approval of the relevant State governing authority for repurchasing its shares, conduct the repurchase in one of the following ways:</p> <ul style="list-style-type: none"> <li>(1) making a pro rata general offer of repurchase to all of its shareholders;</li> <li>(2) repurchase shares through public dealings on a stock exchange; or</li> <li>(3) repurchase by an agreement outside a stock exchange.</li> </ul>	<p><b>Article 28</b> The Company may, <u>choose to</u>, with the approval of the relevant State governing authority for repurchasing its shares, conduct the repurchase <u>repurchase its shares</u> in one of the following ways <u>in accordance with law due to requirements of sub-paragraphs (1), (2) and (4) of first paragraph of Article 27 herein:</u></p> <ul style="list-style-type: none"> <li>(1) making a pro rata general offer of repurchase to all of its shareholders;</li> <li>(2) repurchase shares through public dealings on a stock exchange; <u>or</u></li> <li>(3) repurchase by an agreement outside a stock exchange; <u>or</u></li> <li><b>(4) <u>other ways as permitted by the laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed, and approved by the approval department as authorised by the State Council.</u></b></li> </ul> <p><u>The acquisition of shares of the Company by the Company due to the circumstances specified in sub-paragraphs (3), (5) and (6) of the first paragraph of Article 27 herein shall be conducted through open centralised trading.</u></p> <p><u>The Company shall perform its information disclosure obligation according to the laws, administrative regulations, departmental rules and the securities regulatory rules of the place(s) where the Company's shares are listed in acquiring its own shares.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 29</b></p> <p>.....</p> <p>For the purpose of the redeemable shares which the Company has the right to repurchase:</p> <p>(1) if they are not repurchased through the market or by tender, its price shall not exceed the maximum price; and</p> <p>(2) if they are repurchased by tender, tenders shall be offered to all shareholders alike.</p>	<p><b>Article 29</b></p> <p>.....</p> <p>For the purpose of the redeemable shares which the Company has the right to repurchase:</p> <p>(1) if they are not repurchased through the market or by tender, its price shall not exceed the maximum price <u>the repurchase price shall be subject to a maximum price</u>; and</p> <p>(2) if they are repurchased by tender, tenders shall be offered to all shareholders <u>under the same conditions</u> alike.</p>
Nil	<p><u><b>Article 31 Where the Company acquires its shares due to the circumstances specified in sub-paragraphs (1) and (2) of the first paragraph of Article 27 herein, it shall be resolved at the general meeting. If the Company acquires its domestic shares due to the circumstances specified in sub-paragraphs (3), (5) and (6) of the first paragraph of Article 27 herein, it shall be resolved at a board meeting with the attendance of more than two thirds of all directors and no resolution at a general meeting is required.</b></u></p> <p><u><b>After the Company has acquired its shares in accordance with the provisions of the first paragraph of Article 27 herein, under the circumstances set out in sub-paragraph (1), such shares shall be cancelled within 10 days from the date of acquisition; under the circumstances set out in sub-paragraphs (2) and (4), such shares shall be transferred or cancelled within 6 months from the date of acquisition; under the circumstances set out in sub-paragraph (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 years from the date of acquisition.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<u>Where the relevant laws, administrative regulations, departmental rules, other regulatory documents and relevant provisions of the securities regulatory authorities where the Company's shares are listed stipulate otherwise on relevant matters related to the aforesaid share repurchase, such provisions shall prevail.</u>
Nil	<u>Section III Share transfer</u>
<b>Article 24</b> Unless otherwise provided by law or administrative regulations, shares in the Company are freely transferable and are not subject to any lien.	<b>Article 33</b> Unless otherwise provided by law or administrative regulations, <u>departmental rules and relevant regulations of the securities regulatory authorities where the Company's shares are listed</u> , shares in the Company are freely transferable <u>in accordance with laws</u> and are not subject to any lien. <u>Transfer of the overseas listed shares in Hong Kong shall be registered with the local share registrar appointed by the Company.</u>
<b>Article 41</b> All fully paid-up share capital of overseas listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association of the Company. However, the board has the right to refuse recognising any instrument of transfer without explanation, unless such transfer is in compliance with the following conditions:	<b>Article 34</b> All fully paid-up share capital of overseas listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association of the Company. However, the board has the right to refuse recognising any instrument of transfer without explanation, unless such transfer is in compliance with the following conditions:
<p>(1) payment of HK\$2.00 or such fees as agreed by the Hong Kong Stock Exchange at the material time has been made to the Company to register the instrument of transfer of shares and other documents relating to or which may affect the ownership of such shares;</p> <p>(2) the instrument of transfer solely involves the overseas listed foreign shares listed in Hong Kong;</p> <p>(3) the stamp duty payable on the instrument of transfer has been paid;</p>	<p>(1) payment of HK\$2.00 or <u>such fees as stipulated by the Hong Kong Stock Exchange in the Listing Rules of the Stock Exchange</u> or such <u>higher</u> fees as agreed by the Hong Kong Stock Exchange at the material time has been made to the Company to register <u>have been paid and</u> the <u>documents</u> instrument of transfer of shares and other documents relating to or which may affect the ownership of such shares <u>have been registered</u>;</p> <p>(2) the <u>documents</u> instrument of transfer solely involves the overseas listed foreign shares listed in <u>on the Hong Kong Stock Exchange</u>;</p> <p>(3) the stamp duty <u>as stipulated by Hong Kong law</u> payable on the <u>documents</u> instrument of transfer has been paid;</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>(4) the relevant share certificates and evidence reasonably required by the board evidencing that the transferor has the right to transfer such shares;</p> <p>(5) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed 4;</p> <p>(6) no Company's lien is attached to the relevant shares.</p>	<p>(4) the relevant share certificates and evidence reasonably required by the board evidencing that the transferor has the right to transfer such shares;</p> <p>(5) if the shares are to be transferred to joint holders, the number of such joint holders <u>registered shareholders</u> shall not exceed 4;</p> <p>(6) no Company's lien is attached to the relevant shares.</p>
<p>Any instrument of transfer and other documents relating to or which may affect the ownership of any registered H shares shall be registered with the overseas registration organisation appointed by the Company.</p>	<p>Any instrument of transfer and other documents relating to or which may affect the ownership of any registered H shares shall be registered with the overseas registration organisation appointed by the Company.</p>
<p>Directors, supervisors, general manager, deputy general managers and other senior management members of the Company shall report to the Company concerning their shareholdings in the Company.</p>	<p>Directors, supervisors, general manager, deputy general managers and other senior management members of the Company shall report to the Company concerning their shareholdings in the Company.</p>
<p>The overseas listed foreign shares of the Company listed in Hong Kong shall be transferred by the instruments of transfer in writing, which is based on a usual or common form or on a form acceptable to the board; and such transfer instrument should be signed under hand or, if the transferor or transferee is a clearing house or its agent, signed under hand or signed in machine imprinted form. All the transfer instruments shall be maintained in the legal address of the Company or other place as the board may designate.</p>	<p><u>All</u> overseas listed foreign shares of the Company listed in Hong Kong shall be transferred by the instruments of transfer in writing, which is based on a usual or common form or on a form acceptable to the board; and such transfer instrument should be signed under hand or, if the transferor or transferee is a <u>recognised</u> clearing house or its agent <u>as defined under the relevant regulations in force from time to time under the laws of Hong Kong</u>, signed under hand or signed in machine imprinted form. All the transfer instruments shall be maintained in the legal address of the Company or other place as the board may designate.</p> <p><u>If the board of the Company refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months after the application for transfer is officially submitted.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Article 35 Holders of overseas listed foreign shares of the Company which are listed in Hong Kong shall transfer all or part of their shares in writing by way of ordinary or usual forms of the instruments of transfer or in other forms which are acceptable to the board, or in a standard transfer form designated by the stock exchange(s) where the Company's shares are listed. The instrument of transfer shall be signed by hand or (if the transferor or transferee is a company) affixed with the company's seal. If the transferor or transferee is a recognised clearing institution as defined in the Hong Kong Securities and Futures Ordinance or its agent, it may sign by hand or in a machine imprinted format. All instruments of transfer must be placed at the Company's legal address or at such other place as the board may designate.</b></u>
Nil	<u><b>Article 36 The Company shall not accept the shares of the Company as the subject of a pledge.</b></u>
Nil	<u><b>Article 37 Shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. Shares issued before the Company's public offering shall not be transferred within one year from the date when the Company's shares are listed and traded on the stock exchange(s).</b></u>  <u><b>Directors, supervisors and senior management personnel of the Company shall report to the Company the shares held by them in the Company and changes thereof, and shall not transfer more than 25% each year of the total number of shares of the same class held by them during their tenure; and the shares held in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The above-mentioned personnel shall not transfer their shares of the Company within six months after the termination of their service.</b></u>  <u><b>Where the relevant laws, regulations, regulatory documents and relevant provisions of the securities regulatory authorities where the Company's shares are listed stipulate otherwise on relevant matters related to the aforesaid share transfer, such provisions shall prevail.</b></u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 38 Any gains from sale of shares or other securities attaching equity interests in the Company by any director, supervisor, senior management personnel or shareholders holding more than 5% of the shares in the Company within six months after their purchase of the same, and any gains from purchase of shares or other securities attaching equity interests in the Company by any of the aforesaid parties within 6 months after sale of the same, shall be disgorged and paid to the Company. The board of directors of the Company shall forfeit such gains from the abovementioned parties. However, the six-month time limit for sale of the said shares shall not apply to a securities company holding more than 5% of the shares in the Company as a result of its purchase of the remaining shares offered pursuant to an underwriting obligation.</b></u></p> <p><u><b>The shares or other securities attaching equity interests as mentioned in the preceding paragraph held by the directors, supervisors, senior management personnel and natural person shareholders shall include those held by their spouses, parents and children as well as those held through the accounts of others.</b></u></p> <p><u><b>If the board of the Company does not act in accordance with the provisions of the first paragraph of this article, the shareholders shall be entitled to require the board to effect the same within 30 days. If the board fails to do so within the said time limit, the shareholders shall be entitled to initiate proceedings in the court directly in their own name for the interests of the Company.</b></u></p> <p><u><b>Where the board fails to act in accordance with the requirements set out in the first paragraph of this article, the responsible director(s) shall assume joint and several liabilities under laws.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 32</b> The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance (as defined below) to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares includes a person who directly or indirectly undertakes any obligations due to the acquisition of shares of the Company.</p> <p>.....</p> <p>"Subsidiary(ies)" referred to in the Articles of Association means company(ies) controlled directly or indirectly by the Company.</p>	<p><b>Article 39</b> The Company and its subsidiaries shall not, by any means <u>in any form</u> at any time, <u>including by way of a gift, advance, guarantee, compensation, loans or otherwise</u>, provide any kind of financial assistance (as defined below) to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares includes a person who directly or indirectly undertakes any obligations due to the acquisition of shares of the Company.</p> <p>.....</p> <p>"Subsidiary(ies)" referred to in the Articles of Association means company(ies) controlled directly or indirectly by the Company.</p>

## **APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Before</b>	<b>After</b>
<b>Chapter 6 Share Certificates and Register of Members</b>	<b>Chapter 5 Share Certificates and Register of Members</b>
<p><b>Article 35</b> The share certificates of the Company shall be in registered form.</p> <p>The share certificates of the Company shall contain the following major items:</p> <ul style="list-style-type: none"> <li>(1) the name of the Company;</li> <li>(2) the date of establishment of the Company;</li> <li>(3) the class and par value of shares and the number of shares represented;</li> <li>(4) the number of share certificates;</li> <li>(5) other particulars required to be specified by the Company Law, Special Regulations and the stock exchange on which the shares of the Company are listed.</li> <li>(6) where the share capital of the Company includes non-voting shares, the name of such shares shall contain the term “non-voting”;</li> <li>(7) where the share capital includes shares with different voting rights, the name of each class of shares (other than shares with prime voting rights) shall contain the term “restricted voting rights” or “limited voting rights”.</li> </ul>	<p><b>Article 42</b> The share certificates of the Company shall be in registered form.</p> <p>The share certificates of the Company shall contain the following major items:</p> <ul style="list-style-type: none"> <li>(1) the name of the Company;</li> <li>(2) the date of establishment of the Company;</li> <li>(3) the class and par value of shares and the number of shares represented;</li> <li>(4) the number of share certificates;</li> <li>(5) other particulars required to be specified by the Company Law, Special Regulations and the stock exchange on which the shares of the Company are listed;;</li> <li>(6) where the share capital of the Company includes non-voting shares, the name of such shares shall contain the term “non-voting”;</li> <li>(7) where the share capital includes shares with different voting rights, the name of each class of shares (other than shares with prime voting rights) shall contain the term “restricted voting rights” or “limited voting rights”.</li> </ul> <p><b><u>The overseas-listed foreign shares issued by the Company may be in the form of foreign depository receipts or in other derivative forms of shares in accordance with the laws and the prevailing practice for the securities registration and depository of the place(s) where the shares of the Company are listed.</u></b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 36</b> The share certificates shall be signed by the chairman. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management members of the Company, and the share certificates shall also be signed by other relevant senior management members. The share certificates shall be effective after being affixed or imprinted with the seal (including securities seal of the Company) of the Company. The share certificates shall only be affixed with the company seal or securities seal with the authorisation of the board. The signatures of the chairman or other relevant senior management members on the share certificates may also be in imprinted form.</p>	<p><b>Article 43</b> The share certificates shall be signed by the chairman. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management members of the Company, and the share certificates shall also be signed by other relevant senior management members. The share certificates shall be effective after being affixed or imprinted with the seal (including securities seal of the Company) of the Company. The share certificates shall only be affixed with the company seal or securities seal with the authorisation of the board. The signatures of the chairman or other relevant senior management members on the share certificates may also be in imprinted form.</p> <p><b><u>When shares of the Company are issued and traded in a paperless form, it shall comply with the applicable provisions of the securities regulatory authorities in the place(s) where the shares of the Company are listed.</u></b></p>
<p><b>Article 42</b> Where laws, regulations, departmental rules, regulatory documents and relevant stock exchanges where the shares of the Company are listed or regulatory authorities stipulate otherwise as to the close of register of members prior to the record date set for convening of general meetings or dividend distribution, such provisions shall prevail.</p>	<p><b>Article 48</b> Where laws, <b>administrative</b> regulations, departmental rules, regulatory documents and relevant stock exchange(s) where the shares of the Company are listed or regulatory authorities stipulate otherwise as to the close of register of members prior to the record date set for convening of general meetings or dividend distribution, such provisions shall prevail.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 45</b></p> <p>.....</p> <p>If a holder of domestic shares loses his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the requirements of Article 143 of the Company Law.</p> <p>If a holder of overseas listed foreign shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws of the place where the original register of holders of overseas listed foreign shares is maintained, the rules of the stock exchange and other relevant regulations.</p> <p>If a holder of H shares loses his/her share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:</p> <p>.....</p> <p>(5) If, upon expiration of the 90-day period of announcement, display referred to in paragraphs (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant accordingly.</p>	<p><b>Article 51</b></p> <p>.....</p> <p>If a holder of domestic shares loses, <u>is stolen of or suffers destruction of</u> his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the <u>relevant</u> requirements of Article 143 of the Company Law.</p> <p>If a holder of overseas listed foreign shares loses, <u>is stolen of or suffers destruction of</u> his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws of the place(s) where the original register of holders of overseas listed foreign shares is maintained, the rules of the stock exchange(s) and other relevant regulations.</p> <p>If a holder of H shares <u>foreign shares listed in Hong Kong</u> loses, <u>is stolen of or suffers destruction of</u> his/her share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:</p> <p>.....</p> <p>(5) If, upon expiration of the 90-day period of announcement, display referred to in <u>subparagraphs (3) and (4) in paragraph 4</u> of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant accordingly.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 7</b> Shareholders' Rights and Obligations	<b>Chapter 6</b> Shareholders' Rights and Obligations
<p><b>Article 48</b> A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of members.</p> <p>A shareholder shall have the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall have the same rights and assume the same obligations.</p>	<p><b>Article 54</b> A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of members.</p> <p>A shareholder shall have the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall have the same rights and assume the same obligations.</p> <p><u><b>The Company shall protect the rights of shareholders in accordance with the law and focus on protection of the legitimate rights and interests of the minority shareholders. The Articles of Association, the resolutions of the general meeting or the resolutions of the board shall comply with the law and regulations and shall not deprive or restrict the legal rights of shareholders. The Company shall establish unobstructed and effective communication channels with shareholders to protect shareholders' right to know about, participate in the decision-making of and supervise the procedures, etc. of the major events of the Company. Shareholders are entitled to safeguard their legal rights through civil litigation or other legal means in accordance with the provisions of laws and administrative regulations.</b></u></p> <p><u><b>Institutional investors shall exercise voting rights, inquiry rights, suggestion rights and other relevant shareholder rights in accordance with laws and regulations and the Articles of Association, and shall participate in corporate governance reasonably and play an active role by participating in decision-making on major issues, recommending candidates for directors and supervisors, and supervising the performance of duties of directors and supervisors.</b></u></p>
.....	.....

## **APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Before</b>	<b>After</b>
<p><b>Article 49</b> The shareholders of the ordinary shares of the Company shall have the following rights:</p> <p>(1) the right to receive dividends and other distributions in proportion to the number of shares held;</p> <p>(2) the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat;</p> <p>(3) the right of supervisory management and to present proposals or to raise enquiries over the Company's business operations;</p> <p>(4) the right to transfer the shares he held in accordance with laws, administrative regulations and provisions of the Articles of Association;</p> <p>(5) the right to obtain information in accordance with the provisions of the Articles of Association, including:</p> <p style="margin-left: 20px;">(i) the right to obtain the Articles of Association, subject to payment of the cost of such copy;</p> <p style="margin-left: 20px;">(ii) the right to inspect and copy, subject to payment of a reasonable charge:</p> <p style="margin-left: 40px;">1 all parts of the share register;</p>	<p><b>Article 55</b> The shareholders of the ordinary shares of the Company shall have the following rights:</p> <p>(1) the right to receive dividends and other distributions in proportion to the number of shares held;</p> <p>(2) the right to <u>request, convene, chair and</u> attend or appoint a proxy to attend shareholders' general meetings and to vote correspondingly thereat <u>in accordance with the requirements of laws and the Articles of Association</u>;</p> <p>(3) the right of supervisory management and to present proposals or to raise enquiries over the Company's business operations;</p> <p>(4) the right to transfer, <u>grant or pledge</u> the shares he held in accordance with laws, administrative regulations, <u>the securities regulatory requirements of the place(s) where the Company's shares are listed</u> and provisions of the Articles of Association;</p> <p>(5) the right to obtain information in accordance with the provisions of the Articles of Association, including:</p> <p style="margin-left: 20px;">(i) the right to obtain the Articles of Association, subject to payment of the cost of such copy;</p> <p style="margin-left: 20px;">(ii) the right to inspect and copy, subject to payment of a reasonable charge:</p> <p style="margin-left: 40px;">1 all parts of the share register;</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>2 personal particulars of each of the Company's directors, supervisors, general manager, deputy general managers and other senior management as follows:</p> <ul style="list-style-type: none"> <li>(a) present name and alias and any former name and alias;</li> <li>(b) principal address (residence);</li> <li>(c) nationality;</li> <li>(d) primary and all other part-time occupation and duties; and</li> <li>(e) identification document and its number.</li> </ul>	<p>2 personal particulars of each of the Company's directors, supervisors, general manager, deputy general managers and other senior management as follows:</p> <ul style="list-style-type: none"> <li>(a) present name and alias and any former name and alias;</li> <li>(b) principal address (residence);</li> <li>(c) nationality;</li> <li>(d) primary and all other part-time occupation and duties; and</li> <li>(e) identification document and its number.</li> </ul>
<p>3 the state of the Company's share capital;</p>	<p>3 the state of the Company's share capital;</p>
<p>4 reports showing the aggregate par value, quantity, maximum and minimum prices paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose; and</p>	<p>4 reports showing the aggregate par value, quantity, maximum and minimum prices paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose; and</p>
<p>5 minutes of shareholders' general meetings.</p>	<p>5 <u>minutes of shareholders' general meetings. a copy of the latest annual return submitted to the PRC market supervision and administration authorities or other competent authorities for filing.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held; and	<u>(6) to inspect the bond counterfoil, minutes of general meetings, resolutions of board meetings, resolutions of the meeting of the supervisory committee and the financial and accounting reports;</u>
(7) other rights conferred by laws, administrative regulations and the Articles of Association.	<u>(7) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of Shares held; and</u>
	<u>(8) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company; and</u>
	<u>(9) other rights conferred by laws, administrative regulations and the Articles of Association.</u>
	<u>The Company shall keep copies of the above-mentioned documents at the Company's Hong Kong address in accordance with the regulatory requirements of the place(s) where the Company's shares are listed for free inspection by the public and shareholders and for copies by the shareholders with reasonable charges.</u>
	<u>Where the shareholders wish to inspect, make a copy of or obtain the relevant documents, they shall notify the Company in writing in advance and provide the Company with written documents proving the class of shares they hold and the number thereof. The Company shall provide the documents according to the requirements of shareholders after verifying their identities.</u>
The Company shall not exercise its power to freeze or prejudice the above rights in any other forms solely based on the ground that any person has not disclosed to the Company the rights and interests he holds directly or indirectly.	The Company shall not exercise its power to freeze or prejudice the above rights <u>attached to the shares</u> in any other forms solely based on the ground that any person has not disclosed to the Company the rights and interests he holds directly or indirectly.

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 56</b></u> <u>Where the content of a resolution passed at a general meeting or a board meeting violate the laws and regulations, the shareholders shall have the right to request the court to rule the same invalid.</u></p> <p><u>Where the convening procedures and voting methods of the general meeting and the board meetings violate the laws, regulations or the Articles of Association, or the contents of the resolution(s) violate the Articles of Association, shareholders shall have the right to request the people's court to rescind such resolution(s) within 60 days from the date of such resolution(s).</u></p>
Nil	<p><u><b>Article 57</b></u> <u>Where the directors and senior management personnel violates any laws, regulations or the Articles of Association in the course of performing their duties and cause a loss to the Company, shareholders individually or in aggregate holding 1% or more shares of the Company for 180 consecutive days or more may request in writing the supervisory committee to initiate legal proceedings in the people's court. Where the supervisory committee violates any laws, regulations or the Articles of Association in performing its duties and causes a loss to the Company, the shareholders may request in writing the board of directors to initiate legal proceedings in the people's court.</u></p> <p><u>If the supervisory committee or the board refuses to institute legal proceedings after receiving such written request of shareholders specified in the preceding paragraph or fails to institute legal proceedings within 30 days from the date on which such request is received, or if, in an emergency, the failure to lodge an action immediately will cause irreparable damage to the interests of the Company, the foregoing shareholders may, for the benefit of the Company and in their own name, directly institute legal proceedings in the people's court.</u></p> <p><u>If any other person infringes the legitimate rights and interests of the Company, thereby causing loss to the Company, the shareholders specified in the first paragraph of this article may institute legal proceedings in the people's court pursuant to the preceding two paragraphs.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><b>Article 58</b> <u>If any director or senior management personnel violates the requirements of laws or the Articles of Association, thereby infringing the interests of the shareholders, the shareholders may institute legal proceedings in the people's court.</u></p>
<p><b>Article 50</b> The shareholders of the ordinary shares of the Company shall assume the following obligations:</p> <ul style="list-style-type: none"> <li>(1) to abide by the Articles of Association;</li> <li>(2) to pay subscription monies according to the number of shares subscribed for and the method of subscription; and</li> <li>(3) other obligations imposed by laws, administrative regulations and the Articles of Association.</li> </ul>	<p><b>Article 59</b> The shareholders of the ordinary shares of the Company shall assume the following obligations:</p> <ul style="list-style-type: none"> <li>(1) to abide by <u>laws, administrative regulations and</u> the Articles of Association;</li> <li>(2) to pay subscription monies according to the number of shares subscribed for and the method of subscription; and</li> <li><b>(3) <u>not to divest the shares unless required by laws or regulations;</u></b></li> <li><b>(4) <u>not to abuse their rights as shareholders to prejudice the interests of the Company or other shareholders; not to abuse the Company's independent status as a legal person and the limited liability of shareholders to prejudice the interests of creditors of the Company. Shareholders of the Company who abuse their rights as shareholders causing loss to the Company or other shareholders shall be liable for compensation under the law.</u></b></li> </ul> <p><b>Shareholders of the Company who abuse the Company's independent status as a legal person and the limited liability of shareholders to evade repayment of debts causing material damage to the interests of the Company's creditors shall be jointly and severally liable for repayment of debts owed by the Company.</b></p> <ul style="list-style-type: none"> <li><b>(5) other obligations imposed by laws, administrative regulations and the Articles of Association.</b></li> </ul>
Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.	Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.
Nil	<p><b>Article 60</b> <u>Where holders of domestic shares holding 5% or more of the Company's shares carrying voting rights pledges any of his/her shares, he/she shall report the same to the Company in writing on the day when the pledge was effected.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 61 The controlling shareholder and the actual controller of the Company shall not take advantage of their related-party relationship to prejudice the Company's interests. If they have violated such requirements and caused damage to the Company, they shall be liable for such damages.</b></u></p> <p><u><b>The controlling shareholder and the actual controller of the Company have fiduciary duties towards the Company and public shareholders of the Company and shall respect the independence of the Company. Controlling shareholder shall strictly exercise the rights as a contributor in accordance with the law and shall not take advantage of profit distribution, asset restructuring, external investment, appropriation of capital, loan guarantee and other means to damage the legitimate rights and interests of the Company and the public shareholders, nor shall they take advantage of their controlling position to damage the interests of the Company and public shareholders.</b></u></p> <p><u><b>Controlling shareholder, actual controller and their related parties shall not violate the laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association to interfere with the Company's normal decision-making procedures. Where the controlling shareholder nominates candidates for directors and supervisors of the Company, they shall strictly follow the conditions and procedures stipulated by laws, regulations and the Articles of Association. Candidates for directors and supervisors nominated by the controlling shareholder shall possess relevant professional knowledge and decision-making and supervision capabilities.</b></u></p> <p><u><b>Where control of the Company changes, all parties concerned shall take effective measures to maintain the stable operation of the Company during the transitional period. Where major issues occur, the Company shall report to the CSRC, its local branches and the stock exchange(s).</b></u></p> <p><u><b>For the definitions of "actual controller" and "controlling shareholder" in this article, please refer to Article 284 of the Articles of Association.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 52</b> “Controlling shareholder” referred to in the preceding paragraph means a person who satisfies any one of the following conditions:</p> <p>(1) he alone, or acting in concert with others, has the power to elect more than half of the board;</p> <p>(2) he alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;</p> <p>(3) he alone, or acting in concert with others, holds 30% or more of the issued and outstanding shares of the Company; or</p> <p>(4) he alone, or acting in concert with others, in any other manner has de facto control over the Company.</p>	<p><b>Article 52</b> “Controlling shareholder” referred to in the preceding paragraph means a person who satisfies any one of the following conditions:</p> <p>(1) he alone, or acting in concert with others, has the power to elect more than half of the board;</p> <p>(2) he alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;</p> <p>(3) he alone, or acting in concert with others, holds 30% or more of the issued and outstanding shares of the Company; or</p> <p>(4) he alone, or acting in concert with others, in any other manner has de facto control over the Company.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 8 Shareholders' General Meeting</b>	<b>Chapter 7 Shareholders' General Meeting</b>
Nil	<b>Section I General provisions of shareholders' general meeting</b>
<p><b>Article 54</b> The general meeting shall have the following functions and powers:</p> <ul style="list-style-type: none"> <li>(1) to decide on the Company's business policies and investment plans;</li> <li>(2) to elect and replace directors and decide on matters relating to their remuneration;</li> <li>(3) to elect and replace supervisors that are appointed by the shareholder representatives and decide on matters relating to their remuneration;</li> <li>(4) to consider and approve the reports of the board;</li> <li>(5) to consider and approve the reports of the supervisory committee;</li> <li>(6) to consider and approve the Company's proposed annual financial budgets and final budgetary report;</li> <li>(7) to consider and approve the Company's profit distribution plans and plans for making up losses;</li> <li>(8) to resolve on the increase or reduction of the Company's registered capital;</li> <li>(9) to resolve on matters such as merger, split, dissolution, liquidation and material acquisitions and disposals of the Company;</li> <li>(10) to resolve the issue of debentures by the Company;</li> </ul>	<p><b>Article 64</b> The general meeting shall have the following functions and powers:</p> <ul style="list-style-type: none"> <li>(1) to decide on the Company's business policies and investment plans;</li> <li>(2) to elect and replace <u>non-employee representative</u> directors and decide on matters relating to their remuneration;</li> <li>(3) to elect and replace <u>non-employee representative</u> supervisors that are appointed by the shareholder representatives and decide on matters relating to their remuneration;</li> <li>(4) to consider and approve the reports of the board;</li> <li>(5) to consider and approve the reports of the supervisory committee;</li> <li>(6) to consider and approve the Company's proposed annual financial budgets and final budgetary report;</li> <li>(7) to consider and approve the Company's profit distribution plans and plans for making up losses;</li> <li>(8) to resolve on the increase or reduction of the Company's registered capital;</li> <li>(9) to resolve on <del>matters such as</del> merger, split, dissolution, liquidation and material acquisitions and disposals of the Company <u>or change of company type</u>;</li> <li>(10) to resolve the issue of debentures <u>and other marketable securities</u> by the Company <u>and the listing proposal</u>;</li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
(11) to resolve the appointment, removal and non-reappointment of the accounting firm of the Company;	(11) to resolve the appointment, removal and non-reappointment of the accounting firm of the Company;
(12) to amend the Articles of Association;	(12) to amend the Articles of Association, <u>and to consider and approve the Rules of Procedures for the General Meetings, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee</u> ;
(13) to consider the motions raised by shareholders who represent 3% or more (inclusive of 3%) of the total number of voting shares of the Company;	(13) to consider the motions raised by shareholders who represent <u>individually or jointly hold</u> 3% or more (inclusive of 3%) of the total number of voting shares of the Company;
(14) to consider other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders at general meetings.	(14) <u>to consider and approve the guarantee-related matters required to be considered and approved at the general meeting as stipulated in Article 65 of the Articles of Association</u> ;
(15) to authorise or delegate the board to deal with matters as authorised and instructed at the general meetings.	(15) <u>to consider and approve matters relating to the acquisition and disposal of major assets and asset pledge that exceed 30% of the Company's latest audited total assets of the Company within one year</u> ;
	(16) <u>to consider and approve matters relating to the Company's venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loan, external investment and other transactions that exceed 30% of the Company's latest audited total assets within one year</u> ;
	(17) <u>to consider and approve matters relating to leasing, renting, entrusted operation, agency operation or joint operation that exceed 30% of the Company's latest audited total assets within one year</u> ;

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(18) <u>to consider and approve related party transactions that exceed 1% of the Company's latest audited total assets or market value and exceed RMB30,000,000 in amount (save for provision of guarantee and acceptance of donated cash assets) and related party transactions subject to resolution at the general meetings and/or by independent shareholders (if applicable) according to the securities regulatory rules of the place(s) where the shares of the Company are listed;</u></p> <p>(19) <u>to consider and approve matters relating to the change of use of the raised proceeds;</u></p> <p>(20) <u>to consider and approve the equity incentive plan;</u></p> <p>(21) <u>to consider and approve other matters as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association to be resolved at the general meeting and/or by independent shareholders (if applicable).</u></p> <p>(14) <del>to consider other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders at general meetings.</del></p> <p>(15) <del>to authorise or delegate the board to deal with matters as authorised and instructed at the general meetings.</del></p> <p><u>General meetings may authorise or appoint the board to deal with such matters as authorised or appointed to be dealt with. Matters that shall be decided by the general meeting as stipulated by the laws, regulations and the Articles of Association, must be considered and approved at such a meeting to safeguard the shareholders' right of decision-making for such matters.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 65 The following external guarantees of the Company shall be considered and approved at the general meeting:</b></u></p> <p class="list-item-l1">(1) <u><b>guarantee with a single amount exceeding 10% of the latest audited net assets of the Company;</b></u></p> <p class="list-item-l1">(2) <u><b>any guarantee provided after the total amount of external guarantee of the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets of the Company;</b></u></p> <p class="list-item-l1">(3) <u><b>guarantee provided in favour of a guaranteed party with a gearing ratio exceeding 70%;</b></u></p> <p class="list-item-l1">(4) <u><b>any guarantee provided after the total amount of the Company's external guarantee reaches or exceeds 30% of the latest audited total assets of the Company on an accumulative basis in consecutive 12 months;</b></u></p> <p class="list-item-l1">(5) <u><b>guarantees provided to shareholders, actual controller and their related parties;</b></u></p> <p class="list-item-l1">(6) <u><b>guarantee provided to other related parties of the Company;</b></u></p> <p class="list-item-l1">(7) <u><b>other guarantees subject to consideration at the general meeting and/or by independent shareholders (if applicable) as prescribed by laws, administrative regulations and the securities regulatory rules of the place(s) where the Company's shares are listed.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>The guarantee referred to in subparagraph (4) of the preceding paragraph shall be approved by more than two-thirds of the shareholders holding voting rights present at the general meeting. Where the Company provides guarantees for a wholly-owned subsidiary, or for a controlling subsidiary and other shareholders of the controlling subsidiary provide the same proportion of guarantee according to the rights and interests they enjoy, provided that the interests of the Company are not prejudiced, the provisions of subparagraphs (1) to (3) of the preceding paragraph may be exempted. The Company shall summarise and disclose the aforesaid guaranteee in the annual report and interim report.</u></p>
	<p><u>Where the general meeting considers the guarantee proposal for shareholders, actual controller and their related parties, such shareholders or shareholders and their related parties (and relevant parties as designated under the securities regulatory rules of the place(s) where shares of the Company are listed) controlled by such actual controller shall not participate in the voting. The proposal shall be passed by more than half of the voting rights held by non-related shareholders present at the general meeting.</u></p>
	<p><u>The term “external guarantee” mentioned in the Articles of Association shall refer to the guarantee provided by the Company for others, including the guarantee provided by the Company for its controlling subsidiaries. The term “total amount of external guarantees of the Company and its controlling subsidiaries” refers to the sum of the Company’s total external guarantees, including the Company’s guarantees to its controlling subsidiaries and the total external guarantees provided by its controlling subsidiaries.</u></p>
<p><b>Article 55</b> The Company shall not, without the prior approval of the general meeting, enter into any contract with any person other than directors, supervisors, general manager, deputy general managers and other members of the senior management whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person.</p>	<p><b>Article 66</b> <u>Save for special circumstances such as the Company is in crisis</u>, the Company shall not, without the prior approval of the general meeting, enter into any contract with any person other than directors, supervisors, general manager, deputy general managers and other members of the senior management whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 56</b> General meetings shall include annual general meetings and extraordinary general meetings. General meeting shall be convened by the board. The annual general meetings shall be held once every year within six months after the conclusion of the previous accounting year.</p> <p>Under any of the following circumstances, the board shall convene an extraordinary general meeting within two months:</p> <ul style="list-style-type: none"> <li>(1) when the number of directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;</li> <li>(2) when the losses of the Company that have not been made up amount to one-third of the total amount of its share capital;</li> <li>(3) when shareholder(s) individually or in aggregate holding 10% or more (inclusive of 10%) of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting; or</li> <li>(4) when deemed necessary by the board or requested by the supervisory committee.</li> <li>(5) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.</li> </ul> <p>The number of shares held under item (3) above shall be calculated according to the date of written request by shareholders.</p>	<p><b>Article 67</b> General meetings shall include annual general meetings and extraordinary general meetings. General meeting <u>in general</u> shall be convened by the board. The annual general meetings shall be held once every year within six months after the conclusion of the previous accounting year.</p> <p>Under any of the following circumstances, the <u>board Company</u> shall convene an extraordinary general meeting within two months <u>from the occurrence</u>:</p> <ul style="list-style-type: none"> <li>(1) when the number of directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;</li> <li>(2) when the losses of the Company that have not been made up amount to one-third of the total amount of its share capital;</li> <li>(3) when shareholder(s) individually or in aggregate holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;</li> <li>(4) when deemed necessary by the board or requested by the supervisory committee;</li> <li><b>(5) <u>when more than one-half of all independent non-executive directors of the Company agree with the proposal of holding the meeting;</u></b></li> <li><b>(6) <u>other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed</u> or the Articles of Association.</b></li> </ul> <p>The number of shares held under item (3) above shall be calculated according to the date of written request by shareholders.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><b><u>Article 68 The venue for convening a general meeting shall be the domicile of the Company or the place determined by the convener in the notice of the meeting.</u></b></p> <p><b><u>General meetings shall be held on-site at the designated place. The Company will also facilitate shareholders' participation in the general meeting through online voting. Shareholders attending the shareholders' general meeting through the above-mentioned methods shall be deemed to be present at such meeting. After the notice of the general meeting is served, the venue of the on-site meeting of the general meeting shall not be changed without justifiable reasons. If there is a real need for change, the convener shall make an announcement at least 2 business days before the on-site meeting and explain the reasons.</u></b></p>
Nil	<p><b><u>Article 69 Where the Company convenes the general meeting, it shall engage lawyers to issue legal opinions and make announcements on the following issues:</u></b></p> <p class="list-item-l1">(1) <b><u>whether the convening and holding procedures of the meeting conform to the provisions of laws, administrative regulations and the Articles of Association;</u></b></p> <p class="list-item-l1">(2) <b><u>whether the qualifications of the parties attending the meeting and the convener are legal and valid;</u></b></p> <p class="list-item-l1">(3) <b><u>whether the voting procedures and results of the meeting are legal and valid;</u></b></p> <p class="list-item-l1">(4) <b><u>legal opinions issued on other relevant issues at the request of the Company.</u></b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><b>Section II Convening of shareholders' general meeting</b></p> <p><b>Article 70 More than one-half of the independent non-executive directors have the right to propose to the board to convene an extraordinary general meeting. When proposing to convene an extraordinary general meeting, independent non-executive directors shall submit the proposal to the board in writing. The board shall, in accordance with provisions of the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving such proposal.</b></p> <p><b>If the board agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within 5 days after the resolution is passed by the board. If the board does not agree to convene the extraordinary general meeting, it shall explain the reasons and make a public announcement thereof.</b></p>
<p><b>Article 57</b> The supervisory committee shall be entitled to propose to the board to convene an extraordinary general meeting, and shall put forward its proposal to the board in writing. The board shall, pursuant to the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving such proposal.</p> <p>.....</p> <p>The chairman of the supervisory committee shall preside over a meeting convened by the supervisory committee. Should the chairman of the supervisory committee be unable to, or fail to perform his/her duties, a supervisor elected by more than half of the supervisors shall preside over the meeting.</p>	<p><b>Article 71</b> The supervisory committee shall be entitled to propose to the board to convene an extraordinary general meeting, and shall put forward its proposal to the board in writing. The board shall, pursuant to the laws, <b>administrative</b> regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving such proposal.</p> <p>.....</p> <p>The chairman of the supervisory committee shall preside over a meeting convened by the supervisory committee. Should the chairman of the supervisory committee be unable to, or fail to perform his/her duties, a supervisor elected by more than half of the supervisors shall preside over the meeting.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 58</b> The shareholders shall comply with the following procedures when they propose to convene an extraordinary general meeting or a class meeting:</p> <p>Any shareholder(s) individually or in aggregate holding more than 10% of the Company's shares carrying the right to vote at the meeting proposed to be held may sign one or more written request(s) of identical form and substance requesting the board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The board shall, in accordance with the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting or class meeting within 10 days after receiving such request. The aforesaid number of shares shall be calculated at the market close on the date which the shareholder(s) propose such written request (if it falls on a non-trading date, the trading date immediately prior to the date which the shareholder(s) propose such written request).</p> <p>.....</p>	<p><b>Article 72</b> The shareholders shall comply with the following procedures when they propose to convene an extraordinary general meeting or a class meeting:</p> <p>Any shareholder(s) individually or in aggregate holding more than 10% of the Company's shares carrying the right to vote at the meeting proposed to be held may sign one or more written request(s) of identical form and substance requesting the board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. <b><u>The above shareholders shall ensure that the contents of the proposal comply with the provisions of the laws, regulations and the Articles of Association.</u></b> The board shall, in accordance with the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting or class meeting within 10 days after receiving such request. The aforesaid number of shares shall be calculated at the market close on the date which the shareholder(s) propose such written request (if it falls on a non-trading date, the trading date immediately prior to the date which the shareholder(s) propose such written request).</p> <p>.....</p> <p><b><u>The board of directors shall not, after the notice of the meeting is served, raise any new proposal. Unless agreed by the proposing shareholder(s), the date of the general meeting shall not be changed or postponed.</u></b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 59</b> Where the supervisory committee or the shareholder(s) decide to convene a general meeting on its or their own, it or they shall notify the board of directors in writing and, where necessary, file with the stock exchange(s) on which the Company's shares are listed.</p> <p>Before the announcement of the resolutions of the general meeting is made, the shareholding of the convening shareholder(s) shall not be less than 10%.</p> <p>Upon service of the notice of the general meeting and the announcement of the resolutions of the general meeting, the supervisory committee or the convening shareholder(s) shall submit the relevant supporting materials to the relevant regulatory authorities and/or the stock exchange(s) if necessary.</p>	<p><b>Article 73</b> Where the supervisory committee or the shareholder(s) decide to convene a general meeting on its or their own, it or they shall notify the board of directors in writing and, where necessary, file with <b>the local CSRC branch where the Company is domiciled</b> and the stock exchange(s) on which the Company's shares are listed.</p> <p>Before the announcement of the resolutions of the general meeting is made, the shareholding of the convening shareholder(s) shall not be less than 10%.</p> <p>Upon service of the notice of the general meeting and the announcement of the resolutions of the general meeting, the supervisory committee or the convening shareholder(s) shall submit the relevant supporting materials to the relevant regulatory authorities <b>the local CSRC branch where the Company is domiciled</b> and/or the stock exchange(s) <b>of the place(s) where the Company's shares are listed</b> if necessary.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Section III</b></u> <b>Proposal and notice of general meeting</b>
Nil	<u><b>Article 76</b></u> <b>Content of proposals of general meeting shall be matters falling within the functions and powers of general meeting with definite topics and specific matters for resolution, and shall comply with the laws, administrative regulations and the Articles of Association.</b>
<b>Article 62</b> Subject to compliance with the relevant requirements of laws and regulations and the listing rules of the place where the Company's shares are listed, when the Company convenes an annual general meeting, a written notice of the meeting shall be given 20 days before the date of the meeting; when the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting, to notify all of the shareholders in the share register for the matters to be considered and the date and the place of the meeting.  .....	<u><b>Article 77</b></u> Subject to compliance with the relevant requirements of laws and, regulations and the listing rules <b>securities regulatory rules</b> of the place(s) where the Company's shares are listed, when the Company convenes an annual general meeting, a written notice of the meeting shall be given 20 days before the date of the meeting; when the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting, to notify all of the shareholders in the share register for the matters to be considered and the date and the place of the meeting.  .....
<b>Article 63</b> When the Company convenes a general meeting, the board of directors, the supervisory committee, or shareholder(s) individually or in aggregate holding more than 3% of the shares of the Company shall have the right to propose new proposals.  The content of the general meeting proposals shall fall within the scope of power of the general meeting. The subject issues for discussion and the specific matters to be resolved shall be clearly stated therein. The proposals shall comply with the relevant requirements of the laws, regulations and the Articles of Association.	<u><b>Article 78</b></u> When the Company convenes a general meeting, the board of directors, the supervisory committee, or shareholder(s) individually or in aggregate holding more than 3% of the shares of the Company shall have the right to propose new proposals <b>in writing</b> .  The content of the general meeting proposals shall fall within the scope of power of the general meeting. The subject issues for discussion and the specific matters to be resolved shall be clearly stated therein. The proposals shall comply with the relevant requirements of the laws, regulations and the Articles of Association.

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>Shareholder(s) individually or in aggregate holding more than 3% of the shares of the Company may submit their provisional proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days after receiving the proposals to notify the content of the provisional proposals, and shall submit such provisional proposals to the general meeting for consideration. Where the issue of supplementary notice of the general meeting fails to meet the relevant requirements of the issue of supplementary notice stipulated by the listing rules of the place where the Company's shares are listed, the Company shall adjourn the general meeting as appropriate. The content of the provisional proposals shall fall within the scope of power of the general meeting, the subject issues for discussion and the specific matters to be resolved shall be clearly stated therein.</p> <p>.....</p> <p>Proposals not stated in the notice of the general meeting or which do not meet the requirements in paragraphs 2 and 3 of this Article, shall not be voted or resolved at the general meeting.</p>	<p>Shareholder(s) individually or in aggregate holding more than 3% of the shares of the Company may submit their provisional proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days after receiving the proposals to notify the content of the provisional proposals, and shall submit such provisional proposals to the general meeting for consideration. Where the issue of supplementary notice of the general meeting fails to meet the relevant requirements of the issue of supplementary notice stipulated by the listing rules of the place where the Company's shares are listed, the Company shall adjourn the general meeting as appropriate. The content of the provisional proposals shall fall within the scope of power of the general meeting, the subject issues for discussion and the specific matters to be resolved shall be clearly stated therein.</p> <p>.....</p> <p>Proposals not stated in the notice of the general meeting or which do not meet the requirements in <u>Article 76</u> <u>herein and</u> paragraphs 2 and 3 of this Article, shall not be voted or resolved at the general meeting.</p>
<p><b>Article 64</b> An extraordinary general meeting shall not transact matters not stated in the notice of meeting.</p>	<p><b>Article 64</b> An extraordinary general meeting shall not transact matters not stated in the notice of meeting.</p>

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Before	After
<b>Article 65</b> A notice of a general meeting shall comply with the following requirements:	<b>Article 79</b> A notice of a general meeting shall comply with the following requirements <u>include the following</u> :
(1) it shall be in writing;	(1) it shall be in writing;
(2) it shall specify the place, the date and the time of the meeting;	(2) it shall specify the place, the date and the time of the meeting;
(3) it shall state the matters to be discussed at the meeting;	(3) it shall state the matters to be discussed at the meeting <u>and shall make full disclosure of the contents of each proposal. If it is required to alter matters involved in the resolutions of the previous general meeting, the contents of the proposal shall be complete rather than merely setting out the changed contents. Matters included in “Other Matters” without specific contents shall not be deemed as a proposal, and shall not be voted on at the general meeting</u> ;
(4) provide such information and explanation as are necessary for the shareholders to exercise an informed decision on the proposals before them, including (but not limited to) where a proposal is made to merger, to repurchase shares, to reorganise the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;	(4) provide such information and explanation as are necessary for the shareholders to exercise an informed decision on the proposals before them, including (but not limited to) where a proposal is made to merger, to repurchase shares, to reorganise the share capital, or to restructure the Company in any other way, the terms of the proposed transaction <u>proposed to be considered</u> must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;
(5) contains a disclosure of the nature and extent, of the material interests, if any, of any director, supervisor, general manager, deputy general manager and other member of the senior management in the matter(s) to be discussed and the effect on them in their capacities as shareholders in so far as it is different from the effect on other shareholders of the same class;	(5) contains a disclosure of the nature and extent, of the material interests, if any, of any director, supervisor, general manager, <del>deputy general manager</del> and other member of the senior management in the matter(s) to be discussed and the effect on them in their capacities as shareholders in so far as it is different from the effect on other shareholders of the same class;

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Before	After
(6) contains the full text of any special resolutions proposed to be adopted at the meeting;	(6) contains the full text of any special resolutions proposed to be adopted at the meeting;
(7) contains conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that proxy need not be a shareholder; and	(7) contains conspicuously a statement that: <del>a</del> <ins>all the</ins> shareholder <ins>are</ins> entitled to attend <ins>the general meeting,</ins> and vote is <del>entitled to appoint one or more proxies to attend and vote on behalf of him</del> <ins>may appoint in writing proxy to attend and vote on their behalves</ins> and that proxy need not be a shareholder <ins>of the Company</ins> ;
(8) specifies the time and place for lodging proxy forms for the relevant meeting;	(8) specifies the time and place for lodging proxy forms for the relevant meeting;
(9) specifies the record date for shareholders entitled to attend the shareholders' general meeting, and that interval between record date and the date of the meeting shall comply with the provisions of the relevant stock exchanges or regulatory agencies where the Company's shares are listed;	(9) specifies the record date for shareholders entitled to attend the shareholders' general meeting, and that interval between record date and the date of the meeting shall comply with the provisions of the relevant stock exchanges or regulatory agencies where the Company's shares are listed;
(10) the name and telephone number of the permanent contact person for the conference.	(10) the name and telephone number of the permanent contact person for the conference.
<p style="text-align: center;"><b><u>The notice and/or the supplementary notice of the general meeting shall fully and completely disclose all specific contents of all proposals. If the matters to be discussed require the independent non-executive directors to express their opinions, the opinions and reasons thereof of the independent non-executive directors shall be disclosed at the same time when the notice or the supplementary notice of the general meeting is served.</u></b></p> <p style="text-align: center;"><b><u>In the event that the general meeting adopt online transmission or other means, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting.</u></b></p>	

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 66</b> Unless otherwise provided in the laws, regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association, the notice of a general meeting shall be published through the website(s) of the stock exchange(s) on which the Company's shares are listed or the website of the Company, or sent to the shareholders (whether or not entitled to vote at the meeting), by personal delivery or prepaid airmail to their addresses as shown in the register of shareholders. For the holders of domestic shares, such notice of the general meeting may be issued by way of public notice.</p> <p>The public notice referred to in the preceding provision shall be published in one or more newspapers designated by the securities regulatory authority of the State Council. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.</p> <p>For holders of overseas listed foreign shares, subject to the securities regulatory rules of the place where the Company's shares are listed, the notice of a general meeting may also be issued or given in accordance with other means endorsed by the relevant regulatory authorities of the place where the Company's shares are listed or other means as permitted by Chapter 21 of the Articles of Association.</p>	<p><b>Article 80</b> Unless otherwise provided in the laws, regulations, the listing <u>securities regulatory</u> rules of the place(s) where the Company's shares are listed and the Articles of Associations, the notice of a general meeting shall be published through the website(s) of the stock exchange(s) on which the Company's shares are listed or, the website of the Company <u>or other information disclosure platform(s)</u>, or sent to the shareholders (whether or not entitled to vote at the meeting), by personal delivery or prepaid airmail to their addresses as shown in the register of shareholders. For the holders of domestic shares, such notice of the general meeting may be issued by way of public notice.</p> <p>The public notice referred to in the preceding provision shall be published in one or more newspapers designated by the <u>CSRC and the securities regulatory authorities of the place(s) where shares of the Company are listed</u> securities regulatory authority of the State Council. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.</p> <p>For holders of overseas listed foreign shares, subject to the securities regulatory rules of the place(s) where the Company's shares are listed, the notice of a general meeting may also be issued or given in accordance with other means endorsed by the relevant regulatory authorities of the place(s) where the Company's shares are listed or other means as permitted by Chapter 2† <u>19</u> of the Articles of Association. <u>Subject to compliance with the Listing Rules of the Stock Exchange and the Articles of Association, once the announcement is made, it shall be deemed that all holders of overseas-listed foreign shares have received the notice of the relevant shareholders' general meeting.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 81 Where the general meeting proposes to discuss the election of non-employee representative directors and supervisors, the notice of the general meeting shall fully disclose the detailed information of the candidates for non-employee representative directors and supervisors, including at least the followings:</b></u></p> <p class="list-item-l1">(1) <u><b>education background, work experience, part-time occupation and other personal particulars;</b></u></p> <p class="list-item-l1">(2) <u><b>whether there is any related party relationship with the Company or its controlling shareholder and the actual controller;</b></u></p> <p class="list-item-l1">(3) <u><b>disclosure of the number of shares held in the Company;</b></u></p> <p class="list-item-l1">(4) <u><b>whether he/she has been punished by the CSRC and other relevant departments and disciplined by the stock exchange(s);</b></u></p> <p class="list-item-l1">(5) <u><b>other requirements by the securities regulatory rules of the place(s) where the Company's shares are listed.</b></u></p> <p><u><b>Except for the cumulative voting system for the elections of directors and supervisors, each candidate for directors and supervisors shall be proposed as an individual proposal.</b></u></p>
Nil	<p><u><b>Article 82 After the notice of general meeting is issued, the general meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the event that the general meeting is to be postponed or cancelled, the convener shall make an announcement at least 2 business days prior to the original date of general meeting and explain the reasons.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<b>Section IV Convening of shareholders' general meeting</b>
Nil	<b>Article 84</b> <u>The board of directors of the Company and other conveners shall take necessary measures to ensure proper order at the general meetings. Measures shall be taken to restrain any act which would interfere with or causes nuisance at a general meeting or would infringe the legitimate rights and interests of shareholders, with a report on such act submitted in time to relevant authorities for investigation and treatment.</u>
Nil	<b>Article 85</b> <u>All shareholders registered on the record date or their proxies shall be entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.</u>  <b>Shareholders may attend the general meeting in person or appoint proxies to attend and vote on their behalf.</b>
Nil	<b>Article 86</b> <u>An individual shareholder attending the meeting in person shall produce his/her identity card or other valid certificate or proof of his/her identification and stock account card. In the case of attendance by a proxy, the proxy shall produce his/her valid identity document and power of attorney issued by the shareholder.</u>  <b>Legal person shareholders shall be represented by its legal representative or proxy appointed by its legal representative to attend the meeting. In case of attendance by legal representatives, they shall show their identity cards and valid proof of their qualification as legal representatives. In case of attendance by proxies, such proxies shall show their identity cards and a written legal power of attorney duly issued by the legal representative of the legal person shareholder.</b>
<b>Article 69</b> The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity either under seal or under the hand of a director or attorney duly authorised. Such instrument shall state the number of shares represented by the proxy. Where more than one proxy is appointed, the instrument shall state the numbers of shares represented by each of the proxies.	<b>Article 88</b> The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity either under seal or under the hand of <b>the legal representative (or a director)</b> or attorney duly authorised. Such instrument shall state the number of shares represented by the proxy. Where more than one proxy is appointed, the instrument shall state the numbers of shares represented by each of the proxies.

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u>Article 89 Power of attorney issued by shareholders appointing proxies to attend the general meeting shall specify the followings:</u></p> <p class="list-item-l1">(1) <u>the names of the appointer and the proxy;</u></p> <p class="list-item-l1">(2) <u>the number of shares of the appointer represented by the proxy (if several parties are appointed as proxies, the power of attorney shall indicate the number of shares represented by each proxy);</u></p> <p class="list-item-l1">(3) <u>whether there are voting rights;</u></p> <p class="list-item-l1">(4) <u>respective instructions to vote for, against or abstain from voting on each resolution on the agenda of the general meeting;</u></p> <p class="list-item-l1">(5) <u>whether there are voting rights for provisional proposals that may be included in the agenda of the general meeting, and if so, specific instructions on how the voting rights should be exercised;</u></p> <p class="list-item-l1">(6) <u>the date of issuance and the effective period of the power of attorney;</u></p> <p class="list-item-l1">(7) <u>the signature (or seal) of the appointer, and in case that the appointer is a legal person, under its common seal.</u></p>

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Before	After
<p><b>Article 70</b> The instrument appointing a proxy shall be deposited, at least 24 hours before the relevant meeting at which the proxy is appointed for voting is held, or 24 hours before the designated voting time, at the Company's residence or at other places designated in the notice for convening the meeting. Where the power of attorney is signed by another person organised by the entrustor, the power of attorney or other authorisation documents organised to be signed shall be notarised. The notarised power of attorney or other authorisation documents shall be kept at the domicile of the Company or at other places designated in the notice of the meeting together with the instrument appointing a proxy. The power of attorney shall indicate the date of issue.</p> <p>.....</p> <p>Where a shareholder is a recognised clearing house (or its nominee(s)) as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any meeting of any class shareholders provided that if more than one person is authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. Such authorised person shall be entitled to exercise the same rights and power on behalf of the recognised clearing house (or its nominee(s)) which he or they represent as if such person is an individual shareholder of the Company.</p>	<p><b>Article 90</b> The instrument appointing a proxy shall be deposited, at least 24 hours before the relevant meeting at which the proxy is appointed for voting is held, or 24 hours before the designated voting time, at the Company's residence or at other places designated in the notice for convening the meeting. Where the <u>proxy form</u> power of attorney is signed by another person organised by the entrustor, the power of attorney or other authorisation documents organised to be signed shall be notarised. The notarised power of attorney or other authorisation documents <u>and the proxy form</u> shall be kept at the domicile of the Company or at other places designated in the notice of the meeting together with the instrument appointing a proxy. The power of attorney shall indicate the date of issue.</p> <p>.....</p> <p>Where a shareholder is a recognised clearing house (or its nominee(s)) as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any meeting of any class shareholders provided that if more than one person is authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. Such authorised person shall be entitled to exercise the same rights and power on behalf of the recognised clearing house (or its nominee(s)) which he or they represent as if such person is an individual shareholder of the Company.</p>
Nil	<p><b>Article 93</b> <u>A registration book for attending the general meeting shall be prepared by the Company, which shall be signed by attendees present at the meeting. The registration book shall set out such information as the name of the participants (or the attending entity), identity card numbers, residential address, information confirming identities of shareholders (such as number of shareholder accounts), number of shares held or represented carrying voting rights, names of the appointers (or the appointing entity), etc..</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<b>Article 94</b> <u>The convener and lawyers engaged by the Company shall together verify the validity of qualification of shareholders in accordance with the register of shareholders provided by the securities registration and clearing institution, and shall register the name of shareholders as well as the number of shares carrying voting rights held by them. Attendance registration of the meeting shall end before the chair of the meeting announces the number of shareholders and their proxies present at the meeting and the total number of voting shares held by them.</u>
Nil	<b>Article 95</b> <u>When a general meeting is held, all of the Company's directors, supervisors and secretary to the board shall attend the general meeting, and the general manager, deputy general manager and other senior management personnel shall be present at the meeting.</u>
<p><b>Article 83</b> General meetings shall be convened by the board and presided over by the chairman. Where the chairman is unable to or fails to do so, the vice chairman shall preside over such a meeting; and where the vice chairman is unable to or fails to do so, a director jointly elected by more than half of the directors shall preside over it.</p> <p>Where the board is unable to perform or fails to perform the duty of convening a general meeting, the supervisory committee shall convene and preside over such a meeting in a timely manner; and where the supervisory committee fails to convene and preside over the meeting, the shareholder(s) individually or in aggregate holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on his or their own accordingly.</p>	<p><b>Article 96</b> <u>Where the general</u> General meetings <del>are</del> shall be convened by the board, <u>they shall be chaired</u> and presided over by the chairman. Where the chairman is unable to or fails to do so, the vice chairman shall preside over such a meeting; and where the vice chairman is unable to or fails to do so, a director jointly elected by more than half of the directors shall preside over it.</p> <p>Where the board is unable to perform or fails to perform the duty of convening a general meeting, the supervisory committee shall convene and preside over such a meeting in a timely manner; and where the supervisory committee fails to convene and preside over the meeting, the shareholder(s) individually or in aggregate holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on his or their own accordingly.</p> <p><u>For a general meeting convened by the supervisory committee on its own according to legal procedures, it shall be presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is unable or fails to perform duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>For a general meeting convened by the shareholder(s) according to legal procedures, a representative nominated by the convener shall preside over the meeting.</u></p> <p><u>When a general meeting is held and the chairman of the meeting violates the rules of procedures such that the general meeting cannot proceed, a person may be elected to preside over the meeting by over one half of the attending shareholders with voting rights so as to carry on the general meeting. If the shareholders fail to elect a chairman for whatever reason, the shareholder present at the meeting (including any proxy of such a shareholder) holding the most voting shares shall chair and preside over the meeting.</u></p>
Nil	<p><u>Article 97 The Company shall formulate the Rules of Procedures for the General Meetings, specifying in detail the convening and voting procedures of the general meeting, including notice, registration, consideration, voting of proposal(s), counting of votes, announcement of voting results, formation of resolutions, meeting minutes and signature, and announcement, as well as the principles of granting authorisation to the board at the general meeting, which shall be clear and specific. The Rules of Procedures for the General Meetings shall be attached to the Articles of Association as an appendix, prepared by the board and approved at the general meeting.</u></p>
Nil	<p><u>Article 98 At the annual general meeting, the board and the supervisory committee shall report their work in the previous year. Each independent non-executive director shall also issue a work report.</u></p>
Nil	<p><u>Article 99 Directors, supervisors and senior management shall give explanations and statements on shareholders' enquiries and suggestions at the general meeting, except for matters in relation to commercial secrets of the Company which cannot be made public at the general meeting.</u></p>
Nil	<p><u>Article 100 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the on-site meeting and the total voting shares held by them, each subject to that recorded by the meeting.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u>Article 101 The general meeting shall be furnished with meeting minutes, which shall be kept by the secretary to the board. The minutes of the meeting shall record the followings:</u></p> <p>(1) <u>the time, venue, agenda and name of the convener of the meeting;</u></p> <p>(2) <u>the name of the chairman of the meeting and the directors, supervisors, general manager and other senior management personnel attending the meeting;</u></p> <p>(3) <u>the number of shareholders and proxies attending the meeting, the total number of shares carrying voting rights held and the proportion of the total number of shares in the Company;</u></p> <p>(4) <u>the consideration process, gist of the speech and voting results of each proposal;</u></p> <p>(5) <u>shareholders' enquiries or suggestions and the corresponding replies or explanations;</u></p> <p>(6) <u>names of the lawyers, vote counters and scrutineers;</u></p> <p>(7) <u>other contents stipulated in the Articles of Association that shall be included in the minutes of the meeting.</u></p> <p><u>The minutes of the meeting shall also include: (1) the number of voting shares held by holders of domestic shares (including their proxies) and holders of overseas listed foreign shares (including their proxies) attending the shareholders' general meeting, and the respective proportion of the total number of shares of the Company; (2) when recording the voting results, the voting results of holders of domestic shares and holders of overseas listed foreign shares on each resolution shall also be recorded.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<b>Article 102</b> <u>The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The directors, supervisors, secretary to the board, convener or their representatives, and the chairman of the meeting shall sign the minutes of the meeting. The meeting minutes, the signed attendance record of the shareholders attending in person, the powers of attorney for attendance by proxy and the valid information relating to the voting via network or by other means shall be kept as company files for at least 10 years.</u>
Nil	<b>Article 103</b> <u>The convener shall ensure the continuity of the general meeting until the final resolution is achieved. If the general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or shall directly terminate the meeting. Meanwhile, the convener shall report to the local branch of the CSRC where the Company is domiciled and the stock exchanges.</u>
Nil	<b>Section V</b> <u>Voting and resolutions of shareholders' general meeting</u>
<p><b>Article 74</b> A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.</p> <p>If any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>	<p><b>Article 105</b> A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.</p> <p>If any shareholder is, under the Listing Rules <u>applicable laws and regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed</u>, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p> <p><u>When significant matters affecting the interests of the minority shareholders are considered at the general meeting, the votes cast by minority investors shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner.</u></p> <p><u>The shares held by the Company in the Company have no voting rights, and that part of the shareholding shall not be counted as the total number of shares with voting rights held by shareholders attending the meeting.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<u>The board of the Company, independent non-executive directors, shareholders holding more than 1% of the shares carrying voting rights and other shareholders satisfying the relevant requirements may publicly solicit shareholders' voting rights. The specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited when soliciting shareholders' voting rights. It is forbidden to solicit shareholders' voting rights with compensation or compensation in disguised form. The Company shall not impose a minimum shareholding proportion limit on the solicitation of voting rights.</u>
Nil	<u>Article 106 Voting at the general meeting shall be taken by registered ballot or other methods required by the securities regulatory rules of the place(s) where the Company's shares are listed.</u>
Nil	<u>Article 107 Shareholders present at the general meeting shall take one of the following stances on the proposal put forward for voting: for, against or abstain; unless the securities depository and clearing institution, as the nominee holder of shares transacted through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, makes declarations according to the intention of the actual holders.</u>  <u>Blank, erroneous or illegible ballot papers and uncast ballot papers are deemed as abstained from voting by the voters, and the voting result representing the shares held by such voters shall be counted as "abstention".</u>
<b>Article 75</b> At any general meeting of shareholders, a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded:  .....	<u><b>Article 108</b> At any general meeting of shareholders, a resolution shall be decided on a show of hands unless otherwise stipulated under laws, securities regulatory authorities and stock exchange(s) of the place(s) where the shares of the Company are listed or a poll is (before or after any vote by show of hands) demanded:</u>  .....

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 77</b> On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.</p>	<p><b>Article 110</b> On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.</p>
Nil	<p><b>Article 112</b> <u>The Company shall, on the premise of ensuring the lawfulness and validity of the general meetings, adopt various means and channels including prioritising the use of modern information technology to provide a network voting platform, to facilitate participation of shareholders in the general meeting.</u></p>
Nil	<p><b>Article 113</b> <u>When the general meeting considers matters on related party transactions, the related shareholders shall not participate in the voting, and the number of shares carrying voting rights they represent shall not be counted into the total number of valid votes. The resolution of the general meeting shall disclose in detail the voting results of non-related shareholders (i.e., independent shareholders).</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u>Article 114 Prior to the completion of consideration and voting on matters regarding the related party transactions at the general meeting, the related shareholders shall apply to the chairman of the meeting for abstention and the chairman shall announce the same to the meeting. Non-related shareholders (including their proxies) and supervisors present at the meeting shall have the right to request the chairman of the meeting for the related shareholders to abstain from the voting and explain the reasons. If the related shareholders who are requested to abstain have no objection to the abstention request, they shall not participate in the voting. If the shareholder who is required to abstain considers that he/she is not a related shareholder and does not need to perform abstention procedures, he/she shall explain the reasons to the general meeting, and the members of the board and the supervisory committee present at the meeting shall make a determination according to the provisions of the Articles of Association and other relevant systems. If the shareholder who is required to abstain is determined to be a related shareholder, he/she shall not participate in the voting. In case of the above circumstances, the minutes of the general meeting shall record the same in detail.</u></p> <p><u>Resolutions regarding related transactions shall be adopted upon approval of more than half of non-related shareholders present holding voting rights; provided that such related transactions involve matters subject to approval by special resolutions as required under the Articles of Association, approval from more than two-thirds of non-related shareholders present shall be obtained.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 79</b> The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <ul style="list-style-type: none"> <li>(1) work reports of the board and the supervisory committee;</li> <li>(2) plans formulated by the board for the distribution of profits and for making up losses;</li> <li>(3) removal of the members of the board and members of the supervisory committee, their remunerations and methods of payment;</li> <li>(4) annual budget reports and final budgetary reports, balance sheets and profit statements and other financial statements of the Company; and</li> <li>(5) matters other than those required by the laws and administrative regulations or by the Articles of Association to be adopted by special resolution.</li> </ul>	<p><b>Article 115</b> The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <ul style="list-style-type: none"> <li>(1) work reports of the board and the supervisory committee;</li> <li>(2) plans formulated by the board for the distribution of profits and for making up losses;</li> <li>(3) <u>appointment and removal of the non-employee representative directors and supervisors</u> members of the board and members of the supervisory committee, their remunerations and methods of payment;</li> <li>(4) annual budget reports and final budgetary reports, balance sheets and profit statements and other financial statements of the Company; and</li> <li>(5) <u>the Company's operating policies and investment plans;</u></li> <li>(6) <u>the annual report of the Company;</u></li> <li>(7) <u>engagement, dismissal or non-reappointment of auditors;</u></li> <li>(8) <u>matters concerning change of use of the raised proceeds;</u></li> <li>(9) matters other than those required by the laws and administrative regulations <u>and the securities regulatory rules of the place(s) where the shares of the Company are listed</u> or by the Articles of Association to be adopted by special resolution.</li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 80</b> The following matters shall be resolved by a special resolution at a general meeting:</p> <ul style="list-style-type: none"> <li>(1) the increase or reduction of share capital and the issue of any classes of shares, warrants and other similar securities;</li> <li>(2) the issue of the debentures of the Company;</li> <li>(3) the split, merger, dissolution and liquidation and material acquisitions and disposals of the Company;</li> <li>(4) amendments to the Articles of Association;</li> <li>(5) any other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution;</li> <li>(6) other matters required by the laws and administrative regulations or by the Articles of Association to be adopted by special resolution.</li> </ul>	<p><b>Article 116</b> The following matters shall be resolved by a special resolution at a general meeting:</p> <ul style="list-style-type: none"> <li>(1) the increase or reduction of share capital and the issue of any classes of shares, warrants and other similar securities;</li> <li>(2) the issue of the debentures of the Company;</li> <li>(3) the split, merger, dissolution and liquidation and material acquisitions and disposals of the Company <u>or change of company type</u>;</li> <li>(4) amendments to the Articles of Association;</li> <li>(5) <u>the acquisition or disposal of major assets or guarantees within 12 consecutive months reaches or exceeds 30% of the Company's latest audited total assets</u>;</li> <li>(6) <u>equity incentive plan</u>;</li> <li>(7) any other matters <u>as required by the laws, regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed or the Articles of Association, and</u> considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.</li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 82</b></p> <p>.....</p> <p>When voting in respect of the election of directors and supervisors at the general meeting, the Company may, where necessary and practicable, implement a cumulative voting system.</p> <p>.....</p> <p>For the election of directors and supervisors, if the cumulative voting system is adopted, the procedures are as follows:</p> <ol style="list-style-type: none"> <li>1. The election of executive directors, non-executive directors, independent non-executive directors and supervisors shall be voted separately.             <ol style="list-style-type: none"> <li>(i) in the election of executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for executive directors of the Company.</li> <li>(ii) in the election of non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for non-executive directors of the Company.</li> </ol> </li> </ol>	<p><b>Article 117</b></p> <p>.....</p> <p>When voting in respect of the election of directors and supervisors at the general meeting, <u>according to the provisions of the Articles of Association or the resolutions of the general meeting, if the proportion of shares owned by a single shareholder of the Company and its parties acting in concert reaches 30% or above</u>, the Company <u>shall</u> may, where necessary and practicable, implement a cumulative voting system <u>in electing directors and supervisors</u>.</p> <p>.....</p> <p>For the election of directors and supervisors, if the cumulative voting system is shall be adopted, the procedures <u>of which</u> are as follows:</p> <ol style="list-style-type: none"> <li>1. The election of executive directors, non-executive directors, independent non-executive directors and supervisors shall be voted separately.             <ol style="list-style-type: none"> <li><u>(1)</u>— (i) in the election of executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for executive directors of the Company.</li> <li><u>(2)</u>— (ii) in the election of non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for non-executive directors of the Company.</li> </ol> </li> </ol>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>(iii) in the election of independent non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of independent non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for independent non-executive directors of the Company.</p> <p>(iv) in the election of supervisors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of supervisors to be elected in that general meeting. That portion of voting rights may only be cast on candidates for supervisors of the Company.</p> <p>.....</p>	<p><u>(3)</u> (iii) in the election of independent non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of independent non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for independent non-executive directors of the Company.</p> <p><u>(4)</u> (iv) in the election of supervisors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of supervisors to be elected in that general meeting. That portion of voting rights may only be cast on candidates for supervisors of the Company.</p> <p>.....</p>
Nil	<p><u><b>Article 118 Except for the cumulative voting system, all proposals shall be voted individually at the general meeting. If there are a number of proposals related to the same matter, votes shall be cast in the order of which the proposals are presented. Except where a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the meeting.</b></u></p> <p><u><b>When considering a proposal at the general meeting, no amendment shall be made thereto; otherwise, the relevant change shall be treated as a new proposal which cannot proceed for voting at such general meeting.</b></u></p> <p><u><b>The voting right of the same shares shall be exercised only by one of the ways of on-site voting, online voting or other means of voting. In case of repeated voting for the same shares, the result of the first vote shall prevail.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 119</b></u> <u><b>Before a proposal is voted on at a general meeting, two shareholder representatives shall be elected for counting the votes and scrutinising the poll. Any shareholder who is interested in the matter under consideration and his/her proxies shall not participate in vote counting or scrutinising.</b></u></p> <p><u><b>When the shareholders are voting on the proposals at a general meeting, the votes shall be counted and scrutinised jointly by the lawyers, shareholder representatives and supervisor representatives, and the voting results shall be announced on the spot. Voting results on the proposals shall be recorded in the minutes of the meeting.</b></u></p> <p><u><b>Shareholders of the Company or their proxies who cast their vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.</b></u></p>
Nil	<p><u><b>Article 120</b></u> <u><b>The on-site general meeting shall not conclude earlier than that over network or by other means. The chairman of the meeting shall announce the voting and results of each of the proposals, and announce whether or not the proposals are adopted according to the voting results.</b></u></p> <p><u><b>Before the results are officially announced, all related parties such as the Company, vote counters, vote scrutinisers, substantial shareholders and network service providers involved in the on-site general meeting, online or other means of voting are obliged to keep the results confidential.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Article 84</b> The chairman of the meeting shall decide whether or not a resolution is has been carried. The decision of the chairman shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.	<b>Article 121</b> The chairman of the meeting shall decide whether or not a resolution is has been carried <u>based on the counting results conducted by those who counted the votes</u> . The decision of the chairman shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.
Nil	<b>Article 122</b> <u>Any resolution passed at the general meeting shall conform to the relevant provisions of PRC laws, administrative regulations and the Articles of Association.</u>
<b>Article 85</b> If the chairman of the meeting has any doubts about the result of a resolution put to the vote, he/she may count the number of votes cast. If the chairman of the meeting has not counted the votes, a shareholder or proxy attending the meeting who challenges the result announced by the chairman of the meeting shall have the right to request counting of votes immediately after such announcement, and the chairman of the meeting shall count the votes immediately.	<b>Article 123</b> If the chairman of the meeting has any doubts about the result of a resolution put to the vote, he/she may <u>organise counting of</u> the number of votes cast. If the chairman of the meeting has not counted the votes, a shareholder or proxy attending the meeting who challenges the result announced by the chairman of the meeting shall have the right to request counting of votes immediately after such announcement <u>of voting results</u> , and the chairman of the meeting shall <u>organise counting of</u> the votes immediately.
Nil	<b>Article 125</b> <u>Results of resolutions of the general meeting shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of voting shares held by them and the proportion of such shares to the total voting shares of the Company, voting methods, voting result for each proposal and the details of each of the resolutions adopted.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Article 126</b></u> <u>If a proposal is not passed, or if a resolution of the previous general meeting is altered by the present general meeting, a special note shall be made in the resolutions of the general meeting.</u>
Nil	<u><b>Article 127</b></u> <u>Where the general meeting passes the relevant proposal(s) for election of non-employee representative directors and supervisors, unless otherwise specified in the resolution of the general meeting, the commencement of office of the new directors and supervisors shall be the date when the general meeting passes the relevant proposal(s).</u>
Nil	<u><b>Article 128</b></u> <u>Where a proposal regarding cash dividends, bonus share issue or transfer of surplus reserve into share capital is adopted at the general meeting, the Company shall implement the specific plans within 2 months after the conclusion of the shareholders' meeting.</u>
<b>Chapter 9 Special Voting Procedures for Class Shareholders</b>	<u><b>Chapter 8 Special Voting Procedures for Class Shareholders</b></u>
<b>Article 89</b> Rights conferred on class shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with provisions of Articles 91 to 95.	<u><b>Article 131</b></u> Rights conferred on class shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with provisions of Articles 91 to 95 <u><b>132</b></u> to <u><b>95 136</b></u> .  <u>Where decisions made by domestic and overseas regulatory agencies in accordance with the law and changes in domestic and overseas laws and securities regulatory rules of the place(s) where shares of the Company are listed gives rise to variation or abrogation of the rights of class shareholders, approval by a general meeting or class meeting is unnecessary.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 90</b> The following circumstances shall be deemed to be variation or abrogation of the rights of a certain class of shareholders:</p> <p>(1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of another class having voting or equity rights or privileges equal or superior to those of the shares of such class (except that subject to the approval of the securities regulatory authorities of the State Council, shares held by holders of domestic shares may be transferred to overseas investors, and such transferred shares may be listed and traded at overseas);</p> <p>(2) to effect a change of all or part of the shares of such class into shares of another class or to effect a change of all or part of the shares of another class into the shares of such class or the grant of the right to change (except that subject to the approval of the securities regulatory authorities of the State Council, shares held by domestic shareholders may be transferred to overseas investors, and such transferred shares may be listed and traded at overseas);</p> <p>.....</p>	<p><b>Article 132</b> The following circumstances shall be deemed to be variation or abrogation of the rights of a certain class of shareholders:</p> <p>(1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of another class having voting or equity rights or privileges equal or superior to those of the shares of such class (except that subject to the approval of the securities regulatory authorities of the State Council, <b>relevant securities regulatory authorities and stock exchange(s) of the listing place(s)</b>, shares held by holders of domestic shares may be transferred to overseas investors, and such transferred shares may be listed and traded at overseas);</p> <p>(2) to effect a change of all or part of the shares of such class into shares of another class or to effect a change of all or part of the shares of another class into the shares of such class or the grant of the right to change (except that subject to the approval of the securities regulatory authorities of the State Council, <b>relevant securities regulatory authorities and stock exchange(s) of the listing place(s)</b>, shares held by domestic shareholders may be transferred to overseas investors, and such transferred shares may be listed and traded at overseas);</p> <p>.....</p>
<b>Article 91.....</b>	<b>Article 133.....</b>
<p>(3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of other shareholders of that class.</p>	<p>(3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of other shareholders of that class.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 93</b> When the Company convenes a class meeting, written notice of the meeting shall be given by reference to Article 62 of the Articles of Association regarding the notice period requirement for convening an annual and extraordinary general meeting, notifying all of the shareholders of the relevant class in the share register of the matters to be considered, the date and the place of the class meeting.</p>	<p><b>Article 135</b> When the Company convenes a class meeting, written notice of the meeting shall be given by reference to Article 62 <u>77</u> of the Articles of Association regarding the notice period requirement for convening an annual and extraordinary general meeting, notifying all of the shareholders of the relevant class in the share register of the matters to be considered, the date and the place of the class meeting.</p> <p><b>The quorum for any separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of the Company's shares shall be the holders of at least one-third of the issued shares of the class concerned.</b></p>
<p><b>Article 94</b> Notices of class meetings only need to be served on shareholders entitled to vote thereat.</p> <p>The procedures of class meetings shall, to the extent possible, be identical to the procedures of general meetings. Provisions of the Articles of Association concerning the procedures for the holding of general meetings shall be applicable to class meetings.</p>	<p><b>Article 136</b> Notices of class meetings only need to be served on shareholders entitled to vote thereat.</p> <p><b>Except otherwise stipulated in the Articles of Association,</b> the procedures of class meetings shall, to the extent possible, be identical to the procedures of general meetings. Provisions of the Articles of Association concerning the procedures for the holding of general meetings shall be applicable to class meetings.</p>
<b>Chapter 10</b> Board of Directors	<b>Chapter 9</b> Board of Directors
Nil	<p><b>Section I Directors</b></p> <p><b>Article 139</b> <u>Directors of the Company are natural persons, and the qualifications and obligations of directors shall be governed by Chapter 13 of the Articles of Association concerning the qualifications and obligations of directors, supervisors, general managers and other senior management personnel.</u></p> <p><b>Directors of the Company include executive directors, non-executive directors and independent non-executive directors. Executive directors refers to the directors who hold the management position in the Company. Non-executive directors refer to directors who do not hold management positions in the Company. Independent non-executive directors refer to directors who meet the requirements of Article 149 of the Articles of Association. If a director is elected or appointed in violation of the Articles of Association, the election or appointment shall be invalid. Where any of the above-mentioned circumstances appears during the term of office of a director, the Company shall remove him/her from office.</b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 98</b> Directors shall be elected at general meetings and serve a term of 3 years. A director may serve consecutive terms if re-elected upon the expiration of his term.</p>	<p><b>Article 140</b> Directors shall be elected at general meetings and serve a term of 3 years. A director may serve consecutive terms if re-elected upon the expiration of his term. <u>Candidates for directors (except for independent non-executive directors) shall be nominated by the board or shareholders holding more than 3% of the voting shares of the Company individually or in aggregate, shall be elected or replaced by the general meeting of shareholders, and may be removed by the general meeting of shareholders before the expiry of his/her term of office. The term of office of a director is three years, and he/she may be re-elected upon expiry of his/her term.</u></p>
<p>Any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election.</p>	<p>Any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election.</p>
<p>A written notice of the intention to nominate a person for election as director and a written notice showing such person is willing to be nominated shall be given to the Company after the issue of the notice of general meeting, and at least 7 days before the date of the general meeting.</p>	<p>A written notice of the intention to nominate a person for election as director and a written notice showing such person is willing to be nominated shall be given to the Company after the issue of the notice of general meeting, and at least 7 days before the date of the general meeting. <u>The nominator shall provide the biographical details and basic information of the candidate for directors for the shareholders.</u></p>
<p>.....</p>	<p>.....</p>
<p>Subject to the compliance with the relevant laws and administrative regulations, directors (including a managing director or other executive directors) can be removed before the expiration of his/her term of office (but without prejudice to any claim for damages under any contracts) by an ordinary resolution passed at a general meeting.</p>	<p>Subject to the compliance with the relevant laws and administrative regulations <u>and the securities regulatory rules of the place(s) where the shares of the Company are listed</u>, directors (including a managing director or other executive directors, <u>non-executive directors and independent non-executive directors</u>) can be removed before the expiration of his/her term of office (but without prejudice to any claim for damages under any contracts) by an ordinary resolution passed at a general meeting.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>The chairman and the vice chairman may concurrently act as the general manager, deputy general managers or other senior management members (except as supervisors).</p> <p>The external directors and independent directors should have sufficient time and necessary knowledge and ability to perform their duties. When an external director performs his duties, the Company must provide necessary information. Independent directors may directly report to the general meeting, the securities regulatory authorities of the State Council and any other competent authorities.</p> <p>The directors shall not be required to hold shares in the Company.</p>	<p>The chairman and the vice chairman may concurrently act as the general manager, deputy general managers or other senior management members (except as supervisors).</p> <p>The external directors and independent <u>non-executive</u> directors should have sufficient time and necessary knowledge and ability to perform their duties. When an external director performs his duties, the Company must provide necessary information. Independent <u>non-executive</u> directors may directly report to the general meeting, the securities regulatory authorities of the State Council and any other competent authorities.</p> <p>The directors shall not be required to hold shares in the Company.</p>
Nil	<p><u><b>Article 141 The term of office of a director shall be calculated from the date of the passing of the resolution at the general meeting until the expiry of the term of office of the current session of the board. If the term of office of a director expires but re-election is not made in time, the existing director shall continue performing the duties as director in accordance with laws and the Articles of Association until the newly elected director assumes office.</b></u></p> <p><u><b>Directors may be concurrently performed by the general manager or other senior management personnel, provided that the total number of directors concurrently holding the positions of general manager or other senior management personnel shall not exceed one-half of the total number of directors of the Company.</b></u></p>
Nil	<p><u><b>Article 142 A director failing to attend the board meetings in person for two times in succession and fails to appoint another director to attend the board meeting, shall be deemed unable to perform his/her duties. The board shall put forward a proposal at the general meeting to replace such director.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u>Article 143 Directors may request to resign before their terms of office expire. The director who resigns shall submit a written resignation report to the board. The board shall, as soon as possible and in any event, disclose the relevant information within 2 days.</u></p> <p><u>If the number of board members of the Company falls below the legal minimum requirement due to the resignation of the directors, or the number of independent non-executive directors falls below one third of the board members due to the resignation of independent non-executive directors, or there is no accounting professional among the independent non-executive directors, the board shall convene an extraordinary general meeting within two months to elect directors to fill the vacancy caused by the resignation of directors. Before the re-elected director takes office, the resignation report of the director shall not take effect until a new director is re-elected to fill the vacancy arising from his/her resignation. The existing director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.</u></p> <p><u>Except for the aforesaid circumstances, the resignation of directors shall take effect on the receipt of the resignation report by the board.</u></p>
Nil	<p><u>Article 144 Upon the resignation of a director becoming effective or at the expiry of his/her office, the director shall complete all handover formalities with the board of directors, but the fiduciary obligations owed to the Company and shareholders shall not necessarily terminate at the end of his/her term. His/her confidentiality obligations for the Company's business secrets survive upon the expiry of his/her term of office until such secrets become fall into public domain. The duration of directors' fiduciary obligations shall be decided in accordance with the principle of fairness, and will depend on the time lapses between the termination and the relevant event, as well as the circumstances and conditions under which their relationship with the Company is terminated.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Article 145</b></u> <u>No directors shall act, in their personal capacity, on behalf of the Company or the board of directors in contravention of provisions in the Articles of Association or without appropriate authorisation by the board of directors. A director shall, when acting in his/her personal capacity, state his/her standing and capacity in advance whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the board.</u>
Nil	<u><b>Article 146</b></u> <u>The Company shall sign a contract with the directors, specifying the rights and obligations between the Company and the directors, the term of office of the directors, the liabilities of the directors for violating laws and regulations and the Articles of Association, and the compensation for early termination of the contract for certain reasons.</u>
Nil	<u><b>Article 147</b></u> <u>Members of the board shall have the necessary knowledge, skills and qualities to perform their duties. Directors shall abide by laws and regulations and the relevant provisions of the Articles of Association, faithfully, diligently and prudently perform their duties, and fulfill their commitments. Any director who violates the laws or the Articles of Association in the course of performing his/her duties and causes loss to the Company shall be liable for compensation.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><b>Section II Independent non-executive directors</b></p> <p><b>Article 148</b> <u>The Company shall have independent non-executive directors, who shall assume the fiduciary obligation and an obligation of diligence to the Company and all shareholders. Independent non-executive directors shall, in accordance with the requirements of the relevant laws and the Articles of Association, conscientiously perform their duties, safeguard the overall interests of the Company, and focus on matters closely related to the interests of minority shareholders, such as related party transactions, external guarantees, use of raised proceeds, mergers and restructuring, major investment and financing activities, senior management's compensation and profit distribution.</u></p> <p><u>Independent non-executive directors may propose the convening of the board meetings and the general meetings, and engage accounting firms, law firms and other securities service agencies to audit, inspect or express opinions on the relevant matters.</u></p> <p><u>In case of conflicts among shareholders or directors of the Company, which have a significant impact on the Company's operation and management, independent non-executive directors shall take the initiative to perform their duties and safeguard the overall interests of the Company.</u></p> <p><u>Independent non-executive directors shall have the qualifications required by laws and regulations and the securities regulatory rules of the place(s) where the Company's shares are listed in addition to the provisions of the Articles of Association regarding the qualifications and obligations of directors.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 149</b></u> <b>An independent non-executive director of the Company refers to a director who does not hold any position other than a director, a member or chairman of a special committee of the board of the Company, and who does not maintain any relationship with the Company and its substantial shareholders (i.e. shareholders who hold more than 5% of the total voting shares of the Company individually or in aggregate) that may hinder him/her from making independent and objective judgments and who meets the requirements on independence stipulated in the securities regulatory rules of the place(s) where the Company's shares are listed.</b></p> <p><u><b>The board of directors of the Company shall include at least one-third of independent non-executive directors and not less than three in number. The independent non-executive directors of the Company shall include at least one with appropriate professional qualifications or appropriate accounting or related financial management expertise, and at least one who ordinarily resides in Hong Kong.</b></u></p>
Nil	<p><u><b>Article 150</b></u> <b>Where an independent non-executive director fails to meet the conditions of independence or is otherwise unfit to perform the duties of an independent non-executive director, thus causing the number of independent non-executive directors of the Company to fall short of the number required by the Articles of Association, the Company shall fill up the vacancy accordingly so as to satisfy the number of independent non-executive directors required by the Articles of Association.</b></p> <p><u><b>Independent non-executive directors may directly report to the general meeting, the CSRC and other relevant departments.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><b>Article 151</b> <u>The term of office for independent non-executive directors shall be identical to that of the other directors of the Company, and they may offer themselves for re-election upon expiry of their term, but their re-appointment shall not exceed six years except under circumstances that are in compliance with laws, regulations, the securities regulatory rules of the place(s) where shares of the Company are listed and other provisions. The Company shall formulate terms of reference for independent non-executive directors, specifying the qualifications, nomination, election and replacement, rights and obligations, legal responsibilities, etc. of independent non-executive directors, which shall take effect upon approval at the general meeting.</u></p>
Nil	<p><b>Section III Board of directors</b></p> <p><b>Article 152</b> <u>The Company shall establish a board, which is accountant to the general meeting.</u></p> <p>The board shall compose of <del>ten</del> <u>seven to thirteen</u> directors, including one chairman, <del>and</del> one vice chairman, <del>and</del> eight directors, among which the number of independent non-executive directors shall be at least three and shall represent at least one-third of the board, and at least one of the independent non-executive directors shall be a finance or accounting professional.</p> <p>If necessary and subject to compliance with the relevant laws and regulations, the board may establish, among others, special committees for strategy, audit, risk control, nomination and remuneration.</p>
	<p>If necessary and subject to compliance with the relevant laws and regulations, the board may establish, among others, special committees for strategy, audit, risk control, nomination and remuneration.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 99</b> The board is responsible to the general meeting and exercises the following powers:</p> <ul style="list-style-type: none"> <li>(1) to be responsible for convening general meetings and to report on its works to the general meeting;</li> <li>(2) to implement the resolutions of the general meetings;</li> <li>(3) to decide on the Company's business plans and investment plans;</li> <li>(4) to draw up the Company's proposed annual financial budgets and final budgetary reports;</li> <li>(5) to draw up the Company's profit distribution plan and plan for making up losses;</li> <li>(6) to draw up proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures;</li> <li>(7) to draw up plans for the material investments, material acquisitions or disposals, merger, split and dissolution of the Company;</li> </ul>	<p><b>Article 153</b> The board is responsible to the general meeting and exercises the following powers:</p> <ul style="list-style-type: none"> <li>(1) to be responsible for convening general meetings and to report on its works to the general meeting;</li> <li>(2) to implement the resolutions of the general meetings;</li> <li>(3) to decide on the Company's business plans <del>and</del> <u>and annual financing plans</u>;</li> <li>(4) to draw up the Company's proposed annual financial budgets and final budgetary reports;</li> <li>(5) to draw up the Company's profit distribution plan and plan for making up losses;</li> <li>(6) to draw up proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures <u>or other securities and listing plan</u>;</li> <li>(7) to draw up plans for the material investments, material acquisitions <del>or</del> disposals, <u>repurchase of its shares or</u> merger, split, <u>reorganisation</u> and dissolution of the Company <u>and change of company type</u>;</li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
(8) to decide on the establishment of the Company's internal management structure;	(8) to decide on the establishment of the Company's internal management structure;
(9) to appoint or remove the Company's general manager and secretary to the board, to appoint or remove the deputy general managers, chief officers or general manager assistants based on the nominations by the general manager, and to determine the matters relating to the remuneration of the abovementioned senior management; to appoint or replace members of the board and supervisory committees of its wholly-owned subsidiaries, to appoint, replace or recommend shareholder representatives, directors or supervisors of its non-wholly-owned subsidiaries and companies in which the Company has shareholdings;	(8) to appoint or remove the Company's general manager and secretary to the board, to appoint or remove the <del>deputy general managers, chief officers or general manager assistants</del> <b><u>other senior management personnel</u></b> based on the nominations by the general manager, and to determine the matters relating to <b><u>their</u></b> remuneration, <b><u>incentives and punishments</u></b> of the abovementioned senior management; to appoint or replace members of the board and supervisory committees of its wholly-owned subsidiaries, to appoint, replace or recommend nominate shareholder representatives, director candidates or supervisor candidates of its non-wholly-owned subsidiaries and companies in which the Company has shareholdings;
(10) to draw up the Company's basic management system;	(9) <b><u>to decide on the establishment of the Company's internal management structure;</u></b>
(11) to draw up proposals for any modifications to the Articles of Association;	(10) <b><u>to decide on the establishment of the special committees of the board and consider and approve the proposals put forward by the special committees of the board;</u></b>
(12) to determine the establishment of the Company's branches;	(11) to draw up the Company's basic management system;
(13) to decide on matters relating to financing and borrowing and to decide on the charge, letting, sub-contracting or transfer of the Company's material assets; as well as to organise the general manager and deputy general managers to exercise its right under certain circumstances pursuant to this provision;	(12) to draw up proposals for any modifications to the Articles of Association, <b><u>the Rules of Procedures for the General Meetings and the Rules of Procedures for the Board of Directors;</u></b>
	(13) <b><u>within the scope as authorised by the general meeting, to decide on matters relating to investment, financing and borrowing and to decide on the investment, acquisition and disposal of assets, asset pledge, external guarantee, entrusted wealth management, entrusted loans, related party transactions and other matters</u></b> charge, letting, sub-contracting or transfer of the Company's material assets; as well as to organise the general manager and deputy general managers to exercise its right under certain circumstances pursuant to this provision;

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p style="text-align: center;"><u>(14) to propose to the general meeting to engage, dismiss or not to reappoint the auditors of the Company;</u></p> <p style="text-align: center;"><u>(15) to listen to the work report of the Company's general manager and inspect the work of the general manager and other senior management personnel;</u></p> <p style="text-align: center;"><u>(16) to formulate the Company's equity incentive plan;</u></p> <p style="text-align: center;"><u>(17) to manage information disclosure of the Company;</u></p> <p>(14) to decide on the guarantee provided by the Company to any third parties by any means subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association;</p> <p>(15) to decide on other major affairs and administrative matters of the Company subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association, save for matters to be resolved at general meetings as required by the Company and the Articles of Association;</p> <p>(16) other powers and functions conferred by the Articles of Association or the general meetings.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>Except the resolutions of the board in respect of the matters specified in paragraphs (6), (7), (11) and (13) above which shall be passed by more than two-thirds of the directors, the resolutions of the board in respect of all other matters may be passed by more than half of the directors.</p>	<p>Except the resolutions of the board in respect of the matters specified in paragraphs (6), (7), (11) and (13) above which shall be passed by more than two-thirds of the directors, <u>and the guarantee-related matters within the scope of authority of the board shall be approved by more than half of all directors and two-thirds of the directors present at the board meeting</u>, the resolutions of the board in respect of all other matters may be passed by more than half of the directors.</p> <p><u>Where the above matters within the powers of the board of directors or any transaction or arrangement of the Company are subject to consideration by the general meeting or go beyond the scope as authorised by the general meeting according to the securities regulatory rules of the place(s) where the Company's shares are listed, such matters shall be submitted to the general meeting for consideration. The board shall act in strict accordance with the authorisation of the general meeting and the Articles of Association and shall not reach resolutions that go beyond such scope of authorisation.</u></p> <p><u>Under necessary, reasonable and legal circumstances, the board shall authorise the chairman of the board and his/her authorised persons to decide on specific matters in relation to the matters to be resolved which cannot or are not necessary to be decided at the board meeting.</u></p> <p><u>With the authorisation of the board, the chairman of the board may exercise certain powers of the board when the board meeting is not in session. The scope authorised by the board shall be clear and specific.</u></p>
<p>The board shall take into account the advice of the Party organisation before making any major decision in relation to the directions of reform and development, major goals and tasks and key work arrangements for the Company. When the board appoints any management personnel of the Company, the Party organisation shall be entitled to consider and provide advice on the candidates proposed by the board or the general manager, or recommend to the board or the general manager of any candidate.</p>	<p>The board shall take into account the advice of the Party organisation before making any major decision in relation to the directions of reform and development, major goals and tasks and key work arrangements for the Company. When the board appoints any management personnel of the Company, the Party organisation shall be entitled to consider and provide advice on the candidates proposed by the board or the general manager, or recommend to the board or the general manager of any candidate.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Article 155</b></u> <b>The board shall explain to the general meeting any non-standard audit opinions issued by the certified public accountants on the Company's financial reports.</b>
Nil	<u><b>Article 156</b></u> <b>The board shall formulate the Rules of Procedures for the Board of Directors to ensure that the board will implement the resolutions of the general meeting, improve work efficiency and guarantee scientific decision-making process. The Rules of Procedures for the Board of Directors are attached to the Articles of Association as an appendix, which are drafted by the board and approved at the general meeting.</b>
Nil	<u><b>Article 157</b></u> <b>The board has the right to decide on the following matters of the Company (including its subsidiaries):</b> <ul style="list-style-type: none"> <li><u><b>(1) acquisition and disposal of assets and asset pledge accounting for less than 30% of the Company's latest audited total assets;</b></u></li> <li><u><b>(2) venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loan, external investment and other transactions accounting for less than 30% of the Company's latest audited net assets;</b></u></li> <li><u><b>(3) matters such as lease, rent, entrusted operation, agency operation or joint operation of property accounting for less than 30% of the Company's latest audited total assets;</b></u></li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(4) <u>related party transactions accounting for less than 1% of the Company's latest audited total assets and market value or less than RMB30,000,000 in amount (save for provision of guarantee and acceptance of donated cash assets) and related party transactions subject to consideration by the board of directors according to the securities regulatory rules of the place(s) where the shares of the Company are listed. For related party transactions that may be exempted from or waived for consideration and disclosure in the form of related party transactions according to relevant provisions of laws, regulations, departmental rules and the securities regulatory rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for waiver for consideration and disclosure in the form of related party transactions according to relevant provisions;</u></p>
	<p>(5) <u>to determine the Company's external guarantees beyond the scope of consideration by the general meeting as stipulated in the Articles of Association;</u></p>
	<p>(6) <u>to consider other matters to be determined by the board as required by laws, regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.</u></p>
	<p><u>The board shall authorise the general manager to exercise the following powers within the above scope of authorisation:</u></p>
	<p>(1) <u>to decide on acquisition, disposal and pledge of assets with a single amount accounting for less than 5% of the Company's latest audited total assets;</u></p>
	<p>(2) <u>to decide on matters such as external investment, venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loans, etc. with a single amount accounting for less than 5% of the Company's latest audited net assets;</u></p>
	<p>(3) <u>to decide on matters such as property lease, rent, entrusted operation, agency operation or joint operation with a single amount accounting for less than 5% of the Company's latest audited total assets;</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(4) <u>to decide on transactions with related natural persons with an amount less than RMB300,000 (save for provision of guarantees); transactions with related legal persons with an amount accounting for less than 0.1% of the Company's latest audited total assets and market value or less than RMB3,000,000 (save for provision of guarantees) and related party transactions that may be determined by the general manager of the Company according to the securities regulatory rules of the place(s) where the Company's shares are listed, the Company's Management Policy for Related Party Transactions and its detailed management rules;</u></p> <p>(5) <u>other functions and powers stipulated in the Articles of Association and granted by the board of directors.</u></p>
Nil	<p><u>Article 158 The board shall establish special committees such as the strategy committee, the audit committee, the nomination committee, the remuneration committee and the risk control committee to provide suggestions and opinions for major decisions of the board. Each special committee shall be accountable to the board, and shall perform its duties according to the Articles of Association and the authorisation of the board. Its proposal shall be submitted to the board for consideration and determination. All of its members shall be directors. Independent non-executive directors shall constitute the majority and serve as conveners in the audit committee, nomination committee and the remuneration committee. The chairman of the audit committee shall be an accounting professional, and there shall be at least one independent non-executive director in the risk control committee. The board may establish other committees and adjust existing committees as necessary.</u></p> <p><u>Each special committee may engage intermediaries to provide independent professional advice, and the relevant expenses shall be borne by the Company.</u></p> <p><u>The board of directors shall separately formulate the respective terms of reference of the special committees of the board of directors regarding the composition, duties and rules of procedures of the special committees.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><b>Article 159</b> The term of authorisation to the board of directors by the general meeting shall be limited to the term of office of the board of directors of that session. After the board of directors is re-elected, the general meeting shall pass a new resolution on the scope of authorisation to the new session of the board of directors. The original authorisation shall remain valid until the general meeting has passed a new resolution on the scope of authorisation.</p>
<p><b>Article 102</b> The chairman shall exercise the following duties and powers:</p> <ol style="list-style-type: none"> <li>(1) to preside at the general meetings, and to convene, preside the meetings of the board;</li> <li>(2) to supervise and check the implementations of the board resolutions;</li> <li>(3) to sign the securities issued by the Company;</li> <li>(4) other powers and duties given by the board.</li> </ol>	<p><b>Article 161</b> The chairman shall exercise the following duties and powers:</p> <ol style="list-style-type: none"> <li>(1) to preside at the general meetings, and to convene, preside the meetings of the board;</li> <li>(2) to <u>urge</u>, supervise and check the implementations of the board resolutions;</li> <li>(3) to sign the securities issued by the Company <u>to urge, supervise and check the work of special committees</u>;</li> <li>(4) <u>to listen to the regular or irregular work reports of the Company's general manager and other senior management personnel, and to provide guidance on the implementation of the resolutions of the board of directors</u>;</li> <li>(5) <u>in case of force majeure, major crisis or material impact on production and operation, and in case of an emergency where a board meeting cannot be held in time, exercise the special rights to deal with the Company's affairs in accordance with the law and in the interest of the Company, and report to the board of directors and the general meeting afterwards</u>;</li> <li>(6) <u>to nominate the secretary to the board of directors of the Company</u>;</li> <li>(7) <u>to sign the shares, corporate bonds and other marketable securities of the Company</u>;</li> <li>(8) <u>to sign important documents of the board of directors and sign important legally binding documents on behalf of the Company</u>;</li> </ol>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(9) <u>to organise the formulation of various rules and regulations for the operation of the board of directors and coordinate the work of the board of directors;</u></p> <p>(10) <u>to approve the plan for the use of the working funds of the board of directors of the Company;</u></p> <p>(11) <u>to exercise other functions and powers that shall be exercised by the chairman and granted by the board of directors in accordance with the relevant laws, administrative regulations and rules;</u></p> <p>(12) other powers and duties <u>stipulated by laws and regulations or the Articles of Association and</u> given by the board.</p> <p><b><u>The vice chairman shall assist the chairman in performing his/her duties.</u></b> Where the chairman is unable to or fails to perform his/her duties, the vice chairman may perform such duties on behalf of the chairman. Where the vice chairman is unable to or fails to perform his/her duties, a majority of the directors may jointly elect a director to perform his/her duties.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 103</b> Meetings of the board shall be held at least four times every year and convened by the chairman of the board. Notice of the meetings shall be sent to all of the directors and supervisors 14 days in advance of such meeting. In case of emergency, an extraordinary meeting of the board may be held upon proposal by shareholders representing more than one-tenths of the voting rights, more than one-third of the directors, supervisory committee or by general manager of the Company.</p>	<p><b>Article 162</b> <u>Board meetings comprise regular board meetings and extraordinary meetings. Regular meetings</u> Meetings of the board shall be held at least four times every year and convened by the chairman of the board. Notice of the meetings shall be sent to all of the directors and supervisors 14 days in advance of such meeting.</p> <p><del>In case of emergency, an extraordinary meeting of the board may be held upon proposal by shareholders representing more than one-tenths of the voting rights, more than one-third of the directors, supervisory committee or by general manager of the Company.</del></p> <p><u>Under any of the following circumstances, the chairman of the board shall convene and preside over an extraordinary board meeting within 10 days after receiving the proposal of the meeting:</u></p> <ul style="list-style-type: none"> <li><u>(1) upon the proposal by shareholders representing more than one-tenth of the voting rights <u>individually or in aggregate;</u></u></li> <li><u>(2) upon the proposal of more than half of the independent non-executive directors;</u></li> <li><u>(3) upon the <u>joint</u> proposal of more than one-third of the directors, <u>supervisory committee</u> or by general manager of the Company;</u></li> <li><u>(4) upon the proposal of supervisory committee</u></li> <li><u>(5) upon the proposal of three directors in case of <u>urgency;</u></u></li> <li><u>(6) when the chairman deems necessary;</u></li> <li><u>(7) other circumstances stipulated in the laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.</u></li> </ul> <p><u>Meetings of the board of directors may be convened on-site, through circulation of written proposals, teleconference, videoconference, facsimile, e-mail or similar communication channels, and may also be held on site in parallel with other methods.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 104</b> Notice of the board meeting or extraordinary meeting of the board shall be served in the following manner:</p> <p>(1) where the time and venue of regular board meetings have been specified by the board in advance, then no notice shall be served, provided that the agenda and the enclosed documents for the board meeting shall be delivered to all directors not less than 2 days before the date of the meeting (or such other dates as agreed by the board).</p> <p>(2) where the specified time and venue of the regular board meeting have not been specified or changed by the board in advance, a notice of the board meeting specifying the time and venue of the regular board meeting shall be given by the chairman to all the directors by telex, cable, facsimile, express courier service, registered mail or by personal delivery at least 10 days before the meeting.</p>	<p><b>Article 163</b> <u>Written notice of the regular or extraordinary meeting of the board of directors shall be served to all the directors and supervisors by hand, e-mail, facsimile and through other means as permitted under the securities regulatory rules of the place(s) where shares of the Company are listed 14 days and 3 days prior to the regular meeting and extraordinary meeting, respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.</u></p> <p>Notice of the board meeting or extraordinary meeting of the board shall be served in the following manner:</p> <p>(1) where the time and venue of regular board meetings have been specified by the board in advance, then no notice shall be served, provided that the agenda and the enclosed documents for the board meeting shall be delivered to all directors not less than 2 days before the date of the meeting (or such other dates as agreed by the board).</p> <p>(2) where the specified time and venue of the regular board meeting have not been specified or changed by the board in advance, a notice of the board meeting specifying the time and venue of the regular board meeting shall be given by the chairman to all the directors by e-mail, telex, cable, facsimile, express courier service, registered mail or by personal delivery at least 10 days before the meeting. <u>if there is a need to change matters such as the time and venue or add, change and cancel the proposals of a regular board meeting after despatching the written notice of the meeting, a written notice of the change shall be despatched three days before the original date of the meeting to explain the situation and content of the new proposals with relevant materials. If the written notice is despatched less than three days before the original date of the meeting, the meeting shall be postponed accordingly, or held as scheduled after obtaining the consent of all directors attending the meeting.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>(3)(2) if there is a need to change matters such as the time and venue or add, change and cancel the proposals of an extraordinary board meeting after despatching the notice of the meeting, prior consent of all directors attending the meeting shall be obtained and relevant records shall be well documented.</u></p>
<p>(3) the notice shall be in Chinese and, if necessary, an English version of the same shall be enclosed thereto and the notice shall include agenda of the meeting. Any director may waive the right to receive notice of the board meeting in writing.</p> <p>(4) the meeting notice shall be deemed to have been delivered to such director if he/she presents at the meeting and does not raise the issue of the non-receipt of such notice prior to, or at, his/her arrival at the meeting.</p>	<p>(3) the notice shall be in Chinese and, if necessary, an English version of the same shall be enclosed thereto and the notice shall include agenda of the meeting. Any director may waive the right to receive notice of the board meeting in writing.</p> <p>(4) the meeting notice shall be deemed to have been delivered to such director if he/she presents at the meeting and does not raise the issue of the non-receipt of such notice prior to, or at, his/her arrival at the meeting.</p>
Nil	<p><u><b>Article 164 The notice of the board meeting shall contain the followings:</b></u></p> <p><u>(1) the date, venue and duration of the meeting;</u></p> <p><u>(2) the convening method of the meeting;</u></p> <p><u>(3) matters proposed to be considered (proposals of the meeting);</u></p> <p><u>(4) convener and chairman of the meeting, proposer of the extraordinary meeting and his/her written proposal;</u></p> <p><u>(5) meeting materials necessary for the directors to vote, including the relevant background materials of the meeting topics and information and data helpful for the directors to understand the Company's business progress;</u></p> <p><u>(6) the requirement that directors should attend the meeting in person or may appoint other directors to attend the meeting on their behalf;</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(7) <u>contact person and contact information;</u></p> <p>(8) <u>the issue date of the notice;</u></p> <p>(9) <u>other contents stipulated by laws and regulations and the securities regulatory rules of the place(s) where the Company's shares are listed.</u></p> <p><u>The oral notice of a meeting shall at least include items (1) and (2) above, as well as an explanation for the urgency to convene an extraordinary board meeting as soon as possible.</u></p>
<p><b>Article 105</b> .....</p> <p>When more than one-fourth of directors or more than two external directors consider that the information of the matters to be resolved are not sufficient or the grounds are not explicit, they may jointly propose to postpone the meeting or delay the discussion of certain matters to be considered in the board meeting, and the board shall adopt the relevant proposal.</p> <p>.....</p>	<p><b>Article 165</b> .....</p> <p>When more than one-fourth of directors or more than two external directors <u>or independent non-executive directors</u> consider that the information of the matters to be resolved are not sufficient or the grounds are not explicit, they may jointly propose to postpone the meeting or delay the discussion of certain matters to be considered in the board meeting, and the board shall adopt the relevant proposal.</p> <p>.....</p>
<p><b>Article 106</b> The regular or extraordinary meetings of the board can be held by conference call or other similar communication equipment, for so long as the attending directors are able to hear clearly other directors' speech at the meeting and to communicate among themselves. All attending directors shall be considered as being present at the meetings in person.</p>	<p><b>Article 166</b> <u>Where</u> the regular or extraordinary meetings of the board can be <u>are</u> held by conference call or other similar communication equipment, for so long as the attending directors are able to hear clearly other directors' speech at the meeting and to communicate among themselves, all attending directors shall be considered as being present at the meetings in person.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 109</b> Board meetings shall be held only if more than half of the directors are present.</p> <p>Each director shall have one vote. The board resolution must be passed by more than half of all directors. Where the numbers of votes cast for and against a resolution are equal, the chairman shall have a casting vote.</p>	<p><b>Article 169</b> Board meetings shall be held only if more than half of the directors are present.</p> <p>Each director shall have one vote. The board resolution must be passed by more than half of all directors. <u>Where the laws and regulations or the Articles of Association stipulate that the board of directors shall obtain the consent of more directors in reaching a resolution, such provisions shall prevail.</u></p> <p><u>The voting methods on board resolutions are: registered ballot or other voting methods permitted by the relevant laws, administrative regulations and the securities regulatory authorities of the place(s) where the Company's shares are listed.</u></p> <p>Where the numbers of votes cast for and against a resolution are equal, the chairman shall have a casting vote.</p>
Nil	<p><u>Article 171 Where a director has any related party relationship with or is materially interested in the enterprise involved in the resolution of the board or where the director himself/herself considers he/she should abstain from voting, he/she shall not exercise the voting rights on the resolution concerned, nor shall he/she exercise the voting rights on behalf of other directors. The board meeting can be held only when attended by more than half of the directors with no related party relationship or material interests, and the resolutions submitted at the board meeting must be approved by more than half of the directors with no related party relationship or material interests. If there are less than 3 directors with no related party relationship or material interests attending the board meeting, the matter concerned shall be submitted to the general meeting for consideration.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u>Article 173 The minutes of the board meeting shall be kept as company files for a period of not less than 10 years.</u></p> <p><u>The minutes of the board meeting shall include the followings:</u></p> <p class="list-item-l1">(1) <u>the session, time, venue and method of convening of the meeting;</u></p> <p class="list-item-l1">(2) <u>the issuance of the notice of the meeting;</u></p> <p class="list-item-l1">(3) <u>convener and chairman of the meeting;</u></p> <p class="list-item-l1">(4) <u>the names of the directors attending the meeting and the names of the proxies entrusted to attend the meeting and their principals;</u></p> <p class="list-item-l1">(5) <u>the agenda of the meeting;</u></p> <p class="list-item-l1">(6) <u>proposals considered at the meeting, gist of speeches and major opinions of directors;</u></p> <p class="list-item-l1">(7) <u>the voting method and results of each resolution (the voting results shall indicate the number of votes for, against or abstention from voting);</u></p> <p class="list-item-l1">(8) <u>other matters that the directors attending the meeting consider should be recorded.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 11 Secretary to the Board of Directors</b>	<b>Chapter 10 Secretary to the Board of Directors</b>
<p><b>Article 113</b> The secretary to the board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board. His/her primary responsibilities include:</p> <ul style="list-style-type: none"> <li>(1) to ensure that the Company has complete organisational documents and records;</li> <li>(2) to ensure the Company prepares and submits the reports and documents required by the relevant authorities according to the law;</li> <li>(3) to ensure that the register of shareholders are properly established, and to ensure that the persons who have the right to obtain the Company's relevant records and documents can obtain these records and documents in a timely manner; and</li> <li>(4) perform other powers and duties as required by the laws, administrative regulations and the Articles of Association.</li> </ul>	<p><b>Article 175</b> The secretary to the board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board. His/her primary responsibilities include:</p> <ul style="list-style-type: none"> <li><b>(1) to prepare general meetings and board meetings of the Company, maintain documents and manage shareholder information;</b></li> <li>(2) to ensure that the Company has complete organisational documents and records;</li> <li>(3) to ensure the Company prepares and submits the reports and documents required by the relevant authorities according to the law;</li> <li>(4) to ensure that the register of shareholders are properly established, and to ensure that the persons who have the right to obtain the Company's relevant records and documents can obtain these records and documents in a timely manner; and</li> <li><b>(5) to handle the information disclosure of the Company;</b></li> <li><b>(6) perform other powers and duties as required by the laws, administrative regulations and the Articles of Association.</b></li> </ul>
<p><b>Article 114</b> Directors or other senior management members of the Company (other than general manager or financial officer) may concurrently act as the secretary to the board. An accountant of the accounting firm engaged by the Company shall not act as the secretary to the board.</p> <p>.....</p>	<p><b>Article 176</b> Directors or other senior management members of the Company (other than general manager or financial officer) may concurrently act as the secretary to the board. An accountant of the accounting firm engaged by the Company shall not act as the secretary to the board.</p> <p>.....</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 12 General Manager of the Company</b>	<b><u>Chapter 11 General Manager of the Company and Other Senior Management Personnel</u></b>
<b>Article 115</b> The Company shall have one general manager, who shall be appointed or removed by the board.	<b>Article 177</b> The Company shall have one general manager, who shall be appointed or removed by the board.
The Company shall have a certain number of deputy general managers, chief officers and assistants to general manager, who shall be appointed or removed at the nomination of general manager. Deputy general managers, chief officers and general manager assistants shall assist and be accountable to the general manager.	The Company shall have a certain number of <u>other senior management personnel as needed</u> deputy general managers, chief officers and assistants to general manager, who shall be appointed or removed at the nomination of general manager. <u>Other senior management personnel</u> Deputy general managers, chief officers and general manager assistants shall assist and be accountable to the general manager.
	<u>The Company shall enter into service contracts with senior management personnel to clarify the rights and obligations of both parties. The appointment and dismissal of senior management personnel shall follow legal procedures and be disclosed in a timely manner.</u>
	<u>An appointed director may concurrently serve as the Company's general manager or other senior management personnel.</u>
Nil	<u>Article 178 Article 206 of the Articles of Association regarding situations for the disqualification of directors shall also apply to senior management personnel. The provisions of Article 210 of the Articles of Association on the fiduciary duty of directors and Article 209 on the duty of diligence shall also apply to senior management personnel.</u>
Nil	<u>Article 179 Except as exempted from the CSRC, senior management personnel of the Company shall not hold other administrative positions other than directors and supervisors in controlling shareholder and actual controller of the Company.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 116</b> The general manager shall be accountable to the board and exercise or perform the following powers and duties:</p> <p>(1) to be in charge of the Company's production, operation and management and to organise the implementation of the resolutions of the board;</p> <p>(2) to organise the implementation of the Company's annual business plan and investment plan;</p> <p>(3) to draft plans for the establishment of the Company's internal management structure;</p> <p>(4) to draft the Company's basic management system;</p> <p>(5) to formulate the basic rules and regulations for the Company;</p> <p>(6) to propose the appointment or removal of deputy general managers, chief officers and general manager assistants;</p> <p>(7) to appoint or remove management personnel other than those required to be appointed or removed by the board;</p> <p>(8) to determine the wages, benefits, incentives and punishments of the employees, the appointment and removal, promotion and demotion, salary increment and decrement, appointment, employment, removal or resignation of the employees;</p> <p>(9) to propose the convening of the extraordinary meeting of the board; and</p> <p>(10) other powers and duties conferred by the Articles of Association and the board.</p>	<p><b>Article 180</b> The general manager shall be accountable to the board and exercise or perform the following powers and duties:</p> <p>(1) to be in charge of the Company's production, operation and management and to organise the implementation of the resolutions of the board <b>and report his/her work to the board</b>;</p> <p>(2) to organise the implementation of the Company's annual business plan and investment plan;</p> <p>(3) to draft plans for the establishment of the Company's internal management structure;</p> <p>(4) to draft the Company's basic management system;</p> <p>(5) to formulate the basic rules and regulations for the Company;</p> <p>(6) to propose the appointment or removal of <b>other senior management personnel</b> deputy general managers, chief officers and general manager assistants;</p> <p>(7) to appoint or remove management personnel other than those required to be appointed or removed by the board;</p> <p>(8) to determine the wages, benefits, incentives and punishments of the employees, the appointment and removal, promotion and demotion, salary increment and decrement, appointment, employment, removal or resignation of the employees;</p> <p>(9) to propose the convening of the extraordinary meeting of the board; and</p> <p>(10) other powers and duties conferred by <b>the laws, regulations, regulatory documents and the securities regulatory rules of the place(s) where the shares of the Company are listed and</b> the Articles of Association <b>and or</b> the board.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 117</b> The general manager and deputy general managers, chief officers and assistants to general manager shall be present at the meetings of the board. However, none of the general manager and deputy general managers, chief officers and assistants to general manager has voting rights at the meetings unless he is also a director.</p>	<p><b>Article 181</b> The general manager and deputy general managers, chief officers and assistants to general manager <u>other senior management personnel</u> shall be present at the meetings of the board. However, none of the general manager and deputy general managers, chief officers and assistants to general manager <u>other senior management personnel</u> has voting rights at the meetings unless he is also a director.</p>
Nil	<p><b>Article 182</b> <u>The general manager shall formulate the Detailed Working Rules for the General Manager and implement the same after submitting to the board for approval.</u></p> <p><b>The Detailed Working Rules for the General Manager</b> shall include the followings:</p> <ol style="list-style-type: none"> <li>(1) <u>the conditions of and procedures for the convening of general manager's office meeting and the participants;</u></li> <li>(2) <u>the duties and respective responsibilities of general manager and other senior management personnel;</u></li> <li>(3) <u>the Company's financing, asset allocation, asset management, authority to enter into major contracts, and reporting system to the board and the supervisory committee;</u></li> <li>(4) <u>other matters deemed necessary by the board.</u></li> </ol>
Nil	<p><b>Article 183</b> <u>The term of office of the general manager shall be three years. The general manager may be re-elected. The general manager may resign before the expiry of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.</u></p>
<p><b>Article 118</b> The general manager, deputy general managers, chief officers, and assistants to general manager, in performing their duties and powers, shall not amend the resolutions passed at general meetings or board meetings or act beyond their scope of powers and duties.</p>	<p><b>Article 184</b> <u>The general manager, deputy general managers, chief officers, and other senior management personnel</u> assistants to general manager, in performing their duties and powers, shall not amend the resolutions passed at general meetings or board meetings or act beyond their scope of powers and duties.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Article 119</b> The general manager, deputy general managers, chief officers and assistants to general manager, in performing their duties and powers, shall act honestly and diligently and in accordance with the laws, administrative regulations and the Articles of Association.	<b>Article 185</b> The general manager, deputy general managers, chief officers and <u>other senior management members</u> assistants to general manager, in performing their duties and powers, shall act honestly and diligently and in accordance with the laws, administrative regulations and the Articles of Association. <u>If they violate provisions of the laws, regulations or the Articles of Association in the course of performing their duties and cause losses to the Company, they shall be liable for compensation.</u>
<b>Chapter 13 Supervisory Committee</b>	<b>Chapter 12 Supervisory Committee</b>
Nil	<b>Section I Supervisors</b>
Nil	<u>Article 187 Supervisors shall include shareholder representative supervisors and employee representative supervisors.</u>  <u>Directors, general managers, other senior management personnel of the Company, public servants of the state and persons prohibited from serving as supervisors by the relevant regulatory agencies shall not concurrently serve as supervisors.</u>
Nil	<u>Article 188 The term of office of supervisors shall be 3 years. The supervisor may be re-elected and re-appointed upon expiry of his/her term of office.</u>
Nil	<u>Article 189 A supervisor may resign before the expiry of his/her term of office. A supervisor shall submit a written resignation report to the supervisory committee. The provisions on the resignation of supervisors shall apply mutatis mutandis to the provisions on the resignation of directors in Articles 143 and 144 of the Articles of Association.</u>
Nil	<u>Article 190 Shareholder representative supervisors shall be elected and removed by the general meeting. Employee representative supervisors shall be elected and removed by the employees of the Company through the employee congress, employee assembly or other democratic forms.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Article 191</b></u> <u><b>In the event that the terms of office of supervisors fall upon maturity whereas new members of the supervisory committee are not re-elected in time, or the resignation of any supervisor during his/her term of office results in the number of members of the supervisory committee falling below the statutory minimum requirement, the existing supervisors shall continue to perform their duties in accordance with the laws, administrative regulations and the Articles of Association until the re-elected supervisors assume their office.</b></u>
Nil	<u><b>Article 192</b></u> <u><b>Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.</b></u>
Nil	<u><b>Article 193</b></u> <u><b>Supervisors may attend board meetings, and raise questions or suggestions on matters resolved at the board meetings.</b></u>
Nil	<u><b>Article 194</b></u> <u><b>Supervisors shall not use their related party relationship to prejudice the Company's interests and shall be liable for indemnity to any loss caused to the Company.</b></u>
Nil	<u><b>Article 195</b></u> <u><b>Supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties and causes losses to the Company shall be liable for making compensation for any loss caused to the Company.</b></u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<b>Section II Supervisory committee</b>
<b>Article 121</b> The supervisory committee shall compose of five supervisors, of which three shall be shareholders representatives and two shall be employees representatives of the Company. Shareholders representatives shall be appointed or removed by election at the general meeting, and the employee representatives shall be appointed or removed by democratic election of the employees of the Company. The term of office of supervisors shall be three years, and may be re-elected in successive terms.	<b>Article 196</b> <u>The Company shall establish a supervisory committee, of which the number of employee representative supervisors shall not be less than one-third of the number of supervisors.</u> The supervisory committee shall compose of <u>three to</u> five supervisors, of which three shall be shareholders representatives and two shall be employees representatives of the Company. Shareholders representatives shall be appointed or removed by election at the general meeting, and the employee representatives shall be appointed or removed by democratic election of the employees of the Company. The term of office of supervisors shall be three years, and may be re-elected in successive terms.
The supervisory committee shall have a chairman and may have a vice chairman. The chairman and the vice chairman of the supervisory committee shall be elected by at least two-thirds <sup>3</sup> of the supervisors. The chairman of the supervisory committee shall convene and preside at the supervisory committee meetings. In the event that the chairman of supervisory committee is unable to or fails to perform his/her duties, the vice chairman shall convene and preside at the supervisory committee meetings. In the event that the vice chairman is unable to or fails to perform his/her duties, a supervisor shall be elected by more than half of the supervisors to convene and preside at the supervisory committee meetings.	The supervisory committee shall have a chairman and may have a vice chairman. <u>The appointment or removal of the</u> chairman and the vice chairman of the supervisory committee shall be <u>elected or removed approved</u> by at least two-thirds of the supervisors by poll. The chairman of the supervisory committee shall convene and preside at the supervisory committee meetings. In the event that the chairman of supervisory committee is unable to or fails to perform his/her duties, the vice chairman shall convene and preside at the supervisory committee meetings. In the event that <u>there is no vice chairman or</u> the vice chairman is unable to or fails to perform his/her duties, a supervisor shall be elected by more than half of the supervisors to convene and preside at the supervisory committee meetings.
<b>Article 122</b> The supervisory committee shall have more than 1/2 of their members as external members (meaning those not being employed by the Company). The external members shall consist of 2 independent supervisors (meaning those who are independent from the shareholders and not being employed by the Company). The external supervisors shall have the right to report to the general meeting on the honesty, diligence and performance of the management of the Company.	<b>Article 197</b> The supervisory committee shall have more than 1/2 of their members as external members (meaning those not being employed by the Company). The external members shall consist of <u>2 more than 1</u> independent supervisors (meaning those who are independent from the shareholders and not being employed by the Company). The external supervisors shall have the right to report to the general meeting on the honesty, diligence and performance of the management of the Company.
<b>Article 123</b> None of the directors, general manager, deputy general managers or other senior management members shall act as a supervisor concurrently.	<b>Article 123</b> None of the directors, general manager, deputy general managers or other senior management members shall act as a supervisor concurrently.

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Article 125</b> The supervisory Committee shall be accountable to the general meeting and exercise the following powers in accordance with law:	<b>Article 198</b> The supervisory Committee shall be accountable to the general meeting and exercise the following powers in accordance with law:
(1) to examine the Company's financial condition;	(1) <u>to review the Company's periodic reports and provide written review opinions;</u>
(2) to monitor whether the directors, general manager, deputy general managers and other members of the senior management of the Company act in contradiction with the laws, administrative regulations or the Articles of Association;	(2) to examine the Company's financial condition;
(3) to demand rectification from a director, the general manager, deputy general managers or other members of the senior management of the Company when the acts of such persons are prejudicial to the Company's interests;	(3) to monitor whether the directors, general managers, deputy general managers and other senior management of the Company act in contradiction with the laws, administrative regulations or the Articles of Association; <u>to make suggestions on the removal of directors or senior management personnel who violate laws and regulations, the Articles of Association or the resolutions of the general meeting, and where the supervisory committee identifies violation of laws and regulations, the relevant provisions of the stock exchange(s) where the Company's shares are listed and the Articles of Association by the directors or senior management personnel, it shall notify the board or report to the general meeting and disclose the same in a timely manner;</u>
(4) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board to the general meetings and, should any queries arise, to organise, in the name of the Company, a re-examination by the registered accountants and practicing auditors;	(4) to demand rectification from a director, the general manager, deputy general managers or other members of the senior management of the Company when the acts of such persons are prejudicial to the Company's interests;
	(5) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board to the general meetings and, should any queries arise, to organise, in the name of the Company, a re-examination by the registered accountants and practicing auditors;

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(6) <u>to conduct investigations into any irregularities identified in the operation of the Company and, if necessary, may engage the professional institutions, including accounting firms and law firms to assist its work and the expenses so incurred shall be borne by the Company;</u></p>
(5) to propose to convene an extraordinary general meeting;	<p>(7) to propose to convene an extraordinary general meeting, <u>and to convene and preside over the general meeting when the board of directors fails to perform its duty of convening and presiding over the general meeting as prescribed by law;</u></p> <p>(8) <u>to put forward proposals to the general meeting;</u></p>
(6) to represent the Company in negotiation with or instituting an action against a director; and	<p>(9) <u>to represent the Company in negotiation with directors and senior management personnel or to institute an action against the directors and senior management personnel; and</u></p>
(7) other powers specified in the Articles of Association.	<p>(10) other powers specified in <u>the laws, regulations, departmental rules, and relevant provisions of the securities regulatory authorities where the Company's shares are listed</u>, the Articles of Association <u>and granted by the general meeting.</u></p>
Supervisors shall be present at meetings of the board.	Supervisors shall be present at meetings of the board.
<b>Article 124</b> The supervisory committee meetings shall be held at least once every six months, and it shall be convened by the chairman of the supervisory committee. .....	<b>Article 199</b> The supervisory committee meetings shall be held at least once every six months, and it shall be convened by the chairman of the supervisory committee. .....

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 126</b> A written notice for convening the supervisory committee meeting shall be delivered to all supervisors not less than 10 days before the meeting. The supervisory committee meeting may be held if two-thirds or more of supervisors attend such committee.</p>	<p><b>Article 200</b> <u>Written notice of the regular or extraordinary meeting of the supervisory committee shall be served to all the supervisors by direct delivery, facsimile, mail (including e-mail) or other means 10 days and 3 days prior to the regular meeting and extraordinary meeting, respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.</u> A written notice for convening the supervisory committee meeting shall be delivered to all supervisors not less than 10 days before the meeting.</p> <p>The supervisory committee meeting may be held if two-thirds or more of supervisors attend such committee.</p>
Supervisory committee meeting resolution shall be passed by two-thirds or more of supervisors.	Supervisory committee meeting resolution shall be passed by two-thirds or more of supervisors.

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 201</b></u> <b>The rules of procedures for the supervisory committee shall be the meeting of the supervisory committee. The meeting of the supervisory committee shall adopt the principle of voting on each matter at a time, which means that voting shall be conducted upon completion of the consideration of the proposal, and where voting on one proposal has not been completed, voting for the next shall not be initiated. Each supervisor has one vote.</b></p> <p><u><b>Supervisory committee meeting resolution shall be passed by two-thirds or more of supervisors.</b></u></p> <p><u><b>Provided that the supervisors can fully express their opinions, extraordinary meetings of the supervisory committee may be held and resolutions may be reached by video conference or written resolutions, which shall be signed by the supervisors attending the meeting.</b></u></p> <p><u><b>The supervisory committee shall formulate the Rules of Procedures for the Supervisory Committee and specify the rules of procedures and voting procedures of the supervisory committee, so as to ensure the efficiency and scientific decision-making of the supervisory committee.</b></u></p> <p><u><b>The Rules of Procedures for the Supervisory Committee shall stipulate the procedure for convening and voting of the Supervisory Committee. The Rules of Procedure for the Supervisory Committee are attached to the Articles of Association as an appendix, which are drafted by the supervisory committee and approved at the general meeting.</b></u></p>
Nil	<p><u><b>Article 202</b></u> <b>The matters discussed at the supervisory committee shall be recorded in the meeting minutes, which shall be signed by the attending supervisors and recorder.</b></p> <p><u><b>Supervisors are entitled to require certain specific explanatory recording in respect of their statements made at the meeting. Minutes of meetings of the supervisory committee shall be kept as company files for a period of not less than 10 years.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u>Article 203 The notice of the supervisory committee shall include the followings:</u></p> <p>(1) <u>the time and venue of the meeting;</u></p> <p>(2) <u>the method of convening the meeting;</u></p> <p>(3) <u>matters to be considered (proposals of the meeting);</u></p> <p>(4) <u>convener and chairman of the meeting, proposer of the extraordinary meeting and his/her written proposal;</u></p> <p>(5) <u>meeting materials necessary for voting by supervisors;</u></p> <p>(6) <u>requirements that supervisors shall attend the meeting in person or appoint other supervisors to attend the meeting on their behalf;</u></p> <p>(7) <u>contact person and contact information;</u></p> <p>(8) <u>the date of the notice.</u></p> <p><u>Should an extraordinary meeting of the Supervisory Committee be required to convene as soon as possible in case of emergency, the notice may be given orally or by phone at any time, but the convener shall give explanations at the meeting. The oral notice of a meeting shall at least include items (1), (2) and (3) above, as well as an explanation of the emergency to convene an extraordinary meeting of the supervisory committee as soon as possible.</u></p>
<b>Chapter 14</b> Qualifications for and Obligations of Directors, Supervisors, General Manager, Deputy General Managers and Other Senior Management Members	<b>Chapter 13</b> Qualifications for and Obligations of Directors, Supervisors, General Manager, Deputy General Managers and Other Senior Management Members

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 129</b> A person may not serve as a director, supervisor, general manager, deputy general manager or any other senior management members of the Company if he/she is:</p> <ul style="list-style-type: none"> <li>(1) a person without legal or with restricted civil capacity;</li> <li>(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offense; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;</li> <li>(3) a person who is a director or factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of that company or enterprise;</li> <li>(4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;</li> <li>(5) a person who has a relatively large amount of debts due and outstanding;</li> <li>(6) a person who is under criminal investigation by judicial authority for violation of the criminal law which investigation is not yet concluded;</li> </ul>	<p><b>Article 206</b> A person may not serve as a director, supervisor, general manager, deputy general manager or any other senior management members of the Company if he/she is:</p> <ul style="list-style-type: none"> <li>(1) a person without legal or with restricted civil capacity;</li> <li>(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offense; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;</li> <li>(3) a person who is a director or factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of that company or enterprise;</li> <li>(4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;</li> <li>(5) a person who has a relatively large amount of debts due and outstanding;</li> <li>(6) a person who is under criminal investigation by judicial authority for violation of the criminal law which investigation is not yet concluded;</li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
(7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;	<u>(7) a person who has been prohibited from entering the securities market by the CSRC or the Hong Kong Securities and Futures Commission and such prohibitions period has not elapsed;</u>
(8) a non-natural person; or	<u>(8) a person who is not eligible for enterprise leadership according to laws and administrative regulations;</u>
(9) a person convicted of the contravention of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction.	<u>(9) a non-natural person; or</u> <u>(10) a person convicted of the contravention of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction.</u>
	<u>For any election, appointment or engagement of a director, supervisor, general manager, deputy general manager or other senior management personnel in contravention of the provisions prescribed by this article, such election, appointment or engagement shall be void and null.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 132</b> Each of the Company's directors, supervisors, general manager, deputy general managers and other management members owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</p>	<p><b>Article 209</b> Each of the Company's directors, supervisors, general manager, deputy general managers and other management members owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. <u>This principle shall include (but not be limited to) fulfillment of the following obligations:</u></p> <p class="list-item-l1">(1) <u>to exercise the rights conferred by the Company with due discretion, care and diligence, in order to ensure that the business operations of the Company are in compliance with the laws, administrative regulations and requirements of each of the economic policies of the PRC, and does not go beyond the business scope specified in the Company's business license;</u></p> <p class="list-item-l1">(2) <u>to ensure sufficient time and dedication to the affairs of the Company and make prudent judgments on the risks and benefits of the matters to be considered;</u></p> <p class="list-item-l1">(3) <u>to treat all shareholders equally;</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(4) <u>to keep informed of the business, operation and management position of the Company on a timely basis;</u></p> <p>(5) <u>to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company within their duties;</u></p> <p>(6) <u>to truthfully provide the supervisory committee with relevant information, and not to interfere with the supervisory committee or supervisors in performing their duties and powers;</u></p> <p>(7) <u>to actively promote the standardised operation of the Company, urge the Company to fulfill its obligation of information disclosure, promptly rectify and report non-compliance of the Company, and support the Company to fulfill its social responsibilities;</u></p> <p>(8) <u>other diligence obligations stipulated in laws, administrative regulations, departmental rules, exchange rules and the Articles of Association.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 133</b> The Company's directors, supervisors, general managers, deputy general managers and other senior management members shall carry out their duties in accordance with the fiduciary principle and shall not put himself/herself in a position where his/her duty and his interest may conflict. This principle includes (without limitation) the discharging of the following obligations:</p> <ul style="list-style-type: none"> <li>(1) to act honestly in the best interests of the Company;</li> <li>(2) to exercise powers within the scope of his powers and duties and not exceeding those powers and duties;</li> <li>(3) to exercise the discretionary power vested in him/her personally and not to allow himself to act under the control of others and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in general meeting, not to delegate the exercise of his/her discretionary power;</li> <li>(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;</li> </ul>	<p><b>Article 210</b> The Company's directors, supervisors, general managers, deputy general managers and other senior management members shall carry out their duties in accordance with the fiduciary principle and shall not put himself/herself in a position where his/her duty and his interest may conflict. This principle includes (without limitation) the discharging of the following obligations:</p> <ul style="list-style-type: none"> <li>(1) to act honestly in the best interests of the Company;</li> <li>(2) to exercise powers within the scope of his powers and duties and not exceeding those powers and duties;</li> <li>(3) to exercise the discretionary power vested in him/her personally and not to allow himself to act under the control of others and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in general meeting, not to delegate the exercise of his/her discretionary power;</li> <li>(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;</li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
(5) except in accordance with the Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;	(5) except in accordance with the Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;
(6) without the informed consent of shareholders given in general meeting, not to use the Company's property by any means for his own benefit;	(6) without the informed consent of shareholders given in general meeting, not to use the Company's property by any means for his own benefit;
(7) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities beneficial to the Company;	(7) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities beneficial to the Company;
(8) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;	(8) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;
(9) to abide by the Articles of Association, faithfully execute his/her powers and duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own personal interest;	(9) to abide by the Articles of Association, faithfully execute his/her powers and duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own personal interest;
(10) not to compete with the Company in any form unless with the informed consent of shareholders given in general meeting;	(10) not to compete with the Company in any form unless with the informed consent of shareholders given in general meeting;
(11) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of any shareholder of the Company or other individual(s) with the Company's assets;	(11) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of any shareholder of the Company or other individual(s) with the Company's assets;
<b>(12) <u>not to use his/her related party relationship to prejudice the interests of the Company;</u></b>	

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>(12) unless with the informed consent of shareholders given in general meeting, to keep in confidence information in respect of the Company acquired by him/her in the course of and during his/her tenure and not to use such information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental competent authorities is permitted if:</p> <ul style="list-style-type: none"> <li>(i) pursuant to the law;</li> <li>(ii) the interests of the public require disclosure;</li> <li>(iii) the interests of such directors, supervisors, general managers, deputy general managers or other senior management members so require.</li> </ul>	<p>(13) unless with the informed consent of shareholders given in general meeting, to keep in confidence information in respect of the Company acquired by him/her in the course of and during his/her tenure and not to use such information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental competent authorities is permitted if:</p> <ul style="list-style-type: none"> <li>(i) pursuant to the law;</li> <li>(ii) the interests of the public require disclosure;</li> <li>(iii) the interests of such directors, supervisors, general managers, deputy general managers or other senior management members so require.</li> </ul> <p><b><u>Any gain obtained by the directors, supervisors, general manager, deputy general manager or other senior management personnel from the breach of this article shall belong to the Company. Directors, supervisors, general manager, deputy general manager or other senior management personnel in connection with such violation shall be liable to compensate for any loss suffered by the Company.</u></b></p>
<p><b>Article 134</b> Directors, supervisors, general managers, deputy general managers or other senior management members of the Company shall not cause the following persons or institutions (“associates”) to do what they are prohibited from doing:</p> <p>.....</p>	<p><b>Article 211</b> Directors, supervisors, general managers, deputy general managers or other senior management members of the Company shall not cause the following persons or institutions (“associates”) to do what they are prohibited from doing <b><u>cannot engage in</u></b>:</p> <p>.....</p>
<p><b>Article 137</b> ..... A Director shall not vote on the resolution in relation to any contract, transaction, arrangement or proposal in which he/she has material interest, and shall not be counted towards the quorum of the meeting.</p>	<p><b>Article 214</b> ..... A Director shall not vote on the resolution in relation to any contract, transaction, arrangement or proposal in which he/she <b><u>or any of his/her close associates</u></b> has material interest, and shall not be counted towards the quorum of the meeting.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 141</b> A loan made by the Company in breach of the above provisions shall be forthwith repaid by the recipient of the loan regardless of the terms of the loan.</p>	<p><b>Article 217</b> A loan made by the Company in breach of the above provisions of the <b>preceding paragraph</b> shall be forthwith repaid by the recipient of the loan regardless of the terms of the loan.</p>
<p><b>Article 144</b> In addition to any rights and remedies provided by the laws and administrative regulations, where directors, supervisors, general manager, deputy general managers or other senior management members of the Company are in breach of their duties to the Company, the Company has a right to:</p> <p>.....</p>	<p><b>Article 220</b> In addition to any rights and remedies provided by the laws and administrative regulations, where directors, supervisors, general manager, deputy general managers or other senior management members of the Company are in breach of their duties to the Company, the Company has a right to:</p> <p>.....</p>
Nil	<p><b>Article 223 Directors and senior management personnel shall sign written confirmation opinions on the Company's securities issuance documents and periodic reports.</b></p> <p><b>The supervisory committee shall review the securities issuance documents and periodic reports prepared by the board and put forward written review opinions. Supervisors shall sign written confirmation opinions.</b></p> <p><b>Directors, supervisors and senior management personnel shall ensure that the Company discloses information in a timely and fair manner, and the information disclosed is true, accurate and complete.</b></p> <p><b>In the event that the directors, supervisors and senior management personnel cannot ensure the truthfulness, accuracy and completeness of the content of the Company's securities issuance documents or periodic reports or there exists any objection, they shall express their opinions and state the reason in the written confirmation opinions, and the Company shall disclose the same. Where the Company refuses to disclose, directors, supervisors and senior management personnel may directly apply for disclosure.</b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 15 Financial and Accounting Systems and Profit Distribution</b>	<b>Chapter 14 Financial and Accounting Systems, Profit Distribution and Auditing</b>
Nil	<b>Section I Financial and accounting systems and profit distribution</b>
<p><b>Article 147</b> The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.</p> <p>.....</p>	<p><b>Article 224</b> The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the <u>relevant government authorities of the state</u> finance regulatory department of the State Council.</p> <p>.....</p>
<p><b>Article 148</b> At the end of each accounting year, the Company shall prepare a financial report, which shall be audited by an accounting firm as provided by the laws.</p> <p>The Company's financial reports include the following financial accounting statements and ancillary statements:</p> <ol style="list-style-type: none"> <li>(1) balance sheet;</li> <li>(2) profit and loss account;</li> <li>(3) cash flow statement;</li> <li>(4) profit distribution statement;</li> <li>(5) financial position explanatory statement.</li> </ol>	<p><b>Article 225</b> At the end of each accounting year, the Company shall prepare a financial report, which shall be audited by an accounting firm as provided by the laws.</p> <p><b><u>The financial and accounting reports shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.</u></b></p> <p>The Company's financial reports include the following financial accounting statements and ancillary statements:</p> <ol style="list-style-type: none"> <li>(1) balance sheet;</li> <li>(2) profit and loss account;</li> <li>(3) cash flow statement;</li> <li>(4) profit distribution statement;</li> <li>(5) financial position explanatory statement.</li> </ol>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 153</b> The Company shall publish its financial reports twice every accounting year, that is, the interim financial report shall be published within 60 days after the end of the first six months of each accounting year and the annual financial report shall be published within 120 days after the end of each accounting year.</p>	<p><b>Article 226</b> The Company shall publish its financial reports twice every accounting year, that is, the interim financial report shall be published within 60 days after the end of the first six months of each accounting year and the annual financial report shall be published within 120 days after the end of each accounting year.</p> <p><b><u>The Company shall submit its annual financial and accounting reports to CSRC and the stock exchange(s) within four months from the ending date of each financial year, its interim financial reports to the local office of CSRC and the stock exchange(s) within two months from the ending date of the first six months of each financial year, and its quarterly reports to the local office of CSRC and the stock exchange(s) within one month from the ending dates of the first three and first nine months of each financial year respectively.</u></b></p> <p><b><u>The above-mentioned financial and accounting reports shall be prepared in accordance with the provisions of the relevant laws, administrative regulations, departmental rules and the securities regulatory rules of the place(s) where the Company's shares are listed, and shall be announced in accordance with the relevant provisions of the securities regulatory authorities of the place(s) where the Company's shares are listed.</u></b></p>
<p><b>Article 150</b> .....</p> <p>The Company shall, at least 21 days before the date of the annual general meeting, publish the above mentioned reports or the report of directors together with the Company's financial statements through the website(s) of the stock exchange(s) of the place where the Company's shares are listed and the website of the Company, or shall deliver the same through other means endorsed by the relevant regulatory authorities of the place where the Company's shares are listed or provided in the Articles of Association, or shall send the same to each shareholder of overseas listed foreign shares located in overseas by personal delivery or by prepaid mail and the addresses of the recipients shall be such addresses as shown in the register of members.</p>	<p><b>Article 228</b> .....</p> <p>The Company shall, at least 21 days before the date of the annual general meeting, deliver the above mentioned reports or the report of directors together with the Company's financial statements through the website(s) of the stock exchange(s) of the place where the Company's shares are listed and the website of the Company, or shall deliver the same through other means endorsed by the relevant regulatory authorities of the place where the Company's shares are listed or provided in the Articles of Association, or shall send the same to each shareholder of overseas listed foreign shares <b><u>by means as permitted under the regulatory rules of the place(s) where shares of the Company are listed.</u></b> by personal delivery or by <b><u>In case of</u></b> prepaid mail, and the addresses of the recipients shall be such addresses as shown in the register of members.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Article 151</b> The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.	<b>Article 229</b> The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations, <u>except those also prepared in accordance with either the international accounting standards or those of overseas jurisdiction where the shares of the Company are listed according to the provisions of laws, regulations, departmental rules and the securities regulatory rules of the place(s) where the shares of the Company are listed. In case of any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the notes of the financial statements. When the Company is to distribute its profit after tax of the relevant accounting year, the lower of the profit after tax as shown in the two financial statements shall be adopted.</u>
<b>Article 152</b> Any interim results or financial information published or disclosed by the Company must be prepared and presented in accordance with the PRC accounting standards and regulations.	<b>Article 230</b> Any interim results or financial information published or disclosed by the Company must be prepared and presented in accordance with the PRC accounting standards and regulations, <u>except those also prepared in accordance with either the international accounting standards or those of overseas jurisdiction where the shares of the Company are listed according to the provisions of laws, regulations, departmental rules and the securities regulatory rules of the place(s) where the shares of the Company are listed.</u>
<b>Article 154</b> The Company shall not prepare any account books other than the statutory account.	<b>Article 231</b> The Company shall not prepare any account books other than the statutory account. <u>The assets of the Company shall not be deposited in any account opened in personal capacity.</u>
<b>Article 156</b> When distributing each year's after-tax profits, the Company shall allocate 10% of its after-tax profits to the Company's statutory surplus reserve fund. The Company is not required to make further allocation if the aggregate balance in the statutory surplus reserve has reached more than 50% of the Company's registered capital.  Where the Company's statutory surplus reserve fund is not enough to make up the losses of the Company in the preceding year, the current year's profits shall be applied to offset the losses before being allocated to the statutory surplus reserve fund in accordance with the preceding paragraph.	<b>Article 233</b> When distributing each year's after-tax profits, the Company shall allocate 10% of its after-tax profits to the Company's statutory surplus reserve fund. The Company is not required to make further allocation if the aggregate balance in the statutory surplus reserve has reached more than 50% of the Company's registered capital.  Where the Company's statutory surplus reserve fund is not enough to make up the losses of the Company in the preceding <u>previous</u> year(s), the current year's profits shall be applied to offset the losses before being allocated to the statutory surplus reserve fund in accordance with the preceding paragraph.

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>Subject to the resolution of the general meeting, the Company may set aside funds for the discretionary reserve fund after allocation has been made to the Company's statutory surplus reserve fund from its after-tax profits.</p> <p>If, in violation of the preceding paragraph, the general meeting or the board distributed the Company's profits to the shareholders before the Company has made up its losses and made an allocation to the statutory reserve fund, any profits distributed in violation of the aforementioned provisions shall be returned to the Company.</p>	<p>Subject to the resolution of the general meeting, the Company may set aside funds for the discretionary reserve fund after allocation has been made to the Company's statutory surplus reserve fund from its after-tax profits.</p> <p>If, in violation of the preceding paragraph, the general meeting <del>or the board</del> distributed the Company's profits to the shareholders before the Company has made up its losses and made an allocation to the statutory surplus reserve fund, any profits distributed in violation of the aforementioned provisions shall be returned to the Company <u>by the shareholder(s)</u>.</p> <p><b><u>No profit shall be distributed in respect of the shares in the Company held by itself.</u></b></p>
<p><b>Article 159</b> Dividends shall be distributed in proportion to the shareholdings of the shareholders within 6 months after the end of each accounting year.</p> <p>Unless otherwise resolved in the general meeting, the general meeting may authorise the board to distribute interim dividend or special dividend.</p> <p>No dividends of the Company shall bear interest unless the Company fails to pay the relevant dividends to the shareholders on the dividend payment date.</p> <p>Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to dividend in respect of the amounts already paid which is declared after the payment.</p> <p>Where power is taken to forfeit unclaimed dividends, such power shall not be exercised until six years or more after the date of declaration of the dividend.</p>	<p><b>Article 236</b> Dividends shall be distributed in proportion to the shareholdings of the shareholders within 6 months after the end of each accounting year.</p> <p>Unless otherwise resolved in the general meeting, the general meeting may authorise the board to distribute interim dividend or special dividend.</p> <p>No dividends of the Company shall bear interest unless the Company fails to pay the relevant dividends to the shareholders on the dividend payment date.</p> <p>Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to dividend in respect of the amounts already paid which is declared after the payment.</p> <p>Where power is taken to forfeit unclaimed dividends, such power shall not be exercised until six years or more after the date of declaration of the dividend.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>The Company shall implement a stable, sustained and reasonable profit distribution policy, correctly handles the relationship between the Company's short-term interests and long-term development taking into full consideration of the interests of shareholders, and determines a reasonable profit distribution plan.</u></p> <p><u>The Company shall formulate profit distribution policies in accordance with relevant laws and regulations and the Articles of Association, and shall give priority to the profit distribution method of cash dividends.</u></p> <p><u>The board shall take into full account of various factors such as features of the industries where the Company operates, the stage of development of the Company, its own business model, level of profitability, and whether there is significant capital expenditure arrangement, to distinguish the following situations and put forward a differentiated cash dividend policy in accordance with the procedures as required by these Articles of Association:</u></p> <p class="list-item-l1">(1) <u>if the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when making profit distribution;</u></p> <p class="list-item-l1">(2) <u>if the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when making profit distribution;</u></p> <p class="list-item-l1">(3) <u>if the Company is at the growing stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when making profit distribution.</u></p> <p><u>If it is difficult to distinguish the Company's stage of development but the Company has significant capital expenditure arrangement, the profit distribution can be dealt with with reference to the preceding provisions. The specific stage of the Company at the time of actual profit distribution shall be determined by the board of the Company according to the specific circumstances.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Article 160	<p><u>Article 237 The Company distributes its profits in the form of cash, stocks or a combination of cash and stocks and other methods in accordance with laws and regulations. Profit distribution shall not exceed the amount of cumulative distributable profits and shall not damage the Company's capability to operate on an on-going basis. Provided that profits are recorded in a given year and there are no major investment plans or major cash expenditures, the Company shall give priority to dividend distribution in cash.</u></p> <p><u>In principle, the Company will distribute profits once a year. If conditions permit, the board of directors of the Company may propose to distribute interim dividends according to the Company's then profit scale, cash flow situation, development stage and capital demand.</u></p> <p><u>Except for special circumstances, provided that the Company makes profits in the current year and the accumulated undistributed profits are positive, the Company will give priority to dividend distribution in cash after appropriation in full of statutory reserve and discretionary reserve. When conditions for cash dividends are met, the profit distributed in cash shall not be less than 15% of the distributable profit realised in the current year, and the cumulative profit distributed in cash every three years shall not be less than 45% of the annual average distributable profit realised in the last three years.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>The aforementioned “special circumstances” include the following:</u></p> <p>(1) <u>The Company’s production and operation are significantly affected as a result of force majeure events (such as wars, natural disasters, etc.);</u></p> <p>(2) <u>The net cash flow generated from the current year’s operating activities is negative, and the implementation of cash dividends will affect the subsequent on-going operation of the Company;</u></p> <p>(3) <u>The auditors do not issue a standard unqualified audit report on the Company’s financial report for that year;</u></p> <p>(4) <u>The Company has a major investment plan or other major cash expenditures and other events have occurred (except for the fund-raising projects); (Major investment plan or major cash expenditure refers to: the accumulated expenditure of the Company’s proposed external investment, assets acquisition or equipment purchase within the next 12 months reaches or exceeds 30% of the Company’s latest audited net assets);</u></p> <p>(5) <u>Significant changes have taken place in the external operating environment, which have a significant impact on the Company’s production and operation;</u></p> <p>(6) <u>Other events that have occurred or are expected to occur within the next 12 months will have a significant impact on the Company’s production and operation condition and capital condition;</u></p> <p>(7) <u>The Company’s year-end gearing ratio exceeds 70%.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>When the Company is in good operating condition, and the board of directors believes that the Company's stock price does not match the size of its share capital and the stock dividends are in the interests of all shareholders of the Company as a whole, the stock dividend distribution plan can be proposed provided that the above-mentioned conditions for cash dividends are satisfied. When the Company adopts stock dividends for profit distribution, it should be carried out on the premise of giving shareholders a reasonable cash dividend return and maintaining an appropriate share capital scale, with comprehensive consideration of the actual and reasonable factors such as the growth of the Company and the dilution of net assets per share.</u></p>
<p>The Company may distribute dividends in the following manners:</p> <p>(1) cash;</p> <p>(2) shares.</p>	<p>The Company may distribute dividends in the following manners:</p> <p>(1) cash;</p> <p>(2) shares.</p>
Nil	<p><u>Article 238 The Company's profit distribution plan is formulated by the management and thereafter submitted to the board of directors and the supervisory committee for consideration. The board of directors will have full discussions on the reasonableness of the profit distribution plan, form a special proposal and submit the same to the general meeting for consideration. Where the Company records profits in the previous fiscal year, but the board of directors does not pay cash dividends or distributes profits according to a ratio lower than that stipulated in the Articles, the independent non-executive directors shall express independent opinions, and the Company shall provide online voting channel to facilitate participation by the public shareholders in the voting at the general meeting.</u></p> <p><u>When the Company formulates a specific plan for cash dividends, the board of directors shall conscientiously study and demonstrate the timing, conditions and minimum proportion of cash dividends, adjustment conditions and procedure requirements for decision-making of the Company, and the independent non-executive directors shall express independent opinions. Independent non-executive directors may solicit opinions from the minority shareholders, put forward dividend distribution proposals, and directly submit the same to the board of directors for consideration.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>The profit distribution plan shall be submitted to the general meeting for consideration after being approved by the board of directors and the supervisory committee. Before the specific cash dividend plan is considered at a general meeting, the Company shall actively communicate with the shareholders, especially the minority shareholders, through various channels (including but not limited to telephone, fax, email, on-site reception, etc.), fully heed the opinions and demands of the minority shareholders, and reply to their concerns in a timely manner.</u></p> <p><u>Where the Company does not pay cash dividends due to the special circumstances specified above, the board of directors shall make special explanations on the specific reasons for not paying cash dividends, the exact purpose for the Company's retained earnings and the estimated investment yields, etc. and submit the same to the general meeting for consideration after the independent non-executive directors have expressed their opinions, and disclose it in the media designated by the Company. The Company shall provide the shareholders with online voting methods when the above-mentioned related matters are considered at the general meeting.</u></p> <p><u>The supervisory committee and independent non-executive directors of the Company shall supervise the implementation of the cash dividend policy and distribution plan as well as whether the corresponding decision-making procedures and information disclosure are implemented by the board of directors. If one of the following circumstances is identified in the board of directors, they shall express explicit opinions and urge the board of directors to rectify in time:</u></p> <p class="list-item-l1">(1) <u>Failure to strictly implement the cash dividend policy and distribution plan;</u></p> <p class="list-item-l1">(2) <u>Failure to strictly implement the corresponding decision-making procedures for cash dividends;</u></p> <p class="list-item-l1">(3) <u>Failure to disclose the cash dividend policy and its implementation truly, accurately and completely.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u>Article 239 The Company may adjust its profit distribution policy under the following circumstances:</u></p> <p class="list-item-l1">(1) <u>in case of force majeure such as wars and natural disasters;</u></p> <p class="list-item-l1">(2) <u>in case of new laws, regulations or regulatory documents promulgated by the relevant departments of the state on the profit distribution policies of listed companies;</u></p> <p class="list-item-l1">(3) <u>changes in the Company's external operating environment (such as the adjustment of national policies and regulations) which have a significant impact on the Company's production and operation;</u></p> <p class="list-item-l1">(4) <u>relatively major changes in the Company's operating conditions which give rise to the need to change the profit distribution policy;</u></p> <p class="list-item-l1">(5) <u>it is necessary to adjust the Company's profit distribution policy from the perspective of protecting shareholders' rights or maintaining the normal and sustainable development of the Company.</u></p> <p><u>The board of directors shall make a thematic discussion on the adjustment of the Company's profit distribution policy, demonstrate the reasons for the adjustment in detail, form a written demonstration report, which shall be approved by more than two-thirds of the shareholders at the general meeting holding shares carrying voting rights after the independent non-executive directors and the supervisory committee have expressed their audit opinions. When considering changes to the profit distribution policies, the Company shall provide shareholders with online voting methods. Opinions of the minority shareholders should be fully taken into account when the changes to the profit distribution policies are considered at the general meeting.</u></p>
Nil	<p><u>Article 240 After a resolution is made at the general meeting on the profit distribution plan, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the conclusion of the general meeting.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 161</b> Dividends and other payments payable by the Company to holders of domestic shares shall be denominated and declared in RMB, and payable in RMB within 3 months following the declaration of dividends. Those payable to holders of foreign shares (not listed overseas) and H shares shall be denominated and declared in RMB, and payable in foreign currency within 3 months following the declaration of dividends.</p>	<p><b>Article 241</b> Dividends and other payments payable by the Company to holders of domestic shares shall be denominated and declared <u>in RMB and paid in RMB</u>, and payable in RMB within 3 months following the declaration of dividends. Those payable to holders of <u>overseas listed</u> foreign shares (not listed overseas) and H shares shall be denominated and declared in RMB <u>and paid in foreign currency</u>, and payable in foreign currency within 3 months following the declaration of dividends.</p>
<p>The Company shall pay foreign currency to holders of foreign shares (not listed overseas) and H shares in compliance with the regulations of foreign exchange control of the State.</p>	<p>The Company shall pay foreign currency to holders of <u>overseas listed</u> foreign shares (not listed overseas) and H shares in compliance with the regulations of foreign exchange control of the State.</p>
<p>Unless otherwise stipulated by relevant laws and administrative regulations, when cash dividends and other payments are to be paid in foreign currency, the exchange rate shall be the 5-day average price published by the People's Bank of China for the 5 working days prior to the declaration of payment of such dividends and other payments.</p>	<p>Unless otherwise stipulated by relevant laws and administrative regulations, when cash dividends and other payments are to be paid in foreign currency, the exchange rate shall be the 5-day average price published by the People's Bank of China for the 5 working days prior to the declaration of payment of such dividends and other payments.</p> <p><u>Any amount paid up in advance of calls on any share shall carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 163</b> The Company shall appoint receiving agents by the Company for holders of overseas listed foreign shares to receive on behalf of such shareholders dividends distributed and other payables by the Company.</p> <p>.....</p> <p>The receiving agents appointed by the Company for holders of H shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.</p> <p>.....</p> <p>(2) the Company has published an advertisement on the newspapers upon expiry of the 12 years regarding its intention to sell the shares, and has notified the same to the Hong Kong Stock Exchange.</p>	<p><b>Article 243</b> The Company shall appoint receiving agents by the Company for holders of overseas listed foreign shares to receive on behalf of such shareholders dividends distributed and other payables by the Company, <u>who will hold the dividend in trust pending payment to the relevant shareholders.</u></p> <p>.....</p> <p>The receiving agents appointed by the Company for holders of <u>overseas listed foreign shares</u> H-shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.</p> <p><u>Subject to compliance with the PRC laws, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right shall not be exercised prior to the expiration of the applicable relevant time limit.</u></p> <p>.....</p> <p>(2) the Company has published an advertisement on the <u>one or more</u> newspapers <u>of the place(s) where the shares of the Company are listed</u> upon expiry of the 12 years regarding its intention to sell the shares, and has notified the same to the Hong Kong Stock Exchange.</p>
Nil	<u>Section II Internal audit</u>
Nil	<u>Article 244 The Company shall implement internal audit system with its own audit personnel to conduct internal audit and supervision on the income and expense and economic activities of the Company.</u>
Nil	<u>Article 245 The internal audit system and the duties of the audit personnel of the Company shall be implemented upon approval by the board of directors. Person in charge of the audit shall be accountable and report to the board of directors. The Company's internal audit department is responsible to the audit management committee and reports to the audit management committee.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 16 Appointment of Accounting Firm</b>	<b>Chapter 15 Appointment of Accounting Firm</b>
<b>Article 164</b> The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual financial statements and review the Company's other financial reports.	<b>Article 246</b> The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the <u>PRC laws</u> to audit the Company's annual financial statements and review the Company's other financial reports. <u>to carry out the audit of accounting statements, verification of net assets and other related consulting services.</u>
The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.	The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.
<u>Engagement of an accounting firm shall be decided at the general meeting, and the board of directors shall not appoint an accounting firm prior to the decision of the general meeting.</u>	<u>Engagement of an accounting firm shall be decided at the general meeting, and the board of directors shall not appoint an accounting firm prior to the decision of the general meeting.</u>
If the inaugural meeting fails to exercise its power to appoint the first accounting firm, that power shall be exercised by the board.	If the inaugural meeting fails to exercise its power to appoint the first accounting firm, that power shall be exercised by the board.
<b>Article 166</b> The accounting firm appointed by the Company shall have the following rights: ..... (3) to attend general meetings; to receive notice of meeting which any shareholder is entitled to receive or any information related to the meeting; and to speak in relation to the matters related to its capacity as the accounting firm of the Company at any meeting.	<b>Article 248</b> The accounting firm appointed by the Company shall have the following rights: ..... (3) to attend <u>be present at</u> general meetings; to receive notice of meeting which any shareholder is entitled to receive or any information related to the meeting; and to speak in relation to the matters related to its capacity as the accounting firm of the Company at <u>a</u> any meeting.
Nil	<b>Article 249</b> <u>The Company undertakes to provide the engaged accounting firm with true and complete accounting vouchers, account books, financial statements and other accounting information, and shall not withhold, conceal or misstate any information.</u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 170</b></p> <p>.....</p> <p>Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the accounting firm, reappointment of a retiring accounting firm which was appointed by the board to fill a casual vacancy, or dismissal of the accounting firm before the expiration of its term of office, the following provisions shall apply:</p> <p>.....</p> <p>(2) If the firm leaving its post makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):</p> <ul style="list-style-type: none"> <li>(i) in any notice given to shareholders about a resolution to be made, state the representations that has been made by the accounting firm which is about to leave;</li> <li>(ii) attach a copy of such representation to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.</li> </ul> <p>.....</p>	<p><b>Article 253</b></p> <p>.....</p> <p>Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the accounting firm, reappointment of a retiring accounting firm which was appointed by the board to fill a casual vacancy, or dismissal of the accounting firm before the expiration of its term of office, the following provisions shall apply:</p> <p>.....</p> <p>(2) If the firm leaving its post makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):</p> <ul style="list-style-type: none"> <li>(i) in any notice given to shareholders about a resolution to be made, state the representations that has been made by the accounting firm which is about to leave;</li> <li>(ii) attach a copy of such representation to the notice and <u>deliver serve</u> it to the shareholders <u>who are entitled thereto</u> in the manner stipulated in the Articles of Association.</li> </ul> <p>.....</p>
<p><b>Article 171</b> Prior to the dismissal or the non-renewal of the appointment of an accounting firm, the Company should notify such accounting firm in advance, and such accounting firm shall be entitled to express its opinion at the general meeting. Where the accounting firm resigns of its own accord, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p>	<p><b>Article 254</b> Prior to the dismissal or the non-renewal of the appointment of an accounting firm, the Company should notify such accounting firm <u>15 days</u> in advance, and such accounting firm shall be entitled to express its opinion at the general meeting. Where the accounting firm resigns of its own accord, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Article 171</b> .....	<b>Article 255</b> .....
<p>Where a notice is deposited under the preceding paragraph, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a statement under paragraph 2 of the preceding article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail or by other means specified in this Articles of Association to every holder of H shares at the address registered in the register of members.</p> <p>.....</p>	<p>Where a notice is deposited under the preceding paragraph, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a statement under paragraph 2 of the preceding article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement <u>by means specified in the Articles of Association or</u> by prepaid mail <del>or by other means specified in this Articles of Association</del> to every holder of H shares <u>entitled to the financial condition report of the Company</u> at the address registered in the register of members.</p> <p>.....</p>
<b>Chapter 17 Merger and Split of the Company</b>	<b>Chapter 16 Merger, Split, Dissolution and Liquidation</b>
Nil	<b>Section I Merger and split</b>
<p><b>Article 173</b> The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days of the date of the merger resolution and shall make at least 3 newspaper announcements within 30 days of the date of the merger resolution. Creditors may, within 30 days after receipt of such notice, or within 45 days of the date of the first announcement for those who do not receive notice, to demand that the Company settle their debts or to provide corresponding securities.</p> <p>After the merger of the Company, claims and liabilities of parties to the merger shall be taken over by the company subsisting after the merger or the newly established company.</p>	<p><b>Article 257</b> The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days of the date of the merger resolution and shall make <del>at least 3</del> newspaper announcements within 30 days of the date of the merger resolution. Creditors may, within 30 days after receipt of such notice, or within 45 days of the date of the first announcement for those who do not receive notice, to demand that the Company settle their debts or to provide corresponding securities.</p> <p>After <u>During</u> the merger of the Company, claims and liabilities of parties to the merger shall be taken over by the company subsisting after the merger or the newly established company.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 174</b> When the Company is to be split, its assets shall be split up accordingly.</p> <p>In the event of a split of the Company, the parties to the split shall enter into a split agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days of the date of the split agreement and shall make at least 3 newspaper announcements within 30 days of the date of the split agreement.</p> <p>Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the split, debts incurred by the Company before its split shall be borne jointly and severally by the companies established after the split.</p>	<p><b>Article 258</b> When the Company is to be split, its assets shall be split up accordingly.</p> <p>In the event of a split of the Company, the parties to the split shall enter into a split agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days of the date of the split agreement and shall make <u>at least 3</u> newspaper announcements within 30 days of the date of the split agreement.</p> <p>Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the split, debts incurred by the Company before its split shall be borne jointly and severally by the companies established after the split.</p>
<b>Chapter 18 Dissolution and Liquidation of the Company</b>	<b>Section II Dissolution and liquidation</b>
<p><b>Article 176</b> The Company shall be dissolved and liquidated in accordance with law upon the occurrence of any of the following events:</p> <ol style="list-style-type: none"> <li>(1) a resolution for dissolution is passed by shareholders at a general meeting;</li> <li>(2) dissolution is necessary due to a merger or split of the Company;</li> <li>(3) the Company is legally declared insolvent due to its failure to repay debts due;</li> <li>(4) its business licence is revoked or the Company is ordered to close down or revoked in accordance with the law;</li> <li>(5) the circumstance as stipulated in Article 182 in The Company Law of The Peoples' Republic of China.</li> </ol>	<p><b>Article 260</b> The Company shall be dissolved and liquidated in accordance with law upon the occurrence of any of the following events <u>In any of the following circumstances, the Company shall be dissolved:</u></p> <ol style="list-style-type: none"> <li>(1) a resolution for dissolution is passed by shareholders at a general meeting;</li> <li>(2) dissolution is necessary due to a merger or split of the Company;</li> <li>(3) the Company is legally declared insolvent due to its failure to repay debts due;</li> <li>(4) its business licence is revoked or the Company is ordered to close down or revoked in accordance with the law;</li> <li>(5) <u>where the Company suffers significant hardship in its operation and management, and ongoing existence may incur material damage to the interests of the shareholders, and no solution can be found through other channels, shareholders holding more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company.</u> the circumstance as stipulated in Article 182 in The Company Law of The Peoples' Republic of China.</li> </ol>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 177</b> In the event that the Company is dissolved pursuant to paragraphs (1), (4) and (5) of the preceding article, a liquidation committee shall be established within 15 days, the members of which shall be determined by the general meeting by way of an ordinary resolution. If the Company fails to set up a liquidation committee within the prescribed period, the creditors may apply to the People's Court for appointment of committee members to proceed with the liquidation.</p> <p>In the event the Company is dissolved pursuant to paragraph (3) of the preceding article, the people's court shall, in accordance with the law, order the establishment of the liquidation committee which comprises members from the relevant authorities and professionals to carry out the liquidation process.</p>	<p><b>Article 261</b> In the event that the Company is dissolved pursuant to paragraphs (1), (4) and (5) of <b>Article 260 of the Articles of Association</b> the preceding article, a liquidation committee shall be established within 15 days <u>since the event which triggers dissolution has occurred and begin liquidation. The liquidation committee shall consist of personnel confirmed by the board or the general meeting</u> the members of which shall be determined by the general meeting by way of an ordinary resolution. If the Company fails to set up a liquidation committee within the prescribed period, the creditors may apply to the People's Court for appointment of committee members to proceed with the liquidation.</p> <p>In the event the Company is dissolved pursuant to <u>paragraph (3) of the preceding article of Article 260 of the Articles of Association</u>, the people's court shall, in accordance with the law, order the establishment of the liquidation committee which comprises <u>shareholders of the Company</u>, members from the relevant authorities and professionals to carry out the liquidation process.</p>
<p><b>Article 179</b> The liquidation committee shall notify creditors within 10 days from the date of its establishment and make at least 3 newspaper announcements within 60 days from the date of its establishment. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the first announcement, declare their claims to the liquidation committee. The creditors who failed to declare their claims within the prescribed period shall be deemed to have given up their rights.</p> <p>When declaring their claims, creditors shall explain the relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.</p>	<p><b>Article 263</b> The liquidation committee shall notify creditors within 10 days from the date of its establishment and make <u>at least 3</u> newspaper announcements within 60 days from the date of its establishment. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the first announcement, declare their claims to the liquidation committee. The creditors who failed to declare their claims within the prescribed period shall be deemed to have given up their rights.</p> <p>When declaring <u>their</u> claims, creditors shall explain the relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.</p> <p><b><u>The liquidation committee shall not make any debt settlement to the creditors during the period of declaration of claims.</u></b></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 181</b> After ascertaining the Company's assets and preparing a balance sheet and an inventories of assets, the liquidation committee shall formulate a liquidation plan and submit the same to the general meeting or the People's Court for confirmation.</p> <p>Payment of the liquidation costs shall take priority to other payments and after such payment, the assets of the Company shall be applied in the following order of priority: (i) salaries, social insurance premiums and statutory compensation of the Company's employees; (ii) overdue taxes; (iii) bank loans, corporate debentures and other debts of the Company.</p> <p>The remaining assets of the Company after repayment of the amounts in accordance with the above paragraph shall be distributed to the shareholders of the Company according to the class of shares and the proportion of shareholdings.</p> <p>During the liquidation period, the Company shall not carry out any new business activities.</p>	<p><b>Article 265</b> After ascertaining the Company's assets and preparing a balance sheet and an inventories of assets, the liquidation committee shall formulate a liquidation plan and submit the same to the general meeting or the People's Court for confirmation.</p> <p>Payment of the liquidation costs shall take priority to other payments and after such payment, the assets of the Company shall be applied in the following order of priority: (i) salaries, social insurance premiums and statutory compensation of the Company's employees; (ii) overdue taxes; (iii) bank loans, corporate debentures and other debts of the Company.</p> <p>The remaining assets of the Company after repayment of the amounts in accordance with the above paragraph shall be distributed to the shareholders of the Company according to the class of shares and the proportion of shareholdings.</p> <p>During the liquidation period, <u>the Company shall continue to exist but</u> the Company shall not carry out any new business activities <u>which are irrelevant with the liquidation. The Company's properties shall not be distributed to shareholders before repayments are made in accordance with the foregoing provisions.</u></p>
<p><b>Article 183</b> Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China, these report, statement and books shall be submitted to the general meeting or relevant competent authorities for confirmation.</p>	<p><b>Article 267</b> Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China, these report, statement and books shall be submitted to the general meeting or relevant competent authorities <u>the people's court</u> for confirmation.</p>
Nil	<p><b>Article 268</b> <u>Members of the liquidation committee shall faithfully perform their duties and perform the liquidation obligations according to law.</u></p> <p><u>Members of the liquidation committee shall not abuse their functions and powers to accept bribes or other unlawful income or encroach the Company's properties.</u></p> <p><u>A member of the liquidation group causing any loss to the Company or the creditors due to willful misconduct or material mistake shall be liable for indemnification.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<u><b>Article 269</b></u> <u><b>In the event that the Company is declared insolvent according to law, insolvency liquidation process shall be carried out in accordance with the law on enterprise bankruptcy.</b></u>
<b>Chapter 19 Procedures for Amendment to the Articles of Association</b>	<b>Chapter 17 Amendments to the Articles of Association</b>
<b>Article 184</b> The Company may amend its Articles of Association in accordance with the requirements of law, administrative regulation and the Articles of Association.	<u><b>Article 270</b></u> The Company may amend its Articles of Association in accordance with the requirements of law, administrative regulation and the Articles of Association.
	<p><u><b>The Company shall amend the Articles of Association in any of the following circumstances:</b></u></p> <ul style="list-style-type: none"> <li><u><b>(1) The Company Law or the relevant laws and administrative regulations are amended and the provisions under the Articles of Association are contradictory to those under the amended laws or administrative regulations;</b></u></li> <li><u><b>(2) There is inconsistency with matters as recorded in the Articles of Association when there are changes to the Company's circumstances;</b></u></li> <li><u><b>(3) The general meeting has resolved to amend the Articles of Association.</b></u></li> </ul>
Nil	<u><b>Article 271</b></u> <u><b>The board of directors shall amend the Articles of Association in accordance with the resolution on the amendments passed at the general meeting and the approval opinions of the competent authorities.</b></u>  <u><b>Any amendment to the Articles of Association shall be subject to disclosure if so required by the laws and regulations.</b></u>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 186</b> Modifications to the Articles of Association involving the contents of the Mandatory Provisions shall become effective upon approval by the Ministry of Commerce and the securities regulatory department of the State Council; If there is any change relating to the registered particulars of the Company, application shall be made to the company registration authority for registration of the changes in accordance with law.</p>	<p><b>Article 273 Amendments to the Articles of Association adopted by a resolution of the general meeting shall be submitted to competent authorities for approval if so required.</b> Modifications to the Articles of Association involving the contents of the Mandatory Provisions shall become effective upon approval by the Ministry of Commerce and the securities regulatory department of the State Council <b>company approval department authorised by the State Council and securities regulatory institutions of the State Council</b>; If there is any change relating to the registered particulars of the Company, application shall be made to the company registration authority for registration of the changes <b>shall be handled</b> in accordance with law.</p>
<p><b>Article 187</b> The Company shall act according to the following principles to settle disputes:</p> <p>(1) Whenever any disputes or claims concerning the Company's business based on the rights or obligations provided for in the Articles of Association or in the Company Law or other relevant laws or administrative regulations arise between holders of the overseas listed foreign shares and the Company, holders of the overseas listed foreign shares and the Company's directors, supervisors, general manager, deputy general managers or other senior management members, or holders of the overseas listed foreign shares and holders of domestic shares, such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>.....</p> <p>(3) Unless otherwise provided by laws or administrative regulations, the laws of the People's Republic of China shall apply to the settlement by means of arbitration of disputes or claims referred to in (1).</p> <p>.....</p>	<p><b>Article 274</b> The Company shall act according to the following principles to settle disputes:</p> <p>(1) Whenever any disputes or claims concerning the Company's business based on the rights or obligations provided for in the Articles of Association or in the Company Law or other relevant laws or administrative regulations arise between holders of the overseas listed foreign shares and the Company, holders of the overseas listed foreign shares and the Company's directors, supervisors, general manager, deputy general managers or other senior management members, or holders of the overseas listed foreign shares and holders of domestic shares, such disputes or claims shall be referred by the relevant parties to arbitration.</p> <p>.....</p> <p>(3) Unless otherwise provided by laws or administrative regulations, the laws of the People's Republic of China <b>PRC</b> shall apply to the settlement by means of arbitration of disputes or claims referred to in (1).</p> <p>.....</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Chapter 21 Notice</b></p> <p><b>Article 188</b> Unless otherwise provided for in the Articles of Association, any notice, information, written statements or any document (including but not limited to annual reports, interim reports, notices of meetings, listing documents, circulars and proxy forms) (hereinafter “<b>Corporate Communications</b>”) to be issued by the Company must be sent by personal delivery or by mail to each holder of H shares at his/her registered address; or by means of facsimile, electronic mail, disk or other electronic means; or by publication thereof on the website in accordance with the procedures stipulated below; or by such other means endorsed by the relevant regulatory authorities of the places where the Company’s shares are listed or provided under the Articles of Association.</p> <p>If the Company delivers Corporate Communications to the holders of H shares by publishing the same on the website of the Company, then upon the completion of the following procedures, any holder of H shares who has consented in writing or not objected to the delivery of Corporate Communications in such manner shall be deemed to have accepted the delivery of Corporate Communications by the Company in such manner:</p> <ul style="list-style-type: none"> <li>(1) The Company serves a written notice to each of the holders of H shares, requesting for their consents to the delivery or provision of Corporate Communications by publishing the same on the website of the Company, and</li> <li>(2) The Company has not received any written reply from such holder of H shares indicating their objections thereto, within 28 days of the service of the notice as described in paragraph (1) above (or such period as prescribed by the relevant regulatory authorities from time to time).</li> </ul>	<p><b>Chapter 19 Notice and Announcement</b></p> <p><b>Article 188</b> Unless otherwise provided for in the Articles of Association, any notice, information, written statements or any document (including but not limited to annual reports, interim reports, notices of meetings, listing documents, circulars and proxy forms) (hereinafter “<b>Corporate Communications</b>”) to be issued by the Company must be sent by personal delivery or by mail to each holder of H shares at his/her registered address; or by means of facsimile, electronic mail, disk or other electronic means; or by publication thereof on the website in accordance with the procedures stipulated below; or by such other means endorsed by the relevant regulatory authorities of the places where the Company’s shares are listed or provided under the Articles of Association.</p> <p>If the Company delivers Corporate Communications to the holders of H shares by publishing the same on the website of the Company, then upon the completion of the following procedures, any holder of H shares who has consented in writing or not objected to the delivery of Corporate Communications in such manner shall be deemed to have accepted the delivery of Corporate Communications by the Company in such manner:</p> <ul style="list-style-type: none"> <li>(1) The Company serves a written notice to each of the holders of H shares, requesting for their consents to the delivery or provision of Corporate Communications by publishing the same on the website of the Company, and</li> <li>(2) The Company has not received any written reply from such holder of H shares indicating their objections thereto, within 28 days of the service of the notice as described in paragraph (1) above (or such period as prescribed by the relevant regulatory authorities from time to time).</li> </ul>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p>If any holder of H shares who has been deemed to have accepted the delivery of Corporate Communications by publishing the same on the website of the Company is unable to collect or receive the Corporate Communications so delivered for whatsoever reason, then upon a written request to the Company, such holder may change its choice of the way to receive Corporate Communications and may also receive a hardcopy of Corporate Communications free-of-charge.</p> <p>Notices distributed to holders of domestic shares by the Company shall be dispatched to each holder of domestic shares at his/her registered address by hand or by post or by way of announcement in one or more newspapers designated by the securities regulatory authorities of the State. All holders of domestic shares shall be deemed to have received the notice upon the publication of the announcement.</p> <p>Unless the context of the Articles of Association otherwise requires, an “announcement” to be issued to holders of domestic shares or to be issued within the territory of the PRC in accordance with the applicable regulations and the Articles of Association means the publication of an announcement in the newspapers in the PRC designated or suggested by the local laws, regulations or the relevant securities regulating bodies. An announcement to be issued to holders of overseas listed foreign shares or to be published at the places of the stock exchange where the securities of the Company are listed overseas means the publication of an announcement on the website of the overseas stock exchange on which the shares of the Company are listed (and the Company’s website) and newspapers designated or suggested by the local laws, regulations and the relevant securities regulating bodies of the places of the relevant stock exchange.</p>	<p>If any holder of H shares who has been deemed to have accepted the delivery of Corporate Communications by publishing the same on the website of the Company is unable to collect or receive the Corporate Communications so delivered for whatsoever reason, then upon a written request to the Company, such holder may change its choice of the way to receive Corporate Communications and may also receive a hardcopy of Corporate Communications free-of-charge.</p> <p>Notices distributed to holders of domestic shares by the Company shall be dispatched to each holder of domestic shares at his/her registered address by hand or by post or by way of announcement in one or more newspapers designated by the securities regulatory authorities of the State. All holders of domestic shares shall be deemed to have received the notice upon the publication of the announcement.</p> <p>Unless the context of the Articles of Association otherwise requires, an “announcement” to be issued to holders of domestic shares or to be issued within the territory of the PRC in accordance with the applicable regulations and the Articles of Association means the publication of an announcement in the newspapers in the PRC designated or suggested by the local laws, regulations or the relevant securities regulating bodies. An announcement to be issued to holders of overseas listed foreign shares or to be published at the places of the stock exchange where the securities of the Company are listed overseas means the publication of an announcement on the website of the overseas stock exchange on which the shares of the Company are listed (and the Company’s website) and newspapers designated or suggested by the local laws, regulations and the relevant securities regulating bodies of the places of the relevant stock exchange.</p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p><u>Article 275 Notices, communications or other written materials, documents (including but not limited to annual reports, interim reports, meeting notices, listing documents, circulars and proxy forms) (the “Corporate Communication(s)”) of the Company can be issued in one or more of the following manners:</u></p> <p class="list-item-l1">(1) <u>by personal delivery;</u></p> <p class="list-item-l1">(2) <u>by mail;</u></p> <p class="list-item-l1">(3) <u>by announcement;</u></p> <p class="list-item-l1">(4) <u>by facsimile;</u></p> <p class="list-item-l1">(5) <u>by telegraph;</u></p> <p class="list-item-l1">(6) <u>by e-mail, or other electronic formats or information carriers;</u></p> <p class="list-item-l1">(7) <u>by posting on the website of the Company and the specified website of the stock exchange in accordance with the laws, administrative regulations and the securities regulatory rules of the place(s) where shares of the Company are listed and the stock exchange(s) of the place(s) where shares of the Company are listed;</u></p> <p class="list-item-l1">(8) <u>by any other means approved by the relevant regulatory authorities in the place(s) where the Company’ shares are listed or as prescribed in the Articles of association.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<p><b>Article 189</b> When the notice is delivered by mail, it shall clearly specify the address, prepaid the postages and put the notice into the envelope for posting. The shareholders shall be deemed to have received the notice of the relevant meeting 5 days after the letter containing the notice is posted.</p>	<p><b>Article 189</b> When the notice is delivered by mail, it shall clearly specify the address, prepaid the postages and put the notice into the envelope for posting. The shareholders shall be deemed to have received the notice of the relevant meeting 5 days after the letter containing the notice is posted.</p>
	<p><b>Article 276</b> <u>Save as otherwise stipulated under the Articles of Association, if the notices to the holders of overseas-listed foreign shares are issued by way of announcement, the Company shall on the same day submit an electronic version of such announcement to the Hong Kong Stock Exchange through the electronic publishing system of the Hong Kong Stock Exchange for immediate release on the website of the Hong Kong Stock Exchange in accordance with the requirements of the local listing rules. The announcement shall also be published on the Company's website at the same time. In addition, in case of serving by post, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas listed foreign shares by way of personal delivery or pre-paid mail so as to give the shareholders sufficient notice and time to exercise their rights or take any action in accordance with the terms of the notice.</u></p> <p><u>Subject to relevant laws, regulations, the securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association, holders of overseas listed foreign shares of the Company may choose in writing to receive corporate communication that the Company is required to send to shareholders either by electronic means or by post, and may also elect to receive either the Chinese or English version only, or both the Chinese and English versions. The shareholders may also notify the Company to change their choices as to the manner of receiving and the language versions of the aforesaid information by giving a written notice to the Company in advance within a reasonable period in accordance with applicable procedures.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 277 When a notice dispatched by the Company is made by way of announcement, once announced, it shall be deemed as being received by all relevant parties.</b></u></p> <p><u><b>For matters on which the Company shall make announcement(s) in accordance with the laws, administrative regulations and provisions of the securities regulatory authorities where the Company's shares are listed, or for matters on which the Company's general meeting, board and supervisory committee decide to make announcement(s), the Company shall designate the media and website(s) approved by the securities regulatory authorities where the Company's shares are listed as the media and website(s) for publishing Company announcements and for information disclosure.</b></u></p>
Nil	<p><u><b>Article 278 As for notice sent by personal delivery, receiver shall sign (or stamp) on the receipt of the delivery, and the date of acknowledgement of receipt signed by the addressee shall be deemed as the date of delivery; as for notice sent by mail, the expiration of forty-eight hours after the notice is delivered to the post office shall be deemed as the date of delivery; as for notice of the Company made by announcement, the date on which the announcement is published for the first time shall be deemed as the date of delivery.</b></u></p>
Nil	<p><u><b>Article 281 Where the securities regulatory rules of the place(s) where the Company's shares are listed require the Company to send, mail, distribute, issue, publish, or provide by other means the Company's relevant documents in both English and Chinese versions, if the Company has made appropriate arrangements to determine whether its shareholders wish to receive the English version or the Chinese version only, the Company may, to the extent permitted by laws and regulations and in accordance with applicable laws and regulations, (based on the preference indicated by shareholders) send the English or Chinese version only to relevant shareholders.</b></u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
<b>Chapter 22 Supplementary Provisions</b>	<b>Chapter 20 Supplementary Provisions</b>
Nil	<b>Article 282</b> <u>The Articles of Association is written in Chinese. Should there be any discrepancy among the various versions in different languages, the latest Chinese version filed and registered with the company registration authorities shall prevail.</u>
<b>Article 192</b> Reference to the term “Accounting Firm” herein shall have the same meaning as ascribed to the term “Auditors”.	<b>Article 283</b> Reference to the term “Accounting Firm” herein shall have the same meaning as ascribed to the term “Auditors” <u>under the Listing Rules of the Stock Exchange.</u>
Nil	<b>Article 284</b> <u>Unless otherwise required by the context, the following terms used in the Articles of Association shall have the following meanings:</u> <ol style="list-style-type: none"> <li>(1) <u>“all directors” refers to all members of the board of directors as stipulated in the Articles of Association.</u></li> <li>(2) <u>“all supervisors” refers to all members of the supervisory committee as stipulated in the Articles of Association.</u></li> <li>(3) <u>“other senior management personnel” refers to the deputy general manager, chief officer, secretary to the board, the general counsel and other senior management personnel recognised by the board.</u></li> <li>(4) <u>“Renminbi” refers to the legal currency of the People’s Republic of China.</u></li> <li>(5) <u>“law” refers to the applicable laws, administrative regulations, departmental rules, local regulations, local government rules and government regulatory documents with legal binding force that are in force in the PRC on the effective date of the Articles of Association and are promulgated or modified from time to time. However, when used only with “regulations”, it refers specifically to the legal norms adopted by the National People’s Congress and its Standing Committee.</u></li> </ol>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(6) <u>“regulations” refers to the legal norms formulated by the State Council of the PRC in accordance with the Constitution and laws and promulgated as decree of the State Council.</u></p> <p>(7) <u>“subsidiary” refers to a company that is directly or indirectly controlled by the Company and has legal personality and independently bears civil liability.</u></p> <p>(8) <u>“controlling shareholder” refers to a person who meets one of the following conditions:</u></p> <ol style="list-style-type: none"> <li><u>1. he/she alone or acting in concert with others has the power to elect more than half of the board of directors;</u></li> <li><u>2. he/she alone or acting in concert with others, is entitled to exercise or to control the exercise of more than 30% of the voting rights of the Company;</u></li> <li><u>3. he/she alone or acting in concert with others, holds more than 30% of the outstanding issued shares of the Company;</u></li> <li><u>4. he/she alone or acting in concert with others, in any other manner has de facto control of the Company.</u></li> </ol> <p>(9) <u>“acting in concert” refers to two or more persons who, by way of agreement (whether verbal or written) or other arrangements, enlarge the proportion of the shares in the Company which are under their control or consolidate their control over the Company, so that when exercising the voting rights, the same expression of opinions will be made.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
	<p>(10) <u>“actual controller” refers to a person who is not the Company’s shareholder but can actually control the actions of the Company through investment relationship, agreement or other arrangement. The Company shall objectively and prudently determine the ownership of control according to the shareholding structure, nomination, appointment and removal of directors and senior management personnel and other internal governance conditions.</u></p>
	<p>(11) <u>“related-party relationship” refers to the relationship between the controlling shareholders, actual controller, directors, supervisors, general manager and other senior management personnel of the Company and the enterprise directly or indirectly controlled thereby and any other relationship that may lead to the transfer of any interest of the Company. However, enterprises controlled by the State do not have a related-party relationship with one another simply because they are under the control of the State;</u></p>
	<p>(12) <u>“related party transactions” refers to “related party transactions” defined under the Science and Technology Innovation Board Listing Rules and/or “connected transactions” or “continuing connected transactions” defined under the Listing Rules of the Stock Exchange;</u></p>
	<p>(13) <u>“related parties” refers to “related parties” defined under the Science and Technology Innovation Board Listing Rules and/or “connected persons” defined under the Listing Rules of the Stock Exchange;</u></p>
	<p>(14) <u>“close associates” refers to “close associates” defined under the Listing Rules of the Stock Exchange.</u></p>
<p><b>Article 193</b> References to “above”, “within” and “below” in the Articles of Association are inclusive of the relevant numbers themselves whereas “except” and “outside” are exclusive of the item itself.</p>	<p><b>Article 285</b> <u>Except otherwise stipulated herein, references to “above”, “within”, “below” and “no/not more than” in the Articles of Association are inclusive of the relevant numbers themselves whereas “less than”, “except”, “outside” and “more than” are exclusive of the item itself.</u></p>

## APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before	After
Nil	<p><u><b>Article 286</b> The board shall be responsible for the interpretation of the Articles of Association. The board may formulate detailed rules of the Articles of Association in accordance with the provisions herein. There shall not be discrepancy between the detailed rules and the Articles of Association.</u></p> <p><u>Issues not covered in the Articles of Association shall be dealt with pursuant to the laws, administrative regulations and securities regulatory rules of the place(s) where the Company's shares are listed and in line with the actual circumstances of the Company. In the event of any discrepancy between the Articles of Association and the newly promulgated laws, administrative regulations or securities regulatory rules of the place(s) where the Company's shares are listed, the latter shall prevail.</u></p>
Nil	<p><u><b>Article 287</b> Appendices to the Articles of Association include the Rules of Procedures for General Meetings, the Rules of Procedures for the Board of Directors, and the Rules of Procedures for the Supervisory Committee.</u></p>
Nil	<p><u><b>Article 288</b> The Articles of Association shall take effect upon approval at the general meeting and upon initial public offering of Renminbi ordinary shares (A shares) and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange and shall be filed and registered with the competent market regulation administrations.</u></p>

*Note:* As the proposed amendments involve additions and deletions of articles, references to articles in the Articles of Association shall be re-numbered accordingly. For the cross-referencing by article number in the original Articles of Association, corresponding changes shall be made to the revised Articles of Association.

*The proposed amendments to the Articles of Association as set out in this appendix are prepared in Chinese version, and the English translations are for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**RULES OF PROCEDURES  
FOR THE GENERAL MEETINGS OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

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**APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF  
PROCEDURES FOR THE GENERAL MEETINGS**

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## APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS

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### RULES OF PROCEDURES FOR THE GENERAL MEETINGS OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

#### CHAPTER 1   GENERAL PROVISIONS

##### Article 1

In order to safeguard the legitimate rights and interests of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) and its shareholders, to specify the duties, responsibilities and authority of the general meetings, to ensure the proper, efficient and smooth operation of the general meeting and to ensure the general meeting exercises its functions and powers according to law, the Rules of Procedures for General Meetings of the Company (these “**Rules**”) are formulated according to the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Rules of Procedures for General Meetings of Listed Companies, the Code on Corporate Governance of Listed Companies, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**SEHK Listing Rules**”) and other laws, administrative regulations, regulatory documents and the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

##### Article 2

The Rules shall be applicable to the general meeting of the Company, and shall be binding upon the Company, all shareholders, authorised shareholder proxies, directors, supervisors, general manager(s), deputy general manager(s), president(s), assistant(s) to general manager(s), secretary to the board and other relevant parties who are present at the general meeting.

##### Article 3

The general meeting shall consist of all shareholders and shall exercise the functions and powers as conferred upon by laws and the Articles of Association. No entity or individual may illegally interfere with the shareholders in respect of their own rights.

##### Article 4

The general meeting shall exercise its functions and powers within the scope provided by the Company Law and the Articles of Association.

##### Article 5

The board shall earnestly perform its duties and conscientiously organise general meetings on a timely basis. All directors of the Company shall perform their duties diligently and ensure that the general meeting be convened normally and exercise the functions and powers according to laws.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **CHAPTER 2   FUNCTIONS AND POWERS OF SHAREHOLDERS' GENERAL MEETING**

**Article 6**      The general meeting is the organ of authority of the Company and shall exercise the its functions and powers according to law.

**Article 7**      The general meeting shall exercise the following functions and powers:

- (1) to decide on the Company's business policies and investment plans;
- (2) to elect and replace non-employee representative directors and decide on matters relating to their remuneration;
- (3) to elect and replace non-employee representative supervisors and decide on matters relating to their remuneration;
- (4) to consider and approve the reports of the board;
- (5) to consider and approve the reports of the supervisory committee;
- (6) to consider and approve the Company's proposed annual financial budgets and final budgetary report;
- (7) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (8) to resolve on the increase or reduction of the Company's registered capital;
- (9) to resolve on matters such as merger, split, dissolution and liquidation of the Company and change of company type;
- (10) to resolve the issue of debentures, other marketable securities by the Company and the listing proposal;
- (11) to resolve the appointment, removal and non-reappointment of the accounting firm of the Company;
- (12) to amend the Articles of Association, and to consider and approve the Rules of Procedures for General Meetings, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee;

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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- (13) to consider the motions raised by shareholders holding individually or jointly 3% or more of the total number of voting shares of the Company;
- (14) to consider and approve the guarantee-related matters required to be considered and approved at the general meeting as stipulated in the Articles of Association;
- (15) to consider and approve matters relating to the acquisition and disposal of major assets and asset pledge that exceed 30% of the Company's latest audited total assets of the Company within one year;
- (16) to consider and approve matters relating to the Company's venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loan, external investment and other transactions that exceed 30% of the Company's latest audited net assets within one year;
- (17) to consider and approve matters relating to leasing, renting, entrusted operation, agency operation or joint operation that exceed 30% of the Company's latest audited total assets within one year;
- (18) to consider and approve related party transactions that exceed 1% of the Company's latest audited total assets or market value, and exceed RMB30,000,000 in amount (save for provision of guarantee and acceptance of donated cash assets) and other related party transactions subject to resolution at the general meetings and/or by independent shareholders (if applicable) according to the securities regulatory rules of the place(s) where the shares of the Company are listed;
- (19) to consider and approve matters relating to the change of use of the raised proceeds;
- (20) to consider and approve the equity incentive plan;
- (21) to consider and approve other matters as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed, or the Articles of Association to be resolved at the general meeting and/or by independent shareholders (if applicable).

General meetings may authorise or appoint the board to deal with such matters as authorised or appointed to be dealt with. Matters that shall be decided by the general meeting as stipulated by the laws, regulations and the Articles of Association, must be considered and approved at such a meeting to safeguard the shareholders' right of decision-making for such matters.

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## APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS

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### CHAPTER 3 MEETING SYSTEM OF SHAREHOLDERS' GENERAL MEETING

**Article 8**      General meetings shall include annual general meetings and extraordinary general meetings.

**Article 9**      The annual general meeting shall be held once every year within six months after the conclusion of the previous accounting year.

**Article 10**      Under any of the following circumstances, the board shall convene an extraordinary general meeting within two months:

- (1)      when the number of directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (2)      when the losses of the Company that have not been made up amount to one-third of the total amount of its share capital;
- (3)      when shareholder(s) individually or in aggregate holding 10% or more of the Company's issued shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
- (4)      when deemed necessary by the board;
- (5)      when proposed by the supervisory committee;
- (6)      when more than one-half of all independent non-executive directors of the Company agree with the proposal of holding the meeting;
- (7)      other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the shares of the Company are listed or the Articles of Association.

The number of shares held under item (3) above shall be calculated according to the date of written request by the shareholders.

If the Company is unable to convene a general meeting within the aforesaid time limit, a report shall be submitted to the local branch of the China Securities Regulatory Commission (the “CSRC”) and the stock exchange(s) of the place(s) where the Company's shares are listed, and an announcement shall be made to explain the reason.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **CHAPTER 4   CONVENING OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 11**      General meetings shall be convened by the board according to law, unless otherwise stipulated herein.

**Article 12**      More than one-half of the independent non-executive directors have the right to propose to the board to convene an extraordinary general meeting. When proposing to convene an extraordinary general meeting, independent non-executive directors shall submit the proposal to the board in writing. The board shall, in accordance with provisions of the laws, regulations and the Articles of Association, issue written feedback on whether to convene the extraordinary general meeting within 10 days upon the receipt of such proposal. If the board agrees to convene the extraordinary general meeting, it will issue a notice of the general meeting within five days after the resolution is passed by the board. If the board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make a public announcement thereof.

**Article 13**      The supervisory committee shall be entitled to propose to the board to convene an extraordinary general meeting, and shall put forward its proposal to the board in writing. The board shall, pursuant to the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving such proposal. If the board agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five days after the resolution is passed by the board. In the event of any change to the original proposal set forth in the notice, the consent of the supervisory committee shall be obtained. If the board does not agree to convene the extraordinary general meeting or fails to furnish a written reply within 10 days after receiving such proposal, the board shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the supervisory committee may convene and preside over the meeting on its own.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **Article 14**

The shareholders shall comply with the following procedures when they propose to convene an extraordinary general meeting or a class meeting:

Any shareholder(s) individually or in aggregate holding more than 10% of the Company's shares carrying the right to vote at the meeting proposed to be held may sign one or more written request(s) of identical form and substance requesting the board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The board shall, in accordance with the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting or class meeting within 10 days after receiving such request. The aforesaid number of shares shall be calculated at the market close on the date which the shareholder(s) propose such written request (if it falls on a non-trading date, the trading date immediately prior to the date which the shareholder(s) propose such written request).

If the board agrees to convene an extraordinary general meeting or a class meeting, it shall serve the notice of such meeting within five days after the resolution is passed by the board. Consent of the relevant shareholder(s) shall be obtained in the event of any changes made to the original proposal in the notice.

If the board does not agree to convene an extraordinary general meeting or a class meeting or fails to furnish a written reply within 10 days after receiving such proposal, any shareholder(s) individually or in aggregate holding more than 10% of the Company's shares carrying the right to vote at the meeting proposed to be held is/are entitled to propose to the supervisory committee for convening an extraordinary general meeting or a class meeting and such proposal shall be made in writing.

If the supervisory committee agrees to convene an extraordinary general meeting or a class meeting, it shall serve the notice of such meeting within five days after receiving such proposal. Consent of such shareholder(s) shall be obtained in the event of any changes made to the original proposal in the notice.

If the supervisory committee fails to serve any notice of an extraordinary general meeting or a class meeting within the prescribed period after receiving such proposal, the supervisory committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or in aggregate holding more than 10% of the Company's shares carrying the right to vote at the meeting proposed to be held for more than 90 consecutive days may convene and preside over such a meeting on his or their own accordingly.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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After the notice is issued, the board cannot propose new proposals and cannot change or postpone further the date of the general meeting without obtaining the consent of the proposing shareholders.

**Article 15** Where the supervisory committee or the shareholder(s) decide to convene a general meeting on its or their own, it or they shall notify the board in writing and at the same time file with the local branch of the CSRC where the Company is domiciled and the stock exchanges on which the Company's shares are listed.

Before the announcement of the resolutions of the general meeting is made, the shareholding of the convening shareholder(s) shall not be less than 10%.

Upon service of the notice of the general meeting and the announcement of the resolutions of the general meeting, the supervisory committee or the convening shareholder(s) shall submit the relevant supporting materials to local branch of the CSRC where the Company is domiciled and the stock exchange(s) where the Company's shares are listed.

**Article 16** Where the supervisory committee or the shareholder(s) convene a general meeting on its or their own, the board of directors and the secretary to the board shall provide assistance. The board shall provide the register of members as of the date of the share registration. In the event that the board fails to provide the register of members, the convener may apply to the securities registration and clearing institution or the agency with the relevant notice or announcement on the convening of the general meeting for obtaining the register of members. The register of members obtained by the convener shall not be used for purposes other than convening the general meeting.

Any necessary expenses incurred in connection with the convening and holding of the general meeting by the supervisory committee or the shareholders on its or their own shall be borne by the Company.

### **CHAPTER 5 PROPOSAL AND NOTICE OF SHAREHOLDERS' GENERAL MEETING**

**Article 17** The content of the general meeting proposals shall fall within the scope of power of the general meeting. The subject issues for discussion and the specific matters to be resolved shall be clearly stated therein. The proposals shall comply with the relevant requirements of the laws, administrative regulations and the Articles of Association.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **Article 18**

When the Company convenes a general meeting, the board of directors, the supervisory committee and shareholder(s) individually or in aggregate holding more than 3% of the Company's shares have the right to submit proposals in writing. If the proposing supervisory committee or shareholder(s) object to the convener's decision not to include their proposals to the agenda of the general meeting, they can make a request to convene an extraordinary general meeting pursuant to the requirements stipulated in Chapter 4 of the Rules.

Shareholder(s) individually or in aggregate holding more than 3% of the shares of the Company may submit their provisional proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days after receiving the proposals to notify the content of the provisional proposals, and shall submit such provisional proposals to the general meeting for consideration. Where the issue of supplementary notice of the general meeting fails to meet the relevant requirements of the issue of supplementary notice stipulated by the securities regulatory rules of the place(s) where the Company's shares are listed, the Company shall adjourn the general meeting as appropriate. The content of the provisional proposals shall fall within the scope of power of the general meeting, the subject issues for discussion and the specific matters to be resolved shall be clearly stated therein.

Save as the circumstances provided in the preceding paragraphs, after the issue of the notice of the general meeting by the convener, no changes shall be made to the proposals stated in the notice of the general meeting nor shall new proposals be added.

Proposals not stated in the notice of the general meeting or which do not meet the requirements in Article 17 of the Rules and paragraph 2 of this Article, shall not be voted or resolved at the general meeting.

### **Article 19**

Should the convener decides not to list the proposal for the general meeting into the meeting agenda, the convener shall provide explanations and clarifications at the general meeting, and the contents of the proposal and explanations of the convener, together with the resolution(s) of the general meeting, shall be submitted to the proposing supervisory committee or shareholder(s) following conclusion of the meeting.

### **Article 20**

Subject to compliance with the relevant laws, regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed, the Company shall issue a written notice 20 days prior to the convening of the annual general meeting, and shall issue a written notice 15 days prior to the convening of an extraordinary general meeting, to notify all the shareholders in the share register of the matters to be considered at the meeting and the date and place of the meeting.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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In determining the commencement date and the period, the date of the meeting shall be excluded.

### **Article 21**

Unless otherwise provided in the laws, regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Associations, the notice of a general meeting shall be published through the website(s) of the stock exchange(s) on which the Company's shares are listed and the website of the Company, or sent to the shareholders (whether or not entitled to vote at the meeting), by personal delivery or prepaid airmail to their addresses as shown in the register of shareholders. For the holders of domestic shares, such notice of the general meeting may be issued by way of public notice.

The public notice referred to in the preceding provision shall be published one or more newspapers designated by the CSRC and securities regulatory authorities of the place(s) where the Company's shares are listed. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

For holders of overseas listed foreign shares, subject to the securities regulatory rules of the place(s) where the Company's shares are listed, the notice of a general meeting may also be issued or given in accordance with other means endorsed by the relevant regulatory authorities of the place(s) where the Company's shares are listed or other means as permitted by Chapter 19 of the Articles of Association. Unless in compliance with the SEHK Listing Rules and the Articles of Association, after the publication of such notice, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant general meeting.

Where the Company fails to give the notice of the meeting in due time, resulting that the Company fails to convene the annual general meeting within six months after the end of the previous financial year of the Company for any cause, the Company shall, at first instance, report the same to the stock exchange(s) on which the Company's shares are listed and give its reason and make an announcement.

### **Article 22**

A notice of a general meeting shall comply with the following requirements:

- (1) it shall be in writing;
- (2) it shall specify the place, the date and the time of the meeting;

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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- (3) it shall state the matters to be discussed at the meeting and shall make full disclosure of the contents of each proposal. If it is required to alter matters involved in the resolutions of the previous general meeting, the contents of the proposal shall be complete rather than merely setting out the changed contents. Matters included in “Other Matters” without specific contents shall not be deemed as a proposal, and shall not be voted on at the general meeting;
- (4) provide such information and explanation as are necessary for the shareholders to exercise an informed decision on the proposals before them, including (but not limited to) where a proposal is made to merger, to repurchase shares, to reorganise the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;
- (5) contains a disclosure of the nature and extent, of the material interests, if any, of any director, supervisor, general manager and other member of the senior management in the matter(s) to be discussed and the effect on them in their capacities as shareholders in so far as it is different from the effect on other shareholders of the same class;
- (6) contains the full text of any special resolutions proposed to be adopted at the meeting;
- (7) contains conspicuously a statement that all shareholders are entitled to attend the general meeting and may appoint proxies in writing to attend and vote at the meeting and that proxy need not be a shareholder;
- (8) specifies the time and place for lodging proxy forms for the relevant meeting;
- (9) specifies the record date for shareholders entitled to attend the shareholders’ general meeting, and that interval between record date and the date of the meeting shall comply with the provisions of the relevant stock exchange(s) or regulatory agency(ies) where the Company’s shares are listed; and
- (10) the name and telephone number of the permanent contact person for the conference.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **Article 23**

The notice and/or the supplementary notice of the general meeting shall fully and completely disclose all specific contents of all proposals. If the matters to be discussed require the independent non-executive directors to express their opinions, the opinions and reasons thereof of the independent non-executive directors shall be disclosed at the same time when the notice and/or the supplementary notice of the general meeting is issued or published in the circular or documents to be despatched to shareholders in accordance with the requirements of the stock exchange(s) where the shares of the Company are listed.

In the event that the general meeting adopts online transmission or other means, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting.

### **Article 24**

Where the general meeting proposes to discuss the election of non-employee representative directors and supervisors, the notice of the general meeting shall fully disclose the detailed information of the candidates for non-employee representative directors and supervisors, including at least the following:

- (1) education background, work experience, part-time occupation and other personal particulars;
- (2) whether there is any related party relationship with the Company or its controlling shareholders and the de facto controllers;
- (3) disclosure of the number of shares held in the Company;
- (4) whether he/she has been punished by the CSRC and other relevant departments and disciplined by the stock exchange;
- (5) other requirements of the securities regulatory rules of the place(s) where the shares of the Company are listed.

Except for the cumulative voting system for the elections of directors and supervisors, each candidate for directors and supervisors shall be proposed as an individual proposal.

### **Article 25**

After the notice of general meeting is issued, the general meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the event that the general meeting is to be postponed or cancelled, the convener shall make an announcement at least two (2) working days prior to the original date of general meeting and explain the reasons.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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**Article 26**      The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed thereat.

### **CHAPTER 6 CONVENING OF SHAREHOLDERS' GENERAL MEETING**

**Article 27**      The venue for convening a general meeting shall be the domicile of the Company or the place determined by the convener in the notice of the meeting. General meetings shall be held on-site at the designated place. The Company will also facilitate shareholders' participation in the general meeting through online voting. Shareholders attending the general meeting through the above-mentioned methods shall be deemed to be present at such meeting.

The time and place for convening the on-site general meeting shall be selected for the ease of participation by the shareholders. After the notice of the general meeting is issued, the venue of the on-site meeting of the general meeting shall not be changed without justifiable reasons. If there is a real need for change, the convener shall make an announcement at least 2 business days before the on-site meeting and explain the reasons.

**Article 28**      The board of directors and other conveners shall take necessary measures to ensure proper order at the general meetings. Measures shall be taken to restrain any act which would interfere with or causes nuisance at a general meeting or would infringe the legitimate rights and interests of shareholders, with a report on such act submitted in time to relevant authorities for investigation and treatment.

**Article 29**      All shareholders registered on the record date or their proxies shall be entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his/her behalf. Such proxy may exercise the following rights in accordance with the shareholder's authorisation:

- (1)      have the same right as the shareholder to speak at the meeting;
- (2)      have authority to demand or join in demanding a poll; and
- (3)      have the right to vote by hand or on a poll, but when there are more than one proxy, that proxy may only exercise his/her voting rights on a poll.

**Article 30**      Shareholders may attend the general meeting in person or appoint proxies to attend and vote on their behalf within the scope of authorisation.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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**Article 31**

A natural person shareholder attending the meeting in person shall produce his/her identity card or other valid certificate or proof of his/her identification and stock account card. In the case of attendance by a proxy, the proxy shall produce his/her valid identity document and power of attorney issued by the shareholder.

Legal person shareholders shall be represented by its legal representative or proxy authorised by its legal representative to attend the meeting. In case of attendance by legal representatives, they shall show their identity card and valid proof of their qualification as legal representative. In case of attendance by proxies, such proxies shall show their identity card and a written legal power of attorney duly issued by the legal representative of the legal person shareholder.

**Article 32**

A shareholder shall appoint his/her proxy in writing. Such written proxy shall specify the following:

- (1) the names of the appointer and the proxy;
- (2) the number of shares of the appointer represented by the proxy (if several parties are appointed as proxies, the power of attorney shall indicate the number of shares represented by each proxy);
- (3) whether there are voting rights;
- (4) respective instructions to vote for, against or abstain from voting on each resolution on the agenda of the general meeting;
- (5) whether there are voting rights for provisional proposals that may be included in the agenda of the general meeting, and if so, specific instructions on how the voting rights should be exercised;
- (6) the date of issuance and the effective period of the power of attorney;
- (7) the signature (or seal) of the appointer or his attorney duly authorised in writing, or in the case that the appointer is a legal person shareholder, shall be affixed with its common seal.

The power of attorney should indicate whether the proxy may vote at his/her discretion if no specific instructions have been given by the shareholder.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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**Article 33** Any instrument provided to a shareholder by the board of the Company for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote for or against each resolution dealing with the matters to be resolved at the meeting.

**Article 34** The instrument appointing a proxy shall be deposited, at least 24 hours before the relevant meeting at which the proxy is appointed for voting is held, or 24 hours before the designated voting time, at the Company's residence or at other places designated in the notice for convening the meeting. Where the instrument appointing a proxy is signed by another person authorised by the appointer, the power of attorney or other authorisation documents authorised to be signed shall be notarised. The notarised power of attorney or other authorisation documents and the instrument appointing a proxy shall be kept at the domicile of the Company or at other places designated in the notice of the meeting.

If the appointor is a legal entity, its legal representative or such person as is authorised by resolution of its board of directors or other governing body to act as its representative may attend at any general meeting of the Company as the representative of the appointor.

Where a shareholder is a recognised clearing house (or its nominee(s)) as defined in the Securities and Futures Ordinance of Hong Kong, it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any meeting of any class shareholders provided that if more than one person is authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. Such authorised person shall be entitled to exercise the same rights and power on behalf of the recognised clearing house (or its nominee(s)) which he or they represent as if such person is an individual shareholder of the Company.

**Article 35** A vote given in accordance with the terms of an instrument of proxy shall remain valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the meeting at which the proxy is used.

**Article 36** The Company shall be responsible for preparing the registration book for attending the general meeting, which shall be signed by the attendees. The registration book shall set out such information as the name of the participants (or the attending entity), identity card numbers, residential address, information certifying identity of the shareholders (such as shareholder account number), number of shares held or represented carrying voting rights, names of the appointers (or the appointing entity), etc.

<b>Article 37</b>	The convener and lawyers engaged by the Company shall together verify the validity of qualification of shareholders in accordance with the register of shareholders provided by the securities registration and clearing institution, and shall register the name of shareholders as well as the number of shares carrying voting rights held by them. Attendance registration of the meeting shall end before the chair of the meeting announces the number of shareholders and their proxies present at the meeting and the total number of voting shares held by them.
<b>Article 38</b>	When a general meeting is held, all of the Company's directors, supervisors and secretary to the board shall attend the general meeting, and the general manager, deputy general managers and other senior management personnel shall be present at the meeting.
<b>Article 39</b>	For a general meeting convened by the board of directors, the chairman of the board shall preside over, and act as chairman. Where the chairman is unable to or fails to do so, the vice chairman shall preside over such a meeting; and where the vice chairman is unable to or fails to do so, it shall be presided over by a director jointly elected by more than half of the directors.
	For a general meeting convened by the supervisory committee on its own in accordance with stipulated procedures, it shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors.
	For a general meeting convened by the shareholder(s) in accordance with stipulated procedures, a representative nominated by the convener shall preside over the meeting.
	When a general meeting is held and the chairman of the meeting violates the rules of procedures such that the general meeting cannot proceed, a person may be elected to preside over the meeting by over one half of the attending shareholders with voting rights so as to carry on the general meeting. If the shareholders fail to elect a chairman for whatever reason, the shareholder present at the meeting (including any proxy of such a shareholder) holding the most voting shares shall preside over the meeting.
<b>Article 40</b>	At the annual general meeting, the board and the supervisory committee shall report their work in the previous year to the general meeting. Each independent non-executive director shall also issue a work report.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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**Article 41** Directors, supervisors and senior management shall give explanations and statements on shareholders' enquiries and recommendations at the general meeting, except for matters in relation to commercial secrets of the Company which cannot be made public at the general meeting.

**Article 42** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the on-site meeting and the total voting shares held by them, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights as indicated in the meeting's registration record.

**Article 43** The chairman of the general meeting shall read out the resolution or entrust others to do so after announcing the procedures of the meeting and where necessary, explain the resolutions as required below:

- (1) if the proposer is the board, the chairman of the board or other persons entrusted by the chairman shall give explanations to the resolutions;
- (2) if the proposer is any other than the board, the proposer or its legal representative or a legal and effective proxy shall give explanations to the resolutions.

**Article 44** Unless approved by the chairman of the meeting, each shareholder shall not make more than two speeches and the first shall not exceed five minutes while the second shall not exceed three minutes. When requesting to make a speech, the shareholder shall not interrupt the report of the reporter or the speech of other shareholders.

### **CHAPTER 7 VOTING AND RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETING**

**Article 45** Resolutions of general meeting shall be classified into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **Article 46**

The following matters shall be resolved by an ordinary resolution at a general meeting:

- (1) work reports of the board and the supervisory committee;
- (2) plans formulated by the board for the distribution of profits and for making up losses;
- (3) appointment and removal of the non-employee representative directors and supervisors, their remunerations and methods of payment;
- (4) annual budget reports and final budgetary reports, balance sheets and profit statements and other financial statements of the Company;
- (5) the Company's operating policies and investment plans;
- (6) the annual report of the Company;
- (7) engagement, dismissal or non-reappointment of auditors;
- (8) matters concerning change of use of the raised proceeds;
- (9) matters other than those required by the laws and administrative regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed or by the Articles of Association to be adopted by special resolution.

### **Article 47**

The following matters shall be resolved by a special resolution at a general meeting:

- (1) the increase or reduction of share capital and the issue of any classes of shares, warrants and other similar securities;
- (2) the issue of the debentures of the Company;
- (3) the split, merger, dissolution and liquidation of the Company and change of company type;
- (4) amendments to the Articles of Association;
- (5) the acquisition or disposal of major assets or guarantees within 12 consecutive months reaches or exceeds 30% of the Company's latest audited total assets;
- (6) equity incentive plan;

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## APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS

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(7) any other matters as required by the laws, regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed or the Articles of Association, and any other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

### Article 48

A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

If any shareholder is, under the applicable laws and regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

When significant matters affecting the interests of the minority shareholders are considered at the general meeting, the votes cast by minority investors shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner.

The shares held by the Company have no voting rights, and that part of the shareholding shall not be counted as the total number of shares with voting rights held by shareholders attending the meeting.

The board of the Company, independent non-executive directors, shareholders holding more than 1% of the shares carrying voting rights and other shareholders satisfying the relevant requirements may publicly solicit shareholders' voting rights. The specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited when soliciting shareholders' voting rights. It is forbidden to solicit shareholders' voting rights with compensation or compensation in disguised form. The Company shall not impose a minimum shareholding proportion limit on the solicitation of voting rights.

### Article 49

Where a shareholder has related party relationship to the matter to be resolved at the general meeting, the related shareholder shall abstain from voting thereat and the number of shares carrying voting rights represented by such shareholder shall not be counted into the total number of valid votes. The resolution of the general meeting shall disclose in full the voting results of non-related shareholders (i.e., independent shareholders).

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **Article 50**

Prior to the completion of consideration and voting on the related party transactions, the related shareholders shall apply to the chairman of the meeting for abstention and the chairman shall announce the same to the meeting. Non-related shareholders (including proxies) and supervisors present at the meeting shall have the right to request the chairman of the meeting for the related shareholders to abstain from the voting and explain the reasons. If the related shareholders who are requested to abstain have no objection to the abstention request, they shall not participate in the voting. If the shareholder who is required to abstain considers that he/she is not a related shareholder and does not need to perform abstention procedures, he/she shall explain the reasons to the general meeting, and the members of the board and the supervisory committee present at the meeting shall make a determination according to the provisions of the Articles of Association and other relevant systems. If the shareholder who is required to abstain is determined to be a related shareholder, he/she shall not participate in the voting. In case of the above circumstances, the minutes of the general meeting shall record the same in detail.

A resolution of related party transactions must be approved by more than half of the non-related shareholders holding voting rights present at the general meeting; However, if the related party transaction involves matters required to be approved by a special resolution as stipulated in the Articles of Association, the resolution must be passed by more than two thirds of the non-related shareholders holding voting rights present at the general meeting.

### **Article 51**

The list of candidates for directors and supervisors shall be submitted as proposal for voting at the general meeting.

When voting in respect of the election of directors and supervisors at the general meeting, according to the provisions of the Articles of Association or the resolutions of the general meeting, if the proportion of shares owned by a single shareholder of the Company and its parties acting in concert reaches 30% or above, the Company shall implement a cumulative voting system in electing directors and supervisors.

The cumulative voting system in the preceding paragraph means that when electing directors or supervisors at the general meeting, the number of votes held by each share is equal to the number of directors or supervisors the shareholder is entitled to elect, and the shareholders may either concentrate their votes at the election, or divide their votes among several candidates. The board of directors shall announce to shareholders the biography and the basic information of the candidates for directors and supervisors.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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For the election of directors and supervisors, the cumulative voting system shall be adopted, the procedures of which are as follows:

1. The election of executive directors, non-executive directors, independent non-executive directors and supervisors shall be voted separately.
  - (1) in the election of executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for executive directors of the Company.
  - (2) in the election of non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for non-executive directors of the Company.
  - (3) in the election of independent non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of independent non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for independent non-executive directors of the Company.
  - (4) in the election of supervisors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of supervisors to be elected in that general meeting. That portion of voting rights may only be cast on candidates for supervisors of the Company.
2. The number of votes held by each share is equal to the number of directors or supervisors the shareholder is entitled to elect, and the shareholders may divide their votes equally among each candidates for directors or supervisors, or may concentrate their votes on one or some of the candidate(s), provided that the total number of votes exercised by a shareholder shall not exceed the total number of votes he is entitled to for such category of candidates.
3. The candidates for directors and supervisors shall in the end be determined according to the number of votes and the requirements for directors and supervisors in the Articles of Association.

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## APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS

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4. Before voting for the candidates for directors and supervisors at the general meeting, the chairman of the meeting shall expressly inform the shareholders attending the meeting of the adoption of cumulative voting system for the candidates for directors and supervisors. The board of directors shall prepare ballot tickets that are suitable for cumulative voting system. The secretary to the board shall state and explain the method of cumulative voting system and the approach to filling in the ballot tickets.

**Article 52**

Except for the cumulative voting system, all proposals shall be voted individually at the general meeting. If there are a number of proposals related to the same matter, votes shall be cast in the order of which the proposals are presented. Except where a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the meeting.

**Article 53**

When considering a proposal at the general meeting, no amendment shall be made thereto; otherwise, the relevant change shall be treated as a new proposal which cannot proceed for voting at such general meeting.

**Article 54**

The chairman of the meeting is obliged to request the general meeting to vote by way of (registered) poll for approval of the proposal. Unless the chairman of the meeting, at least two shareholders entitled to vote present in person or by proxy, one or more shareholders present in person or by proxy representing 10% or more of the shares carrying the right to vote at the meeting, demand to vote by way of poll before or after a vote by show of hands, the general meeting shall be voted by show of hands.

The demand for a poll may be withdrawn by the person who makes such demand.

**Article 55**

Shareholders present at the general meeting shall take one of the following stances on the proposal put forward for voting: for, against or abstain; unless the China Securities Depository and Clearing Co., Ltd., as the nominee holder of shares transacted through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, makes declarations according to the intention of the actual holders.

The shareholders shall carefully fill in their ballots as required. Blank, erroneous or illegible ballot papers and uncast ballot papers are deemed as abstained from voting by the voters, and the voting result representing the shares held by such voters shall be counted as “abstention”.

<b>Article 56</b>	A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and the meeting may proceed to discuss other matters, while the result of the poll shall still be deemed to be a resolution of that meeting.
<b>Article 57</b>	The voting right of the same shares shall be exercised only by one of the ways of on-site voting, online voting or other means of voting. In case of repeated voting for the same shares, the result of the first vote shall prevail.
<b>Article 58</b>	On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.
<b>Article 59</b>	Where the numbers of votes cast for and against a resolution are equal, the chairman shall have a casting vote.
<b>Article 60</b>	Before a proposal is voted on at a general meeting, two shareholder representatives shall be elected for counting the votes and scrutinising the poll. Any shareholder who is interested in the matter under consideration and his/her proxies shall not participate in vote counting or scrutinising.
	When the shareholders are voting on the proposals, the votes shall be counted and scrutinised jointly by lawyers, shareholder representatives and supervisor representatives, and the voting results shall be announced on the spot. Voting results on the resolutions shall be recorded in the minutes of the meeting.
	Shareholders of the Company or their proxies who cast their vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.
<b>Article 61</b>	The votes cast by shareholders of the Company and their proxies through online voting shall be added to the on-site votes and votes cast through other valid means, and shall be included in the total votes cast at the general meeting.
	After closure of voting, the outcome of poll shall be only published following the calculation of on-site voting, online voting and other valid voting means for each proposed resolution.
	The end time of on-site general meeting shall not be earlier than that via network or by other means. The convener shall announce the voting status and voting results of each proposal, and announce if each proposal is passed according to the voting results.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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Before the results are officially announced, all related parties such as vote counters, vote scrutinisers and substantial shareholders involved in the on-site general meeting, online or other means of voting are obliged to keep the results confidential.

**Article 62**      The chairman of the general meeting shall be responsible for determining whether the resolution of the shareholders' meeting is passed or not according to the counting results by the counters. The decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.

**Article 63**      If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he/she may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy at the meeting who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted forthwith.

**Article 64**      If the votes are counted at the general meeting, the counting results shall be recorded into the minutes of the meeting. The minutes of the meeting together with the attendance register of the attending shareholders and the proxy forms shall be kept at the domicile of the Company.

The minutes of the meeting shall be recorded by the secretary of the meeting and signed by the chairman and the directors attending the meeting.

**Article 65**      Where the Company convenes the general meeting, it shall engage lawyers to issue legal opinions and make announcements on the following issues:

- (1) whether the convening and holding procedures of the meeting conform to the provisions of laws, administrative regulations and the Articles of Association;
- (2) whether the qualifications of the parties attending the meeting and the convener are legal and valid;
- (3) whether the voting procedures and results of the meeting are legal and valid;
- (4) legal opinions issued on other relevant issues at the request of the Company.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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**Article 66**      Results of resolutions shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of voting shares held by them and the percentage of such shares to the total voting shares of the Company, the means of voting, the voting result for each proposal and the details of each of the resolutions.

**Article 67**      If a proposal is not passed, or if a resolution of the previous general meeting is altered by the present general meeting, a special note shall be made in the resolutions of the general meeting.

**Article 68**      The general meeting shall be furnished with meeting minutes, which shall be kept by the secretary to the board. The minutes of the meeting shall record the following:

- (1) the time, place, agenda and name of the convener of the meeting;
- (2) the name of the chairman of the meeting and the directors, supervisors, general manager and other senior management personnel attending the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of shares carrying voting rights held and the proportion of the total number of shares in the Company;
- (4) the consideration process, gist of the speech and voting results of each proposal;
- (5) shareholders' enquiries or suggestions and the corresponding replies or explanations;
- (6) names of lawyers, vote counters and scrutineers;
- (7) other contents stipulated in the Articles of Association that shall be included in the minutes of the meeting.

The minutes of the meeting shall also include: (1) the number of voting shares held by holders of domestic shares (including their proxies) and holders of overseas listed foreign shares (including their proxies) attending the shareholders' general meeting, and the respective proportion of the total number of shares of the Company; (2) when recording the voting results, the voting results of holders of domestic shares and holders of overseas listed foreign shares on each resolution shall also be recorded.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **Article 69**

The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The directors, supervisors, secretary to the board, convener or their representatives, and the chairman of the meeting shall sign the minutes of the meeting. The meeting minutes, the signed attendance record of the shareholders attending in person and the powers of attorney for attendance by proxy, the valid information relating to the voting via network or by other means shall be kept as company files for at least 10 years.

### **Article 70**

The convener shall ensure the continuity of the general meeting until the final resolution is achieved. If the general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or shall directly terminate the meeting. Meanwhile, the convener shall report to the local branch of the CSRC of the place(s) where the Company is located and the stock exchanges of the place(s) where the shares of the Company are listed.

## **CHAPTER 8 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS**

### **Article 71**

Shareholders holding different classes of shares are referred to as class shareholders. Holders of domestic shares (i.e., A shares) and holders of overseas listed foreign shares (being overseas listed foreign shares issued by the Company and listed on The Stock Exchange of Hong Kong Limited, i.e., H shares) are deemed to be shareholders of different classes to the exclusion of other class shareholders. Rights conferred on any holders of class shares may not be varied or abrogated unless approved by a special resolution at the general meeting and the class meeting shall be convened in accordance with the Articles of Association. Only class shareholders are entitled to attend class meetings. Class meetings comprise holders of domestic shares class meeting and holders of H shares class meeting by virtue of the capacity of attending shareholders.

Class shareholders shall, in accordance with the laws, administrative regulations and the Articles of Association, enjoy rights and assume obligations.

A shareholder who holds domestic shares and H shares of the Company shall vote separately through A share account and H share account held by him/her.

### **Article 72**

Subject to the approval of the CSRC and the relevant securities regulatory authority or stock exchange(s) at the place of listing, holders of domestic shares may transfer their shares to overseas investors, and such shares may be listed and traded at overseas. The listing and trading of the transferred shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such overseas stock exchange. The listing and trading of the transferred shares on an overseas stock exchange do not require for a class meeting for voting to be convened.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **Article 73**

Rights conferred on class shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with provisions of Articles 75 to 79 of the Rules.

If the rights of class shareholders are varied or abrogated due to decisions made by domestic and overseas regulatory agencies in accordance with the law and changes in domestic and overseas laws and regulatory rules of the listing places, approval by a general meeting or class meeting is not required.

### **Article 74**

A resolution involving any of the following circumstance is deemed as a variation or abrogation of rights of holders of class shares and the board of directors shall submit the same to a class meeting for consideration:

- (1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of another class having voting or equity rights or privileges equal or superior to those of the shares of such class (except that subject to the approval of the CSRC and relevant securities regulatory authority or stock exchange(s) at the place of listing, shares held by holders of domestic shares may be transferred to overseas investors, and such transferred shares may be listed and traded at overseas);
- (2) to effect a change of all or part of the shares of such class into shares of another class or to effect a change of all or part of the shares of another class into the shares of such class or the grant of the right to change (except that subject to the approval of the CSRC and relevant securities regulatory authority or stock exchange(s) at the place of listing, shares held by holders of domestic shares may be transferred to overseas investors, and such transferred shares may be listed and traded at overseas);
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
- (4) to reduce or remove preference to dividend or preference to distribution of assets in liquidation attached to shares of such class;
- (5) to add, remove or reduce shares conversion rights, options, voting rights, transfer rights, preference in placings or rights to acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights attached to shares of such class to receive payment payable by the Company in particular currencies;

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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- (7) to create a new class of shares having voting, distribution right or privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or impose additional restrictions;
- (9) to issue rights to subscribe for, or convert into, shares of such class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company where the proposed restructuring will result in different classes of shareholders assuming disproportionate obligations in such restructuring; and
- (12) to vary or abrogate provisions of this chapter of the Rules.

### **Article 75**

The class shareholders who are affected, whether or not otherwise having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of the matters concerning paragraphs (2) to (8), (11) and (12) of Article 74, excepted that interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of “interested shareholder(s)” referred to in the preceding paragraph is:

- (1) in the case of a repurchase of shares by offers to all shareholders in the same proportion or public dealing on a stock exchange in accordance with the provisions of Article 28 of the Article of Association, a controlling shareholder within the meaning of Article 284 of the Articles of Association;
- (2) in the case of a repurchase of shares by a contract outside a stock exchange in accordance with the provisions of Article 28 of the Article of Association, a holder of the shares to which such contract relates; and;
- (3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of other shareholders of that class.

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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<b>Article 76</b>	Resolutions of a class meeting shall be passed by equities representing more than two-thirds of the voting rights of shareholders attending the class meeting and who are entitled to vote at the class meeting in accordance with Article 75 of the Rules.
<b>Article 77</b>	When the Company convenes a class meeting, written notice of the meeting shall be given by reference to Article 20 of the Rules regarding the notice period requirement for convening an extraordinary general meeting, notifying all of the shareholders of the relevant class in the share register of the matters to be considered, the date and the place of the class meeting.
	The quorum for any separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of the Company's shares shall be the holders of at least one-third of the issued shares of the class concerned.
<b>Article 78</b>	Notices of class meetings only need to be served on shareholders entitled to vote thereat.
	Except otherwise stipulated in the Rules, the procedures of class meetings shall, to the extent possible, be identical to the procedures of general meetings. Provisions of the Articles of Association concerning the procedures for the holding of general meetings shall be applicable to class meetings.
<b>Article 79</b>	The special procedures for voting by a class of shareholders shall not apply to the following circumstances:
	<ol style="list-style-type: none"><li>(1) where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once every 12 months, domestic shares or overseas-listed foreign shares and the domestic shares or overseas-listed shares to be issued does not exceed 20% of each of the outstanding shares of that class of shares;</li><li>(2) where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is completed within 15 months from the date of approval of the CSRC or then relevant competent authorities;</li><li>(3) shares held by domestic shareholders may be transferred to overseas investors, and such transferred shares may be listed and traded at overseas if approved by the CSRC and the relevant securities regulatory authority or stock exchange(s) at the place of listing.</li></ol>

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## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

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### **CHAPTER 9   IMPLEMENTATION OF RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETING**

**Article 80**      Where proposals in relation to the election of non-employee representative directors and supervisors are passed at the general meetings, unless otherwise specifically stipulated in the resolution reached at the general meeting, the newly elected directors and supervisors shall assume office immediately after the conclusion of the meeting.

**Article 81**      Where a proposal regarding cash dividends, bonus shares issue or transfer of surplus reserve into share capital is adopted at the general meeting, the Company shall implement the specific plans within 2 months after the conclusion of the shareholders' meeting.

**Article 82**      The contents of a resolution passed at a general meeting in violation of the laws and administrative regulations shall be invalid.

Where the convening procedures and voting methods of the general meeting violate the laws, administrative regulations or the Articles of Association, or the contents of the resolution(s) violate the Articles of Association, shareholders shall have the right to request the people's court to rescind such resolution(s) within 60 days from the date of such resolution(s).

### **CHAPTER 10   POST-MEETING MATTERS AND ANNOUNCEMENT**

**Article 83**      After the meeting, the secretary to the board shall be responsible for reporting meeting minutes, resolutions and other relevant materials to the relevant regulatory authorities in accordance with the relevant laws and regulations and the provisions of the CSRC and the stock exchange(s) of the place(s) where the shares of the Company are listed, and for publishing announcement(s) in the designated media.

**Article 84**      The announcement of the resolution of the general meeting shall be published on the prescribed information disclosure website and the Company's website.

**Article 85**      The secretary to the board shall be responsible for keeping written materials, including the register of the attendees of the meeting, the proxy forms, statistical information relating to the voting, the meeting minutes, and announcement of resolutions passed at the general meeting.

## **APPENDIX VII      PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETINGS**

## CHAPTER 11 SUPPLEMENTARY PROVISIONS

<b>Article 86</b>	In case of any matters not covered in the Rules or any conflict occurs between the Rules and the provisions of the laws, administrative regulations, other relevant regulatory documents, securities regulatory rules of the place(s) where the Company's shares are listed promulgated from time to time and the Articles of Association, such provisions shall prevail.
<b>Article 87</b>	Unless otherwise specified, terms used herein shall have the same meaning ascribed thereto under the Articles of Association.
<b>Article 88</b>	The Rules are attached as an appendix to the Articles of Association, and shall come into effect upon approval at the general meeting and completion of initial public offering of A shares by the Company and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange.
<b>Article 89</b>	Any amendment to the Rules shall be proposed by the board in form of an amendment proposal, and shall come into effect upon approval of the general meeting.
<b>Article 90</b>	The Rules shall be interpreted by the board of the Company.

*The Rules of Procedures for the General Meetings applicable after the issue of A shares as set out in this appendix are prepared in Chinese version, and the English translations are for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

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**RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.****CHAPTER 1 GENERAL PROVISIONS****Article 1**

In order to ensure the board of directors of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) perform its duties authorised by all its shareholders, initiate constructive discussions, make decisions on a scientific, prompt and prudent basis and regulate the operational procedures of the board, the Rules of Procedures for the Board of Directors of the Company are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Opinion on the Further Promotion of the Standardised Operation and In-depth Reform of Companies Listed Overseas, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, the Model Rules of Procedures of the Board of Directors of Listed Companies of Shanghai Stock Exchange and other relevant laws, administrative regulations as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

**CHAPTER 2 COMPOSITION OF AND ORGANISATIONS UNDER THE BOARD****Article 2**

The Company shall establish a board. The board shall compose of 7 to 13 directors, including one chairman and one vice chairman. Independent non-executive directors shall represent at least one-third of the board and shall be not less than three in number, including at least one finance or accounting professional.

Chairman and vice chairman shall be elected with approval of more than half of all the directors.

The board shall appoint one or more directors to serve as executive director(s) to deal with matters authorised by the board.

The board shall establish a board office, which shall handle the daily affairs of the board.

The secretary to the board or securities representative shall concurrently act as the head of board office and maintain the seals of the board and the board office.

**Article 3**

The board shall establish special committees such as the strategy committee, the audit committee, the nomination committee, the remuneration committee and the risk control committee, which shall research into special matters and raise advice and recommendations for the board's decision-making.

All of the special committees' members shall be directors. Independent non-executive directors shall constitute the majority and act as conveners of the audit committee, nomination committee and remuneration committee. The convener of the audit committee shall be a professional accountant, and there shall be at least one independent non-executive director in the risk control committee. The board may establish other committees and adjust existing committees as necessary.

Each special committee may engage intermediaries to provide independent professional advice, and the relevant expenses shall be borne by the Company.

**Article 4**

The board of directors shall separately formulate the respective terms of reference of the special committees of the board regarding the special committee's composition, duties and rules of procedures. The terms of reference shall take effect upon approval by the board.

**CHAPTER 3 FUNCTIONS AND POWERS AND AUTHORISATION OF THE BOARD****Article 5**

The board is responsible to the general meeting and exercises the following powers:

- (1) to be responsible for convening general meetings and to report on its works to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans, investment plans and annual financing plans;
- (4) to draw up the Company's proposed annual financial budgets and final budgetary reports;
- (5) to draw up the Company's profit distribution plan and plan for making up losses;
- (6) to draw up proposals for increases or reductions of the Company's registered capital and the issue of debentures or other securities and listing plan;

- (7) to draw up plans for the material acquisitions, repurchase of its shares or merger, split, reorganisation and dissolution of the Company and change of company type;
- (8) to decide on the appointment or removal of the Company's general manager and secretary to the board, to appoint or remove the other senior management based on the nominations by the general manager, and to determine the matters relating to the remuneration, incentives and punishments of the abovementioned senior management;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to decide on the establishment of the special committees of the board and consider and approve the proposals put forward by the special committees of the board;
- (11) to draw up the Company's basic management system;
- (12) to draw up proposals for any modifications to the Articles of Association, the Rules of Procedures for General Meetings and the Rules of Procedure for the Board of Directors;
- (13) within the scope as authorised by the general meeting, to decide on matters relating to investment, financing and borrowing and to decide on the investment, acquisition and disposal of assets, asset pledge, external guarantee, entrusted wealth management, entrusted loans, related party transactions and other matters; as well as to authorise the general manager to exercise its right under certain circumstances pursuant to this provision;
- (14) to propose to the general meeting to engage, dismiss or not to reappoint the auditors of the Company;
- (15) to listen to the work report of the Company's general manager and inspect the work of the general manager and other senior management personnel;
- (16) to formulate the Company's equity incentive plan;
- (17) to manage information disclosure of the Company;

- (18) to decide on other major affairs and administrative matters of the Company subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association, save for matters to be resolved at general meetings as required by relevant laws, regulations and the Articles of Association;
- (19) other powers and functions conferred by the Articles of Association or the general meetings.

Except the resolutions of the board in respect of the matters specified in paragraphs (6), (7) and (12) above which shall be passed by more than two-thirds of the directors, and the guarantee-related matters within the scope of authority of the board shall be approved by more than half of all directors and two-thirds of the directors present at the board meeting, the resolutions of the board in respect of all other matters may be passed by more than half of the directors.

If the matter of authority to be exercised by the board of directors above or any transaction or arrangement of the Company shall be subject to review by the general meeting according to the securities regulatory rules of the place(s) where the Company's shares are listed or go beyond the scope as authorised by the general meeting, such matters shall be submitted to the general meeting for consideration. The board shall act in strict accordance with the authorisation of the general meeting and the Articles of Association and shall not reach resolutions that go beyond such scope of authorisation.

Under necessary, reasonable and legal circumstances, the board shall authorise the chairman of the board and his/her authorised persons to decide on specific matters which cannot or are not necessary to be decided by the board in relation to the matters to be resolved.

With the authorisation of the board, the chairman of the board may exercise certain powers of the board when the board meeting is not in session. The scope authorised by the board shall be clear and specific.

The board shall take into account the advice of the Party organisation before making any major decision in relation to the directions of reform and development, major goals and tasks and key work arrangements for the Company. When the board appoints any management personnel of the Company, the Party organisation shall be entitled to consider and provide advice on the candidates proposed by the board or the general manager, or recommend to the board or the general manager of any candidate.

**Article 6**

The board shall not, without prior approval of shareholders in a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any disposal of fixed assets that has been completed in the 4 months immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets as stated in the latest balance sheet presented to the general meeting.

For the purpose of this Article, “disposal of fixed assets” includes an act involving the transfer of an interest in assets but does not include the provision of fixed assets by way of security.

The validity of a disposal of fixed assets by the Company shall not be affected by the breach of the first paragraph of this Article.

**Article 7**

The term of authorisation to the board by the general meeting shall be limited to the term of office of the board. After the board is re-elected, the general meeting shall pass a new resolution on the scope of authorisation to the new session of the board. The original authorisation shall remain valid until the general meeting has passed a new resolution on the scope of authorisation.

**Article 8**

The board shall explain at the general meeting any non-standard audit opinions issued by the certified public accountants on the Company’s financial statements.

**Article 9**

The necessary conditions for the board to perform its duties are as follows:

The general manager shall provide all directors with necessary information and materials so that the board can make scientific, prompt and prudent decisions. Newly appointed directors shall be properly briefed on company affairs.

Any director may request the general manager or the relevant departments of the Company through the general manager to provide the information and explanations required to make scientific, prompt and prudent decisions. The Company must pay special attention to the fact that if independent non-executive directors have any enquiries, the Company shall take steps to make responses thereto responsively and thoroughly.

Where the independent non-executive directors deem necessary, they may engage independent agencies to issue independent opinions as the basis for their decision-making. The arrangement for engagement of independent agencies shall be made by the Company, and the relevant expenses shall be borne by the Company.

**Article 10**

In order to ensure and improve the stability and efficiency of the Company's daily operation, the board shall, in accordance with the provisions of the Articles of Association and the authorisation of the general meeting, explicitly and restrictedly delegate to the executive directors and the general manager the functions and power to decide on the investment plans, asset disposal, formulation of the Company's financial strategy and to decide on the establishment of organisations.

**Article 11**

According to the Articles of Association and the authorisation of the general meeting, the board shall determine the following matters of the Company (including its subsidiaries):

- (1) acquisition and disposal of assets and asset pledge accounting for less than 30% of the Company's latest audited total assets;
- (2) venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loan, external investment and other transactions accounting for less than 30% of the Company's latest audited net assets;
- (3) matters such as lease, rent, entrusted operation, agency operation or joint operation of property, accounting for less than 30% of the Company's latest audited total assets;
- (4) related party transactions accounting for less than 1% of the Company's latest audited total assets and market value, or less than RMB30,000,000 in amount (save for provision of guarantees and acceptance of donated cash assets, the same hereinafter) and other related party transactions subject to resolution at the board meetings according to the securities regulatory rules of the place(s) where the shares of the Company are listed. For related party transactions that may be exempted from or waived for consideration and disclosure in the form of related party transactions according to relevant provisions of laws, regulations, departmental rules and the securities regulatory rules of the place(s) where the Company's shares are listed, the Company may be exempted or apply for waiver for consideration and disclosure in the form of related party transactions according to relevant provisions;

- (5) to determine the Company's external guarantees beyond the scope of consideration by the general meeting as stipulated in the Articles of Association;
- (6) to consider other matters as required by the laws, regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association to be decided by the board.

The board shall authorise the general manager to exercise the following powers within the above scope of authority:

- (1) to decide on acquisition, disposal and pledge of assets with a single amount accounting for less than 5% of the Company's latest audited total assets;
- (2) to decide on matters such as external investment, venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loan, etc. with a single amount accounting for less than 5% of the Company's latest audited net assets;
- (3) to decide on matters such as property lease, rent, entrusted operation, agency operation or joint operation of property with a single amount accounting for less than 5% of the Company's latest audited total assets;
- (4) to decide on transactions with related natural persons with an amount less than RMB300,000 (save for provision of guarantees); transactions with related legal persons with an amount accounting for less than 0.1% of the Company's latest audited total assets and market value or less than RMB3,000,000 in amount (save for provision of guarantees) and related party transactions that may be determined by the general manager of the Company according to the securities regulatory rules of the place(s) where the Company's shares are listed, the Company's Management Policy for Related Party Transactions and its detailed management rules;
- (5) other functions and powers stipulated in laws, regulations, regulatory documents, securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association and granted by the board of directors.

**Article 12**

For any of the above-mentioned matters, if the aforesaid different relevant standards shall be determined by more than two examination and approval agencies at the same time, it shall be submitted to most superior examination and approval authority for approval. Major investment projects required to be submitted to a general meeting for approval shall be reviewed by the relevant experts and professionals.

In the event that the above-mentioned matters constitute related party transactions and/or disclosable transactions according to the securities regulatory rules of the place(s) where the shares of the Company are listed, such matters shall be handled according to the relevant provisions.

**Article 13**

The chairman shall exercise the following duties and powers:

- (1) to preside at the general meetings, and to convene, preside the meetings of the board;
- (2) to urge, supervise and check the implementations of the board resolutions;
- (3) to urge, supervise and check work of special committees;
- (4) to listen to the regular or irregular work reports of the Company's general manager and other senior management personnel, and to provide guidance on the implementation of the resolutions of the board of directors;
- (5) in case of force majeure, major crisis or material impact on production and operation, and in case of an emergency where a board meeting cannot be held in time, exercise the special rights to deal with the Company's affairs in accordance with the law and in the interest of the Company, and report to the board of directors and the general meeting afterwards;
- (6) to nominate the secretary to the board of directors of the Company;
- (7) to sign the shares, corporate bonds and other securities of the Company;
- (8) to sign important documents of the board of directors and sign important legally binding documents on behalf of the Company;

- (9) to organise the formulation of various rules and regulations for the operation of the board of directors and coordinate the work of the board of directors;
- (10) to approve the plan for the use of the working funds of the board of directors of the Company;
- (11) to exercise other functions and powers that shall be exercised by the chairman and granted by the board of directors in accordance with the relevant laws, administrative regulations and rules;
- (12) other functions and powers as authorised by laws, regulations and the Articles of Association.

The vice chairman shall assist the chairman in performing his/her duties. Where the chairman is unable to or fails to perform his/her duties, the vice chairman may perform such duties on behalf of the chairman. Where the vice chairman is unable to or fails to perform his duties, a majority of the directors may jointly elect a director to perform his/her duties.

#### **CHAPTER 4 RULES OF THE BOARD MEETINGS**

##### **Article 14**

Board meetings include regular meetings and extraordinary meetings based on the certainty of convening the board meeting. Regular meetings of the board shall be held at least four times every year and shall be convened by the chairman.

##### **Article 15**

Regular board meetings include:

- (1) Board meeting regarding annual results:

A meeting shall be convened within 90 days after the end of financial year mainly to consider and approve the annual reports and handle other related matters. The timing of convening the annual board meeting shall ensure that the annual report of the Company will be despatched to the shareholders within the time limit prescribed by the relevant regulations and the Articles of Association, that the preliminary annual financial results will be announced within the time limit prescribed by the relevant regulations, and that the annual general meeting will be convened within 180 days from the end of the financial year of the Company.

(2) Board meeting regarding interim results:

A meeting shall be convened within 60 days after the end of the first six months of the financial year of the Company, mainly to consider and approve the interim reports of the Company and handle other related matters.

(3) Board meeting regarding quarterly results:

A meeting shall be convened within 30 days after the end of the first and third quarter of the financial year of the Company, mainly to consider the quarterly results of the Company and handle other related matters.

**Article 16**

The chairman shall convene and preside over an extraordinary board meeting within ten days after receiving the proposal under the following circumstances:

- (1) when the Chairman deems necessary;
- (2) when jointly proposed by more than one-third of the directors;
- (3) in case of urgency, upon the proposal of three directors;
- (4) when proposed jointly by more than one half of the independent non-executive directors;
- (5) when proposed by the supervisory committee;
- (6) when proposed by shareholder representing more than 1/10 of the voting shares individually and in aggregate;
- (7) when proposed by the general manager;
- (8) other circumstances as stipulated under the laws, administrative regulations, regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association.

**Article 17**

Meetings of the board of directors may be convened on-site, through circulation of written proposals, teleconference, videoconference, facsimile, e-mail or similar communication channels, and may also be held on site in parallel with other methods.

Where board meetings are held by way of teleconference meeting or similar communication channels, so long as the attending directors can hear clearly and communicate with each other, all attending directors are deemed as if they have attended in the meeting in person, in which case voice and/or video recording shall be made as necessary. An oral poll may be adopted for any proposed resolution unable to be signed at the meeting by directors, provided that the directors shall complete the execution thereto as soon as practicable. The oral poll of directors shall have the same force and effect as signatures by hand, provided that the ex-post signatures by hand shall be in accordance with the oral poll made at the meeting.

Where a board meeting is convened off-site, the number of directors attending the meeting shall be calculated based on the number of the directors present by video, the number of the directors expressing their opinions during conference calls, the number of valid votes casted by means of fax, email or otherwise received within the prescribed period, or the number of post-meeting written confirmations submitted by the directors confirming their attendance.

**CHAPTER 5 PROCEEDING OF THE BOARD MEETINGS****Article 18****Putting forward Proposals**

The proposals to be put forward at board meetings shall mainly be based on the following circumstances:

- (1) matters proposed by the directors;
- (2) matters proposed by the supervisory committee;
- (3) proposals from the special committees of the board;
- (4) matters proposed by the general manager.

**Article 19****Collecting Proposals**

The secretary to the board shall be responsible for collecting draft of the matters to be considered at the meeting. Each proposer who puts forward the relevant resolution(s) shall submit the resolutions and the relevant explanatory materials to the secretary to the board before the convening of such meeting. Resolutions concerning material related party transactions (as determined in accordance with the standards promulgated from time to time by competent regulatory authorities and the stock exchanges of the place(s) where the shares of the Company are listed) which are required to be reviewed by the board or the general meeting in compliance with law shall first be approved by the independent non-executive directors. After the secretary to the board has arranged the relevant materials, he/she shall submit a preliminary draft of the meeting proposals which set out the time, venue and agenda of the meeting to the chairman of the board for finalisation.

Before finalising such resolutions, the chairman of the board shall solicit comments from the general manager and other senior management personnel as needed.

**Article 20****Convening and Chairing of the Meeting**

The board meetings shall be convened and chaired by the chairman of the board. If the chairman of the board is unable or fails to perform his/her duties, the meeting shall be convened and chaired by the vice-chairman of the board. If the vice-chairman of the board is unable or fails to perform his/her duties, the meeting shall be convened and chaired by a director jointly elected by more than half of the directors. The notice of meeting shall be signed and issued by the convener of meeting.

**Article 21****Meeting notice**

- (1) Written notice of the regular or extraordinary meeting of the board of directors shall be served to all the directors and supervisors by hand, e-mail, facsimile and through other means as permitted under the securities regulatory rules of the place(s) where shares of the Company are listed 14 days and 3 days prior to the regular meeting and extraordinary meeting, respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

In case of emergency, where an extraordinary meeting is required to be convened as soon as possible, the notice of such meeting may be issued by phone or other oral methods at any time, provided that the convener of the meeting shall provide explanations at the meeting and record the same in the meeting minutes.

(2) The notice of the meeting generally shall contain the following:

1. the time and venue of the meeting;
2. duration of the meeting;
3. the means of convening the meeting;
4. matters to be reviewed and considered (i.e. meeting proposals);
5. the convener and chairman of the meeting, the proposer of the extraordinary meeting and his/her written proposals;
6. meeting materials necessary for the directors to vote; including the relevant background materials of the subject matters, and information and data which helpful for the directors to understand the business progress of the Company;
7. the requirement that directors should attend the meeting in person or may appoint other directors to attend the meeting on their behalf;
8. contact person and his/her contact information;
9. issue date of the notice;
10. other contents stipulated by laws and regulations and the securities regulatory rules of the place(s) where the Company's shares are listed.

An oral notice of a meeting shall include at least the information set out in items 1, 2 and 3 above, as well as the explanations for the urgency to convene an extraordinary board meeting as soon as possible.

(3) The notice of the board meeting shall be served in accordance with the following requirements or means:

1. if there is a need to change matters such as the time and venue or add, change and cancel the proposals of a regular board meeting after despatching the written notice of the meeting, a written notice of the change shall be despatched three days before the original date of the meeting to explain the situation and content of the new proposals with relevant materials. If the written notice is despatched less than three days before the original date of the meeting, the meeting shall be postponed accordingly, or held as scheduled after obtaining the consent of all directors attending the meeting.
2. if there is a need to change matters such as the time and venue or add, change and cancel the proposals of an extraordinary board meeting after despatching the notice of the meeting, prior consent of all directors attending the meeting shall be obtained and relevant records shall be well documented.
3. the notice shall be in Chinese and, if necessary, an English version of the same shall be enclosed thereto and the notice shall include agenda of the meeting. Any director may waive the right to receive notice of the board meeting.
4. the meeting notice shall be deemed to have been delivered to such director if he/she presents at the meeting and does not raise the issue of the non-receipt of such notice prior to, or at, his/her arrival at the meeting.

**Article 22****Pre-meeting communication**

After the notice of the meeting has been despatched and before the meeting is convened, the secretary to the board shall be responsible for or shall organise and arrange the communication and liaison with all directors, especially the external directors, obtain the opinions or suggestions of directors on the relevant proposals, and timely convey the opinions or suggestions to the proposer of the proposals so as to improve the relevant proposals put forward by them. The secretary to the board shall also arrange in a timely manner to supplementary information necessary for the directors to make corresponding decisions on the contents of the proposal, including relevant background materials on the topics of the meeting and other information that is helpful for the directors to make scientific, prompt and prudent decisions.

When more than one-half of directors or more than two independent non-executive directors consider that the information are not sufficient or the grounds are not explicit, they may jointly propose to postpone the meeting or delay the discussion of certain matters to be considered in the board meeting, and the board shall adopt the relevant proposal. Unless such request is made directly at the board meeting, the secretary to the board shall, upon receiving such proposal jointly proposed in written by directors to postpone the board meeting or delay the discussion of certain matters to be considered in the board meeting, dispatch a notice to the directors, supervisors and participants in a timely manner.

**Article 23****Attendance at the meeting**

Board meetings shall be held only if more than half of the directors are present. If the quorum of the meeting cannot be met as a result of any director's refusal to attend or absence without reasons, the chairman and the secretary to the board shall report to the regulatory authorities in a timely manner.

A director should attend board meetings in person. A director who is unable to attend the meeting due to certain reasons shall review the meeting materials and furnish clear opinions in advance, and appoint in writing other director to attend the meeting on his/her behalf.

The power of attorney shall set out:

1. the name of the appointer and proxy, and the matters for appointment;
2. brief opinions of the appointer on each proposal;
3. appointer's scope of authorisation and instructions on the voting intent on the proposals;
4. signature of the appointer, date, etc.

The director who appoints another director to sign a written confirmation on regular report on his behalf shall specify such authorisation in the power of attorney.

The appointed director shall submit the written power of attorney to the chairman of the meeting and explain the situation of attendance on behalf of others on the attendance list of the meeting.

When considering a related party transaction, non-related directors shall not appoint a related director to attend the meeting. Related directors shall not accept such appointment.

The independent non-executive director shall not appoint other directors other than independent non-executive directors to attend the meeting on his/her behalf and a director other than independent non-executive director shall not accept such appointment.

Directors shall not grant full authorisation to and appoint other directors to attend the meeting without explaining their personal views and voting intent on the proposal and such other directors shall not accept such authorisation and appointment.

A director shall not accept appointment by more than two directors, and shall not appoint any director who has already accepted the appointment of two other directors.

An independent non-executive director failing to attend the board meetings in person for three times in succession, or other director failing to attend the board meetings either in person or by proxy for two times in succession, shall be deemed as incapable of performing the duties, and the board shall propose to the general meeting to have such director replaced.

Supervisors may be present at the board meetings, and general manager and secretary to the board who do not currently serve as directors shall be present at the board meetings. The convener may notify other relevant persons to be present the board meeting if he/she thinks necessary.

**Article 24****Consideration of proposals**

The chairman of meeting shall declare the commencement of the meeting as scheduled. Upon official commencement of the meeting, unanimous agreements on the agenda of the meeting shall be reached among the directors attending the meeting.

Upon the unanimous agreements on the agenda by the attending directors, the resolutions shall be reviewed on an item-by-item basis during the meeting as presided by the chairman of meeting. The proposers of the resolutions or their appointed parties shall first report their work to the board or explain the proposals.

When considering the relevant proposals, resolutions and reports, in order to get informed of key subjects and background, the board may call on the heads of relevant departments to be present at the meeting to address and make relevant inquiries, so as to facilitate the board in making correct decisions. If any proposal is found unclear or infeasible during the course of consideration, the board shall demand explanations from relevant departments, and may dismiss and return the proposal and suspend voting on them.

The chairman of the meeting shall request the directors present at the board meeting to give clear opinions for all proposals.

For proposals that require prior approval by independent non-executive directors in accordance with relevant requirements, the chairman of the meeting shall designate an independent non-executive director to read out the written confirmation opinions given by independent non-executive directors before discussing the relevant proposals.

Where any directors hinders the normal proceeding of the meeting or affect other directors' speeches, the chairman of the meeting shall promptly stop him/her.

Unless with the unanimous consent of all the Directors attending the meeting, any proposal not set out in the meeting notice shall not be voted at the board meeting. Directors who accept other directors' appointment to attend the meeting on their behalf shall not vote on the proposals not set out in the meeting notice on the behalf of other directors.

The Directors may seek the necessary information before the meeting from relevant personnel and institutions including the board office, the convener of the meeting, general manager and other senior management personnel, all special committees, certified public accountants and lawyers, and may also suggest the chairman of the meeting in the process of the meeting to invite the above-mentioned personnel and institutions to attend the meeting to explain relevant circumstances.

**Article 25****Voting on proposals**

Each director participating in the meeting shall give an opinion of consenting, dissenting or abstention for each proposal considered at the board meeting. Where a director votes against or abstains from voting on any resolution, he/she shall give reasons in this regard.

The directors attending the meeting shall select one from the intents above. If a director fails to select any option or selects more than two options, the chairman of the meeting shall require the relevant director to select again, and if the director refuses to make a selection, he/she shall be deemed to have abstained. If a director leaves the venue during the course of a meeting without returning to make a selection, he/she shall be deemed as having abstained from voting.

The director attending the meeting on behalf of the appointing director shall only exercise the rights within the power of attorney.

If a director neither attend a board meeting nor appoint another director to attend on his behalf, the said director shall be deemed as waiving his voting rights at the meeting.

Except for the following matters which shall be passed by more than two-thirds of the directors, the board's resolutions in respect of all others matters may be passed by more than half of the directors:

- (1) to draw up proposals for increases or reductions of the Company's registered capital and issue of debentures or other securities and listing plan;
- (2) to draw up plans for the material acquisitions, repurchase of its shares or merger, split, reorganisation and dissolution of the Company and change of company type;
- (3) to draw up proposals for any modifications to the Articles of Association, the Rules of Procedures for General Meetings and the Rules of Procedures for the board of directors;

In accordance with requirements of the Articles of Association, the board shall make a resolution on the guarantees within its scope of power, and in addition to obtaining the approval of over half of all the directors, shall also obtain the approval of more than two thirds of the directors attending the meeting.

If different resolutions conflict with each other in content and meanings, the resolution formed later shall prevail.

Each attending director has one vote in the voting of board resolutions, which may be cast in registered ballot and in written or other methods as approved by the laws, regulations and the regulatory rules of the place(s) where the shares of the Company are listed. Each director is entitled to cast one vote and in case of equal affirmative and dissenting votes, the chairman shall be entitled to a casting vote.

Where a director has any related party relationship with or is materially interested in the enterprise involved in the resolution of the board or where the director himself/herself considers he/she should abstain from voting, he/she shall not exercise the voting rights on the resolution, nor shall he/she exercise the voting rights on behalf of other directors. The board meeting can be held only when more than half of the directors with no related party relationship or material interests are present, and the resolutions submitted at the board meeting must be approved by more than half of the directors with no related party relationship or material interests. If there are less than 3 directors present at the board meeting with no related party relationship or material interests, the matter concerned shall be submitted to the general meeting for consideration.

**Article 26****Directors' responsibilities for resolutions of the board**

Any written resolution made by the board without following the statutory procedure shall not have legal force as a resolution of the board even if every director has expressed opinions in different ways. The directors shall be responsible for the resolutions passed at the board meetings. Any director who votes for a board resolution which contravenes the laws, administrative regulations, the Articles of Association or the resolutions passed at general meetings and which result in the Company suffering from material losses, shall be directly responsible (including the liabilities of indemnities). A director who votes against such resolution, and has been proved as having expressed dissenting opinions on such resolution and such opinions are recorded in the minutes of the meeting can be exempted from liability. A director who has waived his right of voting, or who has failed to attend the meeting or appointed others to attend the meeting, shall not be exempted from liability. A director who explicitly expresses his objection in the course of discussion, but has not voted against such resolution explicitly, shall not be exempted from the liability.

**Article 27****Resolutions of the meeting**

In general, a board meeting shall resolve on all matters discussed at the meeting.

Opinions expressed by independent non-executive directors (in particular those contrary to other directors on any issues discussed) shall be stated in the resolutions of the board.

**Article 28****Calculation of voting results**

After the voting of the attending directors, the securities affairs representative and relevant personnel of the board office shall timely collect the voting of the directors, and pass them to the secretary to the board for calculation under the supervision of a supervisor or an independent non-executive director.

If the meeting is convened on site, the chairman of the meeting shall announce the voting results forthwith. In other cases, the chairman of the meeting shall require the secretary to the board to notify the directors of the voting results before the next business day after conclusion of the specified voting deadline.

The ballots cast by directors after the chairman of the meeting has announced the voting result or after the prescribed voting deadline shall not be counted.

**Article 29**

Treatment of proposals not passed

If a proposal is not passed, the board meeting shall not consider any proposal with the same contents within one month if there is no material change in relevant conditions and factors.

**Article 30**

Suspension of voting

Where more than half of the attending directors or more than two independent non-executive directors consider that the proposal is not clear or specific, or where an informed judgment cannot be made due to other reasons including inadequate meeting materials, the chairman of the meeting shall require the subject matter to be suspended for voting at the meeting.

The directors who propose suspension of voting shall provide specific requirements on the conditions to be met for resubmitting the said proposal for consideration.

**Article 31**

Meeting minutes

The minutes of the board meetings are the official proof of the resolutions on the matters discussed by the board. The board meeting shall make detailed and complete minutes of the matters discussed.

The minutes of the meetings of the board shall contain the following:

- (1) session, date, venue, method of the meeting, name of the convener and chairman of the meeting;
- (2) the issuance of the notice of the meeting;
- (3) the names of the directors attending the meeting and the names of the directors (proxies) appointed to attend the meeting and their appointer;
- (4) agenda of the meeting;
- (5) proposals considered at the meeting, the gist of the directors' speeches (written feedback in case of meeting via written resolution) and main opinions and voting intents for the proposals;

- (6) the voting methods and results for each resolution (the voting results shall state the numbers of the votes of for, against or abstention);
- (7) other matters the directors attending the meeting consider should be recorded.

The secretary to the board shall carefully organise, record and compile the matters discussed at the meeting. Minutes for each board meeting shall be provided to all directors as soon as possible for their review, and directors who would like to make amendment and supplement to the minute shall report his amendment opinion in writing to the chairman within one week upon receipt of the minutes. The directors attending the meetings, secretary to the board and recorder(s) shall sign on the minutes after it is finalised.

The opinions expressed by independent non-executive directors at the board meeting, in particular those contrary to other directors concerning the matters considered at the meetings, shall be specified in the minutes of such board meetings.

Any director has the right to check the documents and information relating to the board meeting. Doubts raised by any director shall be addressed as soon and comprehensive as possible. The minutes of the board meeting shall be available for inspection at any time during the office hours upon giving a reasonable notice by any director.

**Article 32****Meeting summary and resolution records**

In addition to meeting minutes, the secretary to the board may also arrange the personnel in the board office to prepare a clear and concise meeting summary for the meeting convened, and to prepare separate resolution records for resolutions reached in accordance with the voting results.

**Article 33****Signature of directors**

The attending directors shall sign on the meeting minutes and resolution records for confirmation on behalf of themselves and the directors who appoint them to attend the meeting. Any director who has different views on the meeting minutes or the resolution record may make written explanation when signing the minutes. Where necessary, it shall be timely reported to regulatory authorities, and may also make public statements.

Any director that neither signs for confirmation in accordance with the previous articles nor makes written explanation for his/her different opinions, or report to the regulatory authorities and makes public statements, shall be deemed to have fully agreed with the content of the meeting minutes and the resolution records.

**Article 34**

Preservation of meeting archives

Archives of the board meetings, including notices of meeting and meeting materials, attendance book, power of attorney for attendance by proxy, voice recording of meeting, ballots, meeting minutes signed by the attending directors, meeting summaries, records of resolutions, announcement of resolutions, etc., shall be kept by the secretary to the Board.

Archives of the board shall be preserved for at least 10 years.

**CHAPTER 6 INFORMATION DISCLOSURE OF BOARD MEETINGS****Article 35**

The board shall strictly implement the relevant information disclosure provisions of the supervisory departments and stock exchange(s) of the place(s) where the Company's shares are listed, and shall disclose in a comprehensive, timely, accurate, concise and clear manner the disclosable matters or resolutions discussed at the board meeting in a way easy to understand and in accordance with the requirements of the relevant supervisory departments and the stock exchanges. Information involving major issues shall be reported to the stock exchanges forthwith and filed with the relevant regulatory authorities.

**Article 36**

The announcements on board resolutions shall be dealt with in accordance with the securities regulatory rules of the place(s) where the Company's shares are listed such as the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Before the announcement of the resolutions, the attending directors, personnel present at the meeting, recording and service personnel are obliged to keep the content of resolutions confidential.

**CHAPTER 7 IMPLEMENTATION OF RESOLUTIONS OF THE BOARD MEETINGS AND  
THE FEEDBACK THEREOF**

**Article 37** After a resolution is made, the matters falling within the term of reference of the general manager or authorisation to the general manager by the board shall be organised and carried out by the general manager, who shall then report the implementation result to the board.

**Article 38** The chairman has the right to inspect and urge, either in person or by appointing vice chairman or other directors, the implementation of the resolutions passed at the board meetings.

**Article 39** At each board meeting, the chairman of the board or other executive directors appointed by him/her shall report to the meeting on the implementation of the matters authorised by the board (if any), and the general manager shall report to the meeting on the implementation of the matters resolved to be implemented in the previous resolution of the board.

**Article 40** Under the leadership of the board and the chairman, the secretary to the board shall take initiatives to keep himself/herself informed of implementation progress of the board resolutions, and shall report any important problem in implementation to the board and the chairman and provide his/her suggestions.

**CHAPTER 8 SUPPLEMENTARY PROVISIONS**

**Article 41** Should there be any matter not covered herein or in the event that the Rules are in conflict with the provisions of the laws, administrative regulations, other relevant regulatory documents promulgated from time to time, the Articles of Association and the resolutions of the general meetings, the latter shall prevail.

**Article 42** Unless otherwise specified, capitalised terms used in the Rules shall have the same meanings as defined in the Articles of Association.

**Article 43** The Rules shall take effect upon approval at the general meeting and completion of the initial public issue of A shares and listing on the Science and Technology Innovation board of the Shanghai Stock Exchange. Any amendment to the Rules shall be proposed by the board in form of an amendment proposal, and shall come into effect upon approval of the general meeting.

**Article 44** The Rules shall be interpreted by the board.

*The Rules of Procedures for the Board of Directors applicable after the issue of A shares as set out in this appendix are prepared in Chinese version, and the English translations are for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

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**RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.****CHAPTER 1 GENERAL PROVISIONS****Article 1**

In order to safeguard the interests of the shareholders and employees of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) and improve the Company’s internal supervision and balance system, the Rules of Procedures for the Supervisory Committee (the “**Supervisory Committee**”) of the Company (these “**Rules**”) are hereby formulated according to the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Opinion on the Further Promotion of the Standardised Operation and In-depth Reform of Companies Listed Overseas, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Sci-tech Innovation Board Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange Listing Rules**”), Model Rules of Procedures of the Supervisory Committee of Listed Companies of Shanghai Stock Exchange and other relevant laws, administrative regulations as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

**Article 2**

The Supervisory Committee is a supervision body established by the Company according to law, which is accountable and report to the general meeting.

The Supervisory Committee shall focus on supervision of finance-related matters, and oversee the board of directors and its members, general manager, deputy general manager and other senior management as well as the operation and management behaviours of the Company in accordance with relevant state laws, administrative regulations, financial and auditing rules and resolutions of the general meeting, so as to ensure that the assets of the Company and interests of its shareholders are not prejudiced.

**CHAPTER 2 COMPOSITION OF THE SUPERVISORY COMMITTEE****Article 3**

The Supervisory Committee shall compose of three to five supervisors, of which employee representative supervisors shall account for no less than one-third of the number of supervisors.

The supervisory committee shall have more than 1/2 of their members as external members (meaning those not being employed by the Company). The external members shall consist of more than 1 independent supervisors (meaning those who are independent from the shareholders and not being employed by the Company). The external supervisors shall have the right to report to the general meeting on the honesty, diligence and performance of the management personnel of the Company. Non-employee representative supervisors shall be elected and removed by the general meeting, and the employee representative supervisors shall be democratically elected and removed by the employees of the Company through the employee congress, employee assembly or other democratic forms.

The Supervisory Committee shall have a chairman and may have a vice chairman. The chairman and the vice chairman of the Supervisory Committee shall be elected and removed with approval of more than two-thirds of all the supervisors.

**Article 4****Qualifications of supervisors**

- (1) are familiar with and capable of implementing the relevant laws, administrative regulations and rules and regulations of the state;
- (2) have professional knowledge in finance, accounting, auditing or macro-economy, and are relatively familiar with the Company's operation and management;
- (3) comply with the law, adhere to principles, maintain integrity and self-discipline, act with impartiality and keep confidential the secrets;
- (4) have a strong capability of comprehensive analysis and judgment, and have the ability to work independently;
- (5) be able to safeguard the rights and interests of the investors, and have a high sense of responsibility for maintaining and increasing the value of the Company's assets.

**Article 5**

Directors, general managers, other senior management personnel of the Company, public servants of the state and persons prohibited from serving as supervisors by the relevant regulatory agencies shall not concurrently serve as supervisors of the Company.

Where a person falls under any of the circumstances specified in Article 146 of the Company Law, or has been prohibited from entering the market by the CSRC and the prohibition has not been removed, such person may not serve as a supervisor of the Company.

**Article 6**

The term of office of supervisors shall be three years. A supervisor shall in general not be removed from office during his/her term. A supervisor may be re-elected and re-appointed upon expiry of his/her term of office.

A supervisor may resign before the expiry of his/her term of office. A supervisor shall submit a written resignation report to the Supervisory Committee.

In the event that the terms of office of supervisors fall upon maturity whereas new members of the Supervisory Committee have not been re-elected in time, or the resignation of any supervisor during his/her term of office results in the number of members of the Supervisory Committee falling below the statutory minimum requirement, the existing supervisors shall continue to perform their duties in accordance with the laws, administrative regulations and the Articles of Association until the re-elected supervisors assume their office.

**Article 7**

The Supervisory Committee shall establish a Supervisory Committee office, which shall be its working organ and shall deal with relevant matters under the leadership of the Supervisory Committee and the chairman of the Supervisory Committee.

The chairman of the Supervisory Committee shall concurrently serve as the person-in-charge of the Supervisory Committee office and keep the seal of the Supervisory Committee. The chairman of the Supervisory Committee may require the securities affairs representative or other personnel to assist in dealing with the daily affairs of the Supervisory Committee.

**CHAPTER 3 FUNCTIONS, POWERS, RESPONSIBILITIES AND OBLIGATIONS OF  
THE SUPERVISORY COMMITTEE****Article 8**

The Supervisory Committee shall exercise the following functions and powers in accordance with law:

- (1) to review the Company's periodic reports and provide written review opinions;
- (2) to examine the Company's financial condition;

- (3) to monitor whether the directors, general managers, deputy general managers and other senior management of the Company act in contradiction with the laws, administrative regulations or the Articles of Association; to make suggestions on the removal of directors or senior management personnel who violate laws and regulations, the Articles of Association or the resolutions of the general meeting, and where the Supervisory Committee identifies violation of laws and regulations, the relevant provisions of the stock exchange(s) where the Company's shares are listed and the Articles of Association by the directors or senior management personnel, it shall notify the board or report to the general meeting and disclose the same in a timely manner;
- (4) to demand rectification from a director, the general manager, deputy general managers or other members of the senior management of the Company when the acts of such persons are prejudicial to the Company's interests;
- (5) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board to the general meetings and, should any queries arise, to organise, in the name of the Company, a re-examination by the registered accountants and practicing auditors;
- (6) to conduct investigations into any irregularities identified in the operation of the Company and, if necessary, may engage the professional institutions, including accounting firms and law firms to assist its work and the expenses so incurred shall be borne by the Company;
- (7) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting when the board of directors fails to perform its duty of convening and presiding over the general meeting as prescribed by law;
- (8) to put forward proposals to the general meeting;
- (9) to represent the Company in negotiation with directors and senior management personnel or to institute an action against the directors and senior management personnel;
- (10) other powers specified in the laws, regulations, departmental rules, and relevant provisions of the securities regulatory authorities where the Company's shares are listed, the Articles of Association and granted by the general meeting.

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## APPENDIX IX

## PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE

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### Article 9

The chairman of the Supervisory Committee shall exercise the following functions and powers in accordance with law:

- (1) to convene and preside over the meetings of the Supervisory Committee;
- (2) to inspect the implementation of resolutions of the Supervisory Committee;
- (3) to review and sign reports of the Supervisory Committee and other important documents;
- (4) to report the work to the general meeting on behalf of the Supervisory Committee;
- (5) other functions and powers that shall be performed by the chairman of the Supervisory Committee in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

### Article 10

In discharging its supervision duties, the Supervisory Committee may adopt the following measures in response to the problems identified:

- (1) to issue written notice and demand rectification;
- (2) to request verification by the audit and supervision departments of the Company;
- (3) to appoint public qualified accounting firm(s), audit firm(s), law firm(s) and other professional institutions to verify and obtain evidence;
- (4) to propose the convening of an extraordinary general meeting;
- (5) to report or lodge complaint(s) to the relevant state supervisory authorities and judicial organs.

### Article 11

The supervisors shall perform the following obligations:

- (1) to comply with the Articles of Association and implement the resolutions of the Supervisory Committee;

- (2) to ensure timely and fair information disclosure by the Company, and the truthfulness, accuracy and completeness of the information disclosed. Where the supervisors cannot guarantee the truthfulness, accuracy and completeness of the securities issuance documents and regular reports or object to such documents and reports, they shall express opinions and state reasons in the written confirmations and the Company shall disclose the same. Where the Company fails to disclose, the supervisors may directly apply for disclosure;
- (3) to perform his/her supervision duties faithfully and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own or others' private benefits, abuse his/her powers to accept bribes or other unlawful income or misappropriate the Company's properties;
- (4) not to divulge confidential information of the Company unless required under laws or approved by the general meeting;
- (5) to be responsible for the truthfulness and compliance of the reports or supervisory documents submitted to the general meeting;
- (6) the supervisors shall strengthen the study of laws, regulations and policies, focus on investigation and research, and improve their professional capability.

**Article 12****Responsibilities of supervisors**

Supervisors shall not use their related party relationship to prejudice the Company's interests and shall be liable for damages if they cause any loss to the Company.

Supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties and causes losses to the Company shall be liable for damages.

In the event that the resolutions of the Supervisory Committee prejudice the legitimate rights and interests of the investors, the Company and the employees, supervisors participating in voting on such resolutions shall be held accountable. A supervisor who votes against such resolution, and has been proved as having expressed dissenting opinions which have been recorded in the minutes of the meeting shall be exempted of the liabilities.

**CHAPTER 4 CONSIDERATION METHOD AND PROCEDURES OF THE MEETINGS OF  
THE SUPERVISORY COMMITTEE**

**Article 13** The consideration method of the Supervisory Committee shall primarily comprise regular meetings and extraordinary meetings.

**Article 14** Regular meetings of the Supervisory Committee shall be held on a semi-annual basis and the subject matters shall in general comprise:

- (1) to review the annual and interim reports of the Company, and provide analysis and advice from the perspectives of operating risks, compliance operation, effective management and asset losses;
- (2) to primarily assess the implementation of the budget, asset operation, implementation of major investment decisions, asset quality and value maintenance and accruals thereon of the Company;
- (3) to discuss the work report of the Supervisory Committee, amendments to material systems, work plan and work summary.

**Article 15** The Supervisory Committee shall convene an extraordinary meeting within ten days of the occurrence of any one of the following circumstances:

- (1) when any supervisor so requests;
- (2) when a general meeting or a board meeting passed resolutions that violate the provisions and requirements of laws, rules, regulations and supervisory authorities, the Articles of Association, the resolutions of general meeting of the Company and other relevant provisions;
- (3) when the malpractice of the directors and senior management may cause material damage to the Company or result in material adverse effect in the market;
- (4) when lawsuits are filed by shareholders against the Company, its directors, supervisors and the senior management;
- (5) when the Company, its directors, supervisors and senior management are punished by securities regulatory authorities or censured publicly by the stock exchange(s) of the place(s) where the shares of the Company are listed;

- (6) when the securities regulatory authorities so request;
- (7) when a thematic research and demonstration is conducted on specific matters of the Company or the board of directors and the general manager are invited to provide relevant advice;
- (8) when the Supervisory Committee considers it necessary to appoint public accounting, audit and law firms to provide professional advice on certain material supervision matters;
- (9) other circumstances as stipulated in the Articles of Association.

**Article 16****Convening procedures of extraordinary meetings**

Where the supervisors propose to convene an extraordinary meeting, written proposal signed by the proposing supervisors shall be submitted to the chairman of the Supervisory Committee directly. The written proposal shall include:

- (1) name of the proposing supervisors;
- (2) the grounds for the proposal or the objective matters the proposal is based on;
- (3) the date or period of time, venue and form of the proposed meeting;
- (4) the specific and detailed proposal;
- (5) the contact information of the proposing supervisors and the date of proposal, etc..

The chairman of the Supervisory Committee shall issue the notice to convene the extraordinary meeting within three days upon the chairman receiving the written proposal of the supervisor.

Where the chairman of the Supervisory Committee slacks in the issue of notice of the meeting, the proposing supervisor shall timely report to the regulatory authorities.

**Article 17****Issue of meeting notice**

Written notice of the regular or extraordinary meeting of the Supervisory Committee shall be served by the chairman of the Supervisory Committee to all the supervisors by direct delivery, facsimile, mail (including e-mail) or other means as required under the Articles of Association 10 days and 3 days prior to the regular meeting and extraordinary meeting, respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Should an extraordinary meeting of the Supervisory Committee be required to convene as soon as possible in case of emergency, the notice may be given orally or by phone at any time, but the convener shall give explanations at the meeting.

**Article 18****Content of the meeting notice**

A written notice of the meeting shall include:

- (1) the time and venue of the meeting;
- (2) the method of convening the meeting;
- (3) matters to be considered (proposal of the meeting);
- (4) convener and chairman of the meeting, proposer of the extraordinary meeting and his/her written proposal;
- (5) meeting materials necessary for voting by supervisors;
- (6) requirements that supervisors shall attend the meeting in person;
- (7) contact person and contact information;
- (8) the date of the notice.

The oral notice of a meeting shall at least include items (1), (2) and (3) above, as well as an explanation of the emergency to convene an extraordinary meeting of the Supervisory Committee as soon as possible.

**Article 19****Convening and presiding of meetings**

Meetings of the Supervisory Committee shall be convened and presided by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the vice-chairman of the Supervisory Committee shall convene and preside at the meeting. If there is no vice-chairman or the vice-chairman is unable or fails to perform his/her duties, the meeting shall be convened and presided over by a supervisor elected by more than half of the supervisors.

**Article 20****Convening method of meetings**

The meetings of Supervisory Committee shall in principle be convened on site.

Where necessary, meetings of the Supervisory Committee may be convened through circulation of written proposals, teleconference, videoconference, facsimile, e-mail or similar communication channels. At the meeting held through teleconference or similar communication channels, so long as the participating supervisors can clearly hear and communicate with each other, all participating supervisors are deemed to have participated in the meeting in person.

**Article 21****Convening of meetings**

The Supervisory Committee meeting may be held if two-thirds or more of supervisors attend such committee.

The secretary to the board and the securities affairs representative shall be present at the meeting of the Supervisory Committee.

**Article 22****Consideration procedures of meetings**

The chairman of the meeting shall request the attending supervisors to express clear opinions on each proposal.

Based on the proposal of the supervisors, the chairman of the meeting shall require the directors, senior management, other employees of the Company or the business personnel of relevant intermediary organs to attend the meeting for inquiry.

**Article 23**

Supervisors shall attend meetings as scheduled, fully express their opinions on matters to be considered or discussed and clarify his/her stance. Where a supervisor is unable to attend the meeting due to certain reasons, he/she may appoint in writing another supervisor to attend the meeting and exercise the functions and powers on his/her behalf. The proxy form shall state the name of the proxy, the matters of appointment, scope of authorisation and validity period, and shall be signed or a seal shall be affixed by the appointer, who shall then be deemed to have attended relevant meeting. If any supervisor fails to attend meetings of the Supervisory Committee in person or by proxy for two consecutive times, the Supervisory Committee shall propose that the general meeting replace the said supervisor.

**Article 24**

Where the Supervisory Committee needs to listen to the opinions of experts or the board of directors and the general manager on issues involved in the relevant matters to be considered or discussed by the Supervisory Committee, experts, members of the board of directors and leading members of the general manager may be invited to be present at the meeting. Participants shall have the right to state their opinions on certain matters but without voting rights.

**Article 25****Resolutions of the Supervisory Committee**

At a meeting of the Supervisory Committee, each supervisor shall cast one vote, in the forms such as registered ballot, in writing and otherwise permitted by laws, regulations and regulatory rules of the place(s) where shares of the Company are listed.

The voting intent of a supervisor may be “for”, “against” or “abstain”, from which each attending supervisor shall select one. If a supervisor fails to select any option or selects more than two options, the chairman of the meeting shall require the relevant supervisor to select again, and if the supervisor refuses to make a selection, he/she shall be deemed to have abstained. If a supervisor leaves the venue during the course of a meeting without returning to make a selection, he/she shall be deemed as having abstained from voting. Where a supervisor votes against or abstains from voting on any proposal, he/she shall give reasons in this regard.

Resolutions of the Supervisory Committee shall be passed by more than two-thirds of its members.

**Article 26****Recording of the meeting**

Voice recording may be made, when necessary, throughout the meeting of the Supervisory Committee.

**Article 27**

After a resolution is made by the Supervisory Committee, matters falling within the scope of duties of the general manager shall be organised and implemented by the general manager, and the circumstances of implementation shall be reported to the Supervisory Committee in a timely manner or to the chairman of the Supervisory Committee during the intermission of meetings of the Supervisory Committee. For matters beyond the scope of duties of the general manager, the Supervisory Committee shall arrange for the relevant departments to organise and implement and hear its report thereon. The Supervisory Committee office shall be responsible for transmission of written materials of resolutions of the Supervisory Committee and the implementation circumstances thereof to directors, supervisors and the general manager.

Supervisors shall supervise and urge the relevant persons to implement the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall report the implementation progress of the effected resolutions at the subsequent meetings of the Supervisory Committee, if applicable.

**Article 28**

Minutes of the Supervisory Committee meeting shall be earnestly prepared, and the attending supervisors and the recording personnel shall sign on the meeting minutes. Supervisors are entitled to require certain specific explanatory recording in respect of their statements made at the meeting. The meeting minutes shall include the followings:

- (1) the session, date, venue and method of convening;
- (2) service of the meeting notice;
- (3) convener and chairman of the meeting;
- (4) attendance at the meeting;
- (5) the proposals to be considered at the meeting, the key points and major opinions of each supervisor's speech on relevant matters, and the voting intent on the proposal;
- (6) voting method and results of each proposal (the voting results shall indicate the votes for, against or abstention from voting);

(7) other matters to be recorded in the opinion of the attending supervisors.

For a meeting of the Supervisory Committee held by correspondence, the chairman of the Supervisory Committee shall organise the meeting minutes with reference to the aforesaid requirements.

**Article 29**

The attending supervisors shall sign on the meeting minutes and resolutions record for confirmation. Supervisors shall warrant the truthfulness, accuracy and completeness of the resolutions of the Supervisory Committee, and that there is no misrepresentation, misleading statement or material omission. Any supervisor who has different views on the meeting minutes or the resolution record may make written explanation when signing the minutes. Where necessary, he/she may make public statements.

Where a supervisor neither signs for confirmation as required by the preceding paragraph nor provides the written explanation for his/her different opinions or gives public statement, the said supervisor shall be deemed to have fully agreed with the content of the meeting minutes and resolution record.

**Article 30****Announcement of resolutions**

The announcements on the resolutions of the Supervisory Committee in relation to A shares shall be dealt with by the secretary to the board in accordance with the requirements of the Sci-tech Innovation Board Listing Rules. Where the Stock Exchange Listing Rules stipulate otherwise, such provisions shall prevail.

**Article 31****Preservation of meeting archives**

Archives of meetings of the Supervisory Committee, including notices of meeting and meeting materials, attendance book, voice recording of meeting, ballots, meeting minutes signed by the attending supervisors, resolutions records, etc., shall be kept by the secretary to the board of directors.

Archives of the meetings of the Supervisory Committee shall be preserved for at least ten years.

**Article 32**

In the exercise of its supervision right, the Supervisory Committee shall not perform the duties in lieu of the board of directors or the general manager, nor undertake any operating activity on behalf of the Company.

**CHAPTER 5 REWARDS AND PUNISHMENTS****Article 33**

For members of the Supervisory Committee who have achieved outstanding results in the course of performing their duties and have made significant contributions in safeguarding the interests of the Company and the shareholders, it shall be proposed to the general meeting to grant rewards to them.

**Article 34**

In any of the following circumstances, a supervisor shall be subject to sanctions or disciplinary actions in accordance with laws and the Articles of Association based on severity until removal from the supervisory duties. In case of a suspected crime, he/she shall be referred to a judicial authority to investigate the criminal liability:

- (1) concealing material non-compliance of the Company or serious dereliction;
- (2) falsifying inspection reports while checking the financial affairs of the Company;
- (3) acts in violation of the conducts listed in Article 12 of these Rules.

**CHAPTER 6 SUPPLEMENTARY PROVISIONS****Article 35**

The Supervisory Committee shall be responsible for guiding the work of the supervisory committees of its subsidiaries (including controlling subsidiaries). Where necessary, it may authorise the Supervisory Committee office to organise financial supervision team to conduct special inspection on the financial condition of its subsidiaries.

**Article 36**

The Company shall provide the necessary office conditions for the Supervisory Committee, and the expenses incurred in the work of the Supervisory Committee shall be covered by the special funds of the Company.

**Article 37**

Unless otherwise specified, capitalised terms used in these Rules shall have the same meanings as defined in the Articles of Association.

**Article 38**

These Rules shall take effect upon approval at the general meeting. Any amendment to these Rules shall be proposed by the Supervisory Committee in form of an amendment proposal, and submit to the general meeting for approval.

**Article 39**

These Rules shall be interpreted by the Supervisory Committee.

*The Rules of Procedures for the Supervisory Committee applicable after the issue of A shares as set out in this appendix are prepared in Chinese version, and the English translations are for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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### TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

#### CHAPTER 1 GENERAL PROVISIONS

##### Article 1

In order to improve the corporate governance of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”), promote the standardised operation of the Company and safeguard the interests of the Company and the shareholders, these terms (the “**Terms**”) are hereby formulated in accordance with the requirements of the Company Law of the People’s Republic of China, the Guiding Opinions on the Establishment of Systems of Independent Directors of Listed Companies (the “**Guiding Opinions**”), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Sci-tech Innovation Board Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange Listing Rules**”) and other laws, regulations, regulatory documents as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”) and combined with the actual circumstances of the Company.

##### Article 2

Independent non-executive directors refer to directors who do not hold other positions in the Company (and its subsidiaries) other than independent non-executive directors, members or chairman of the special committees of the board of directors of the Company, who do not have any relationship with the Company (and its subsidiaries) and its substantial shareholders (shareholders individually or jointly holding more than 5% of the total shares of the Company carrying voting rights, the same hereinafter) that might hinder their independent and objective judgment and who comply with the independence requirements stipulated in the securities regulatory rules of the place(s) where the Company’s shares are listed. The qualifications of independent non-executive directors shall meet the requirements of the securities regulatory rules of the place(s) where the Company’s shares are listed and shall be approved by the relevant securities regulatory agencies.

##### Article 3

Independent non-executive directors shall assume fiduciary and due diligence obligations to the Company and all shareholders. Independent non-executive directors shall conscientiously perform their duties in accordance with the requirements of the relevant laws, administrative regulations, the securities regulatory rules of the place(s) where the Company’s shares are listed, the Articles of Association and the Terms to protect the Company’s and shareholders’ interests as a whole, especially the lawful rights and interests of the minority shareholders from damage.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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**Article 4** An independent non-executive director shall perform his/her duties independently and not be affected by the Company's substantial shareholders, de facto controller or other entities or individuals interested in the Company.

**Article 5** Independent non-executive directors shall work for the Company for not less than 15 working days each year, concurrently serve as independent non-executive directors in up to 5 listed companies (including the Company), and ensure sufficient time and dedication to effectively perform the duties as independent non-executive directors of the Company.

**Article 6** The board of directors of the Company shall comprise at least one third (and at least three) of independent non-executive directors. The independent non-executive director of the Company shall include at least one financial or accounting professional (i.e. persons with appropriate professional qualifications or accounting or related financial management expertise, the same hereinafter). If he/she is nominated as a candidate for independent non-executive director as a financial or an accounting professional, he/she shall have extensive accounting or related finance management professional knowledge and experience and meet at least one of the following conditions:

- (1) with the qualification of certified public accountants in Hong Kong and/or the Mainland China;
- (2) with a senior professional title, associate professor title or doctor's degree in accounting, auditing or finance management;
- (3) with a senior professional title in economic management or internal control, and more than 5 years of full-time working experience in accounting, auditing or finance management and other professional positions.

At least one of the independent non-executive directors of the Company shall reside in Hong Kong.

**Article 7** In the event that the independent non-executive directors do not satisfy the independent conditions or are otherwise not suitable for performing the duties of independent non-executive directors, and as a result the number of independent non-executive directors of the Company is less than the legally required quorum, the Company shall fill up the vacancy accordingly.

**Article 8** Independent non-executive directors and persons who intend to serve as independent non-executive directors shall participate in the training recognised by the China Securities Regulatory Commission (the "CSRC") and other competent departments, the securities regulatory rules of the place(s) where the Company's shares are listed and other laws and regulations.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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### CHAPTER 2 QUALIFICATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Article 9

Independent non-executive directors shall meet the following basic requirements:

- (1) being qualified as a director of a listed company according to laws, regulations, other regulatory documents, the securities regulatory rules of the place(s) where the Company's shares are listed and other relevant provisions;
- (2) satisfying the independence requirements of the Guiding Opinions issued by the CSRC and the Stock Exchange Listing Rules;
- (3) having basic knowledge of operations of listed companies, the acquaintance with relevant laws, administrative regulations, rules and regulations;
- (4) having at least five years of work experiences in legal, economic or other work experiences indispensable for performing the duties as independent non-executive directors;
- (5) having the personality, experience and integrity suitable for being a director of a listed company, and proving that he/she has sufficient talents to be competent for the position;
- (6) other conditions stipulated in the Articles of Association and the securities regulatory rules of the place(s) where the Company's shares are listed.

#### Article 10

Independent non-executive directors must be independent, and the following persons shall not serve as independent non-executive directors:

- (1) the employees of the Company or its affiliate enterprises, and their immediate family members and major social connections (the former refer to spouses, parents and children, and the latter to brothers and sisters, parents-in-law, daughters-in-law, sons-in-law, spouses of brothers and sisters, and brothers and sisters of spouses, the same hereinafter);
- (2) any natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who are among the top ten shareholders of the Company, and their respective immediate family members;

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (3) persons employed by the shareholders directly or indirectly holding more than 5% of the issued shares of the Company or who are among the top five shareholders of the Company and their immediate family members;
- (4) any persons employed by the controlling shareholders, de facto controllers and its subsidiaries, and their respective immediate family members;
- (5) any persons serving as directors, supervisors or senior management personnel in the companies which have significant business dealings (significant business dealings refer to matters required to be submitted to the general meeting for consideration pursuant to the requirements of the securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association) with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or any persons serving as directors, supervisors or senior management personnel in the controlling shareholders of the said companies;
- (6) persons who have significant interests in any major business activities of the Company, its holding company or their respective subsidiaries; or who are involved in the significant commercial transactions with the Company, its holding company or their respective subsidiaries or any of the Company's core connected persons (as defined under the Stock Exchange Listing Rules, the same hereinafter);
- (7) persons who fall or fell in one of the circumstances listed in the preceding six subparagraphs within one year before the date when they were proposed to be appointed as independent non-executive directors;
- (8) persons who have obtained any securities interest of the Company by way of gift or other financial assistance from the Company's core connected persons or the Company;
- (9) persons who provide financial, legal and consulting services for the Company and its controlling shareholders or their respective subsidiaries or their directors, supervisors, chief executives, substantial shareholders or any of their close associates (as defined under the Stock Exchange Listing Rules, the same hereinafter) at that time or within two years prior to the date when they are proposed to be appointed as independent non-executive directors, including all the personnel of the project team, qualified persons at various levels, personnel signing the report(s), partners, principal persons in charge and directors of the intermediary agency providing services;

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (10) persons who are on the board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;
- (11) persons who are or were connected with a director, the chief executive or a substantial shareholder of the Company within two years prior to the date when they were proposed to be appointed as independent non-executive directors;
- (12) persons who are, or has at any time during the two years immediately prior to the date of their proposed appointment been, an executive or director (other than an independent non-executive director) of the Company, its holding company or any of their respective subsidiaries, or any of the Company's core connected persons;
- (13) persons financially dependent on the Company, its holding company or any of their respective subsidiaries or the Company's core connected persons;
- (14) persons who have been banned from entering the securities market by the CSRC and are still in the period of prohibition;
- (15) persons who have been publicly recognised by the stock exchange(s) to be unsuitable to serve as directors of listed companies;
- (16) persons who have been punished by the CSRC in the past three years;
- (17) persons who have been publicly condemned by the stock exchange(s) or have been publicly criticised more than twice in the past three years;
- (18) persons who were absent from two consecutive board meetings, or whose failure to attend in person accounts for more than one-third of the number of board meetings for the year when serving as independent non-executive directors;
- (19) persons who have expressed any independent opinion apparently inconsistent with facts when serving as independent non-executive directors;
- (20) other persons who are not allowed to serve as independent non-executive directors of the Company as stipulated by laws and regulations, the securities regulatory authorities where the Company's shares are listed, and the Articles of Association.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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**Article 11** After an independent non-executive director takes office, in case of any change that may affect his/her independence, the independent non-executive director shall notify the Company, Shanghai Stock Exchange and Hong Kong Stock Exchange in writing as soon as practicable, and shall provide an annual confirmation to the Company each year to confirm his/her independence. The Company shall disclose in its annual report such confirmations received from the independent non-executive directors each year and indicate whether it still considers the independent non-executive directors to be independent.

### CHAPTER 3 NOMINATION, ELECTION AND REPLACEMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

**Article 12** The board of directors, supervisory committee, or shareholders individually or jointly holding more than 1% of the issued shares of the Company (the “**Nominators**”) are entitled to nominate independent non-executive directors, which are to be decided through election at the general meetings.

**Article 13** Where a Nominator intends to nominate a candidate for independent non-executive director, the Company shall submit relevant materials of such candidate for independent non-executive director to the stock exchange(s) in accordance with relevant regulations of the stock exchange(s) within two trading days from the date of confirmation of nomination. If the board of directors of the Company objects to the candidates for independent non-executive directors nominated by supervisory committee or the shareholders of the Company, the Company shall submit the written opinions of the board of directors to the stock exchange(s) at the same time. Nominees who are objected by the stock exchange(s) may not be candidates for independent non-executive directors, but may be nominated as directors.

**Article 14** When the Company convenes a general meeting to elect independent non-executive directors, the board of directors of the Company shall explain whether the candidate(s) for independent non-executive directors is/are objected by the stock exchange.

**Article 15** Nominator of independent non-executive directors shall secure the consent of the nominee prior to raising any nomination. The Nominator shall have a full understanding of all the personal particulars of his/her nominee as to their profession, education, academic title, specifics of work experiences, and all part-time jobs, and give opinion on their qualifications and independence for the post of independent non-executive directors; and the nominee shall make a public statement that he/she has no relationship with the Company that will affect his/her independent and objective judgment. Before the general meeting to elect independent non-executive directors is held, the board of directors of the Company shall announce the above in accordance with regulations.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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**Article 16**

After being elected at the general meeting, the newly appointed independent non-executive directors shall, in accordance with the relevant provisions of the Stock Exchange Listing Rules, submit Form H: Declaration and Undertaking with regard to Directors of an Issuer incorporated in the PRC to the Hong Kong Stock Exchange as soon as practicable, and submit written confirmations to the Company stating the followings:

- (1) to confirm whether he/she has the independence as stated in the Terms and the relevant provisions of the Stock Exchange Listing Rules;
- (2) to indicate whether there are other factors that may affect his/her independence when submitting Form H: Declaration and Undertaking with regard to Directors of an Issuer incorporated in the PRC.

The aforesaid independent non-executive directors shall also submit the Directors' Declaration and Undertaking to the Shanghai Stock Exchange within 30 days from the date of appointment, and fill in or update his/her basic information in the "Listed Companies" page of the Shanghai Stock Exchange.

**Article 17**

The term of office for independent non-executive directors shall be the same as other directors of the Company, and they may offer themselves for re-election upon expiry of their term, but their re-appointment shall not exceed six years, unless otherwise in compliance with laws, regulations, securities regulatory rules of the place(s) where the Company's shares are listed and other relevant provisions. The independent non-executive directors are subject to retirement by rotation and re-election in accordance with the Stock Exchange Listing Rules.

**Article 18**

Any independent non-executive director who fails to attend the board meeting in person for three consecutive times shall be removed from his office as proposed by the board of directors to the general meeting. Except for the above circumstances and other circumstances stipulated in the Company Law and the securities regulatory rules of the place(s) where the Company's shares are listed prohibiting persons from serving as independent non-executive directors, an independent non-executive director shall not be removed from office without cause before the expiration of his/her term of office. In case of an independent non-executive director being dismissed before expiry of his/her term, the Company shall specifically disclose the dismissal. If the independent non-executive director being dismissed believes that his/her dismissal is unreasonable, he/she may make a public declaration.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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**Article 19** Independent non-executive directors may resign before expiry of their term. Independent non-executive directors shall submit to the board of directors a written resignation report/letter explaining any event relating to their resignation or which they consider to be necessary to draw to the attention of the shareholders, prospective investors and creditors of the Company.

**Article 20** Where an independent non-executive director does not meet the qualifications of an independent non-executive director after taking office, he/she shall resign from the post of independent non-executive director within 30 days from the date of such occurrence. If he/she fails to resign as required, the board of directors shall initiate the decision-making process within 2 days to remove him/her from the post of independent non-executive director.

**Article 21** If the number of independent non-executive directors in the Company's board of directors fails to meet the minimum number stipulated in the Terms, the securities regulatory rules of the place(s) where the Company's shares are listed, the Guiding Opinions and the Articles of Association due to the resignation or dismissal of independent non-executive directors or other reasons, the board of directors shall immediately notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange, publish an announcement according to the requirements of the securities regulatory rules of the place(s) where the Company's shares are listed, announce the relevant details and reasons, and appoint a sufficient number of independent non-executive directors within three months after failing to meet the relevant regulations. The resignation report/letter of the independent non-executive director shall take effect after the new independent non-executive director fills the vacancy or under other circumstances stipulated by the regulatory rules of the place(s) where the Company's shares are listed.

Save for the circumstances referred to in the preceding paragraph, an independent non-executive director's resignation report/letter shall become effective upon service to the board of directors.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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### CHAPTER 4 RIGHTS AND OBLIGATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Article 22

The independent non-executive directors shall be vested with the following special rights in addition to the rights vested by the Company Law, other relevant laws and regulations:

- (1) related party transactions (including “related party transactions” as defined in the Sci-tech Innovation Board Listing Rules and/or “connected transactions” or “continuing connected transactions” as defined in the Stock Exchange Listing Rules, the same hereinafter) that meet the criteria for consideration by the board of directors shall be submitted to the board of directors for discussion after being approved by the independent non-executive directors. Related party transactions that need to be submitted to the general meeting for approval according to the securities regulatory rules of the place(s) where the Company’s shares are listed shall be confirmed by independent non-executive directors who do not have material interests in the relevant transactions to be conducted in the ordinary and usual course of business of the Company in normal commercial terms or better that are fair and reasonable and in the interests of the Company and its shareholders as a whole. Before an independent non-executive director makes his/her judgment, the Company shall engage an intermediary to issue an independent financial advisory report as the basis for the judgment of the independent non-executive director where necessary;
- (2) to propose to the board for the appointment or dismissal of accounting firms;
- (3) to propose to the board for the convening of extraordinary general meeting;
- (4) to propose the convening of a board meeting;
- (5) to independently engage external auditors and consultants;
- (6) publicly solicit the rights to vote from the shareholders prior to the general meetings.

To exercise the above mentioned duties, the independent non-executive directors shall secure the consent of more than half of all the independent non-executive directors.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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If any of the above proposals have not been adopted or if any the above functions and powers cannot be exercised properly, the Company shall disclose the relevant details.

### Article 23

As members of the board of directors, independent non-executive directors shall enjoy the same status as other directors. The Company shall provide the working conditions necessary for independent non-executive directors to perform their duties and ensure that independent non-executive directors enjoy the same right to information as other directors. When independent non-executive directors exercise their functions and powers, the secretary to the board of directors and other relevant personnel shall actively cooperate.

In order to ensure that independent non-executive directors can effectively exercise their powers, the Company shall provide necessary conditions for independent non-executive directors:

- (1) the Company shall undertake that independent non-executive directors will enjoy the same right to information as other directors. For the matters subject to decisions by the board of directors, the Company shall lawfully notify the independent non-executive directors in advance and provide them with adequate information; and if the said information is considered as inadequate, the independent non-executive directors may request for supplementary information. If two or more of the independent non-executive directors consider that the information is insufficient or the argumentation is unclear, they can jointly propose in writing to postpone the board meeting or postpone the consideration of such matters, and the board shall accept the proposal. The information provided by the Company to the independent non-executive directors shall be preserved by the Company and the independent non-executive directors themselves for at least five years;
- (2) the Company shall be obliged to provide the independent non-executive directors with the necessary conditions to perform their duties. The secretary to the board of directors shall actively assist the independent non-executive directors in performing their duties by providing briefing, materials, etc. In the event that independent opinion, proposal and written statement of the independent non-executive directors should be announced, the secretary to the board shall handle the matters in respect of the announcement at the stock exchange(s) on which the Company is listed in a timely manner. Independent non-executive directors shall have the right to require the Company to disclose the status of proposals proposed by them but were not adopted and the reasons thereof;

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (3) when the independent non-executive directors are performing their duties and rights, relevant employees of the Company shall actively assist and shall not refuse, obstruct, or conceal, or interfere with their independent exercise of powers;
- (4) the expenditures of employing intermediaries by the independent non-executive directors or the expenditures of performing their other duties shall be borne by the Company;
- (5) the Company may establish necessary insurance mechanism for independent non-executive directors to reduce risks possibly incurred by normal performance of the duties by the independent non-executive directors;
- (6) the transportation expenses incurred by the independent non-executive directors for attending the board meeting (from the place where the independent non-executive directors are resided to the meeting venue) and the accommodation expenses during the meeting shall be borne by the Company, and other expenses shall be borne by the independent non-executive directors themselves.

**Article 24**

Independent non-executive directors shall account for more than half of the remuneration, audit, nomination and other related committees under the board of directors of the Company, and shall serve as the chairman. The chairman of the audit committee shall be an accounting professional.

**Article 25**

An independent non-executive director shall perform his/her duties independently and not be affected by the Company's substantial shareholders, de facto controller or any of the associates that is interested in the Company, its substantial shareholders and de facto controller.

**Article 26**

Independent non-executive directors shall attend the general meeting and have a comprehensive and fair understanding of the opinions of the shareholders of the Company.

**Article 27**

Independent non-executive directors shall convene a meeting with the chairman of the board of directors at least once a year without the attendance of executive directors.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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<b>Article 28</b>	Independent non-executive directors shall attend the meetings of the board of directors and the special committees of the board of directors where they serve on a regular and timely basis, actively participate in the affairs of the committee, carefully read the meeting documents, proactively investigate and obtain the information and materials necessary for making decisions, express clear, independent and substantiated opinions on the matters under consideration with normal, reasonable, cautious attitude and diligent actions, and contribute to the Company through their professional knowledge, skills, background and qualifications.
	If the board of directors believes that there is a material conflict of interest between substantial shareholders or directors and the matters to be considered by the board of directors, such matter shall be resolved by holding an on-site meeting of the board of directors (instead of a written resolution). If neither the independent non-executive director nor his/her close associates have any material interest in the transaction, they shall attend the board meeting.
<b>Article 29</b>	If an independent non-executive director is unable to attend the board meeting in person for certain reason, he/she shall carefully select a proxy and appoint in writing other independent non-executive directors to attend on his/her behalf. The proxy shall bear legal responsibilities independently.
<b>Article 30</b>	Independent non-executive directors shall carefully read all commercial and financial reports, and reports related to the Company on public media, and keep timely informed of and continuously pay attention to the business operation and management situation and significant events occurred or may occur and their impact, timely report the issues existing in the Company's operation activities to the board of directors, and shall not shirk their responsibilities on the grounds of not directly engaging in operation and management or not aware of the relevant issues and situations.
<b>Article 31</b>	The independent non-executive directors shall give objective and impartial independent opinions on the matters discussed by the general meeting or the board of directors of the Company and, in particular, shall express opinions to the board of directors or the general meeting on the following matters:
	<ol style="list-style-type: none"><li>(1) nomination and dismissal of directors;</li><li>(2) appointment or dismissal of senior management personnel;</li><li>(3) determination or adjustment of the remunerations of directors and senior management personnel of the Company;</li><li>(4) appointment and termination of appointment of an accounting firm;</li></ol>

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (5) change of accounting policies, accounting estimates or correction of major accounting errors due to reasons other than changes in accounting standards;
- (6) issuance of a non-standard unqualified audit opinion by certified public accountants on the financial and accounting reports of the Company;
- (7) change of undertakings by the undertaking parties;
- (8) formulation of profit distribution policy, proposal for profit distribution and conversion of capital reserve into shares, with special attention on whether the legitimate rights and interests of minority shareholders are prejudiced;
- (9) related party transactions subject to disclosure, external guarantees, entrusted wealth management, provision of financial support, use of proceeds, engagement in new business, investment in shares and derivatives and other significant events;
- (10) material asset reorganisation proposal, equity incentive plan, employee stock ownership plan and share repurchase plan;
- (11) any matter considered by independent non-executive directors as possibly infringing the rights of minority shareholders;
- (12) borrowings or other fund transfers, existing or newly occurred, made between the Company and the shareholders, de facto controllers of the Company and their related enterprises involving the amount exceeding RMB3 million or 5% of the latest audited net assets value of the Company, and whether the Company has adopted any effective measures to recover the arrears;
- (13) matters involving the Company's strategy, policies, performance, accountability, resources, major appointments and ethics and standards, etc.;
- (14) the occurrence of potential conflicts of interest;
- (15) other matters stipulated by laws, regulations, the Articles of Association and the securities supervision and administration rules of the place(s) where the Company's shares are listed or designated by the regulatory departments.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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### Article 32

When the Company formulates a specific plan for distribution of cash dividends, the board of directors shall carefully study and demonstrate the timing, conditions and minimum proportion of the distribution of cash dividends, adjustment conditions and decision-making procedure requirements of the Company, and independent non-executive directors shall express clear opinions. Independent non-executive directors may solicit opinions from minority shareholders, put forward the distribution proposals, and directly submit the same to the board of directors for consideration.

Where the Company needs to adjust or change the profit distribution policy and the shareholders' dividend distribution plan according to the production and operation situation, investment planning and long-term development needs, it shall focus on protection of the overall rights and interests of shareholders and fully listen to the opinions of independent non-executive directors. Independent non-executive directors shall express clear opinions on whether the resolution on the adjustment or change of profit distribution policy, especially cash dividend distribution policy, prejudices the legitimate rights and interests of minority shareholders.

### Article 33

Independent non-executive directors shall clearly express the following opinions on the above matters:

- (1) consent;
- (2) qualified opinion and the reasons;
- (3) adverse opinion and the reasons;
- (4) unable to present opinions and the obstacles.

Opinions expressed by independent non-executive directors to the board of directors shall be stated in the minutes of the board meeting.

### Article 34

Independent opinions issued by independent non-executive directors on major issues shall at least include the following:

- (1) basic information of the major issues;
- (2) the basis for expressing opinions, including the procedures performed, the documents inspected, the contents of on-site inspections, etc.;
- (3) the legal compliance of the major issues;

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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- (4) the impact on the rights and interests of the Company and minority shareholders, possible risks and the effectiveness of the measures taken by the Company;
- (5) the conclusions expressed. Where a qualified opinion or adverse opinion is proposed or where unable to present opinions on the major issues, the relevant independent non-executive directors shall clearly explain the reasons therefor.

**Article 35**

Independent non-executive directors shall sign and confirm the independent opinions issued, and report the above opinions to the board of directors in a timely manner and disclose the same together with the relevant announcements of the Company.

**Article 36**

If the relevant matters are matters that shall be disclosed, the Company shall make an announcement of the opinions of the independent non-executive directors. If the independent non-executive directors are of divergent views and cannot reach a consensus, the board shall disclose each of the independent non-executive director's opinions respectively.

**Article 37**

Independent non-executive directors shall attend meetings of the board of directors and committees on which they serve as members as scheduled, and shall keep informed of the production and operation of the Company and conduct active investigation to obtain the particulars and information required for making decisions. Independent non-executive directors shall submit an annual debriefing report to the general meeting of the Company, explaining their performance of duties.

Independent non-executive directors shall actively perform their due diligence obligations upon discovery of any of the following circumstances in the Company, and engage intermediaries to conduct specific investigations when necessary:

- (1) material matters have not been submitted to the board of directors for consideration as required;
- (2) failure to fulfill the information disclosure obligation in a timely manner;
- (3) there are false records, misleading statements or major omissions in the public information;
- (4) other circumstances suspected of violating laws and regulations or prejudicing shareholders' rights and interests.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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**Article 38** When independent non-executive directors independently engage external auditors and consulting institutions, they shall propose in writing to the board of directors.

The intermediaries engaged and the scope of work shall be approved by the board of directors, and the reasonable expenses incurred shall be borne by the Company.

**Article 39** Under any of the following circumstances, an independent non-executive director shall make a public statement:

- (1) being removed from office by the Company and the independent non-executive director believes that his/her dismissal is unreasonable;
- (2) there being circumstances in the Company that prevent the independent non-executive director from exercising his/her powers according to law, leading to resignation of the independent non-executive director;
- (3) when the meeting materials of the board of directors are insufficient or the argumentation is unclear, the written request of more than two independent non-executive directors to postpone the meeting of the board of directors or to postpone the consideration of relevant matters has not been accepted;
- (4) the board of directors fails to take effective measures after independent non-executive directors report the Company's suspected acts in violation of the laws and regulations to the board of directors;
- (5) other circumstances that seriously hinder independent non-executive directors from performing their duties.

**Article 40** Independent non-executive directors shall submit a debriefing report to the annual general meeting explaining their performance of duties. The debriefing report shall include the following:

- (1) attendance and voting at meetings of the board of directors, the committee meetings on which they serve as members and general meetings, and the presence at general meetings throughout the year;
- (2) the independent opinions expressed;
- (3) circumstances relating to proposing the convening of a board meeting, proposing the engagement or dismissal of accounting firms, independently engaging external audit institutions and consulting agencies, conducting on-site investigations and inspections, etc.;

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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(4) work done to protect the legitimate rights and interests of shareholders.

### Article 41

The Company shall pay remuneration and allowances to independent non-executive directors. The payment standard shall be formulated by the board of directors or the remuneration committee, approved by the general meeting and disclosed in the annual report of the Company. In addition to the above-mentioned remuneration and allowances, independent non-executive directors shall not obtain other additional and undisclosed benefits from the Company and its controlling shareholders, de facto controllers or other institutions and parties with a related party relationship with the Company.

### Article 42

On submission of a resignation or expiration of the term of an independent non-executive director, the obligations owed by him/her to the Company and shareholders do not necessarily cease when his/her resignation report/letter has not yet been effective or within a reasonable period after being effective and within a reasonable period after the termination of tenure. His/Her obligations of confidentiality in respect of commercial secrets of the Company shall survive the termination of his tenure until the same has become public information. The duration of the other obligations shall be decided based on the principle of fairness, on the time lapse between the occurrence of the event and the said termination, and on the circumstances and conditions under which the relationships between the independent non-executive director and the Company are terminated.

### Article 43

If an independent non-executive director fails to conscientiously perform his/her obligations, and thus causes damages to the rights and interests of the Company, the overall interests of shareholders and the legitimate rights and interests of employees, he/she shall be held accountable according to the extent of his/her fault under the relevant laws. The general meeting may remove him/her pursuant to the prescribed procedures.

### Article 44

Independent non-executive directors who have left his office without authorisation before their tenure expires, thereby causing loss to the Company, shall be liable to indemnify the Company for such loss.

## CHAPTER 5 SUPPLEMENTARY PROVISIONS

### Article 45

References to “more than” herein shall include the number itself, and “exceed” and “less than” shall not include the number itself.

### Article 46

The Terms shall take effect from approval at the general meeting and completion of the initial public issue of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange.

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## APPENDIX X PROPOSED FORMULATION OF THE TERMS OF REFERENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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**Article 47** The Terms shall be formulated by the board of directors of the Company and considered and approved by the general meeting of the Company. The same shall apply to amendments hereof.

**Article 48** Matters not covered in the Terms shall be implemented in accordance with relevant provisions of laws, regulations, securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association. Where relevant stipulations herein are inconsistent with laws, regulations, securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association promulgated or amended in future, such laws, regulations, securities regulatory rules of the place(s) where shares of the Company are listed and the prevailing or amended Articles of Association shall prevail.

**Article 49** The Terms shall be formulated and interpreted by the board of directors.

*The “Terms of Reference of the Independent Non-Executive Directors” as set out in this appendix are prepared in Chinese version, and the English translations are for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**MANAGEMENT POLICY FOR EXTERNAL GUARANTEES OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.****CHAPTER 1 GENERAL PROVISIONS****Article 1**

In order to safeguard the interests of investors, regulate the external guarantees of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”), control the asset operation risks of the Company and facilitate the healthy and steady development of the Company, the Management Policy for External Guarantees (the “**Policy**”) is hereby formulated according to relevant requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Guarantee Law of the People’s Republic of China, the Notice of Regulation on External Guarantees of Listed Companies, the Notice on Certain Issues relating to Regulating Capital Transactions between Listed Companies and Related Parties and External Guarantees of Listed Companies, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange Listing Rules**”) and the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

**Article 2**

Guarantees in the Policy refers to the guarantee, mortgage or pledge provided by the Company to others as a third party, including the guarantee provided by the Company to its subsidiaries. Specific types of guarantee include, but are not limited to, loan guarantees, bank acceptance bills and guarantees for letters of credit, guarantees for letters of guarantee, performance guarantees, internal guarantees and external loans, and guarantees for other debts.

**Article 3**

Subsidiaries in the Policy refer to wholly-owned subsidiaries, controlling subsidiaries and companies with actual control.

**Article 4**

All external guarantees shall be managed by the Company on a centralised basis. Without the approval of the board of directors and/or the shareholders’ general meeting (if applicable), the Company and its subsidiaries shall not provide external guarantees, mutual guarantees, or invite external units to provide guarantees for their subsidiaries.

**Article 5** The Company shall, as far as possible, take necessary preventive measures such as counter-guarantee when providing external guarantees.

**Article 6** The board of directors and the general meeting of shareholders are the consultation and decision-making bodies for the Company's guarantee behaviors. All guarantee behaviours of the Company must be approved by the board of directors and/or the general meeting of shareholders according to procedures. When the general meeting of shareholders or the board of directors makes a resolution on the guarantee, the shareholders or directors (as the case may be) who are related to or have an interest in the guarantee shall abstain from voting. Independent non-executive directors of the Company shall make special explanations of the Company's accumulated and current external guarantees and the implementation of relevant regulations, and express independent opinions thereon in the annual report.

## **CHAPTER 2 PARTIES UNDER GUARANTEE**

**Article 7** The parties to which the Company shall provide guarantees are limited to the Company and its subsidiaries at different levels. In principle, the Company shall not provide guarantee for other related parties in which it holds less than 50% of its shares, external units and individuals.

## **CHAPTER 3 FUNCTIONAL DEPARTMENTS OF GUARANTEE-RELATED MATTERS**

**Article 8** The financial centre shall have the following duties:

- (1) to be responsible for accepting and examining the application for guarantee submitted by each business unit;
- (2) to be responsible for the risk and income assessment of the guarantee-related matters;
- (3) to be responsible for the preparation and submission of guarantee related resolutions;
- (4) to be responsible for the negotiation of the guarantee contract;
- (5) to be responsible for the establishment of a guarantee business management ledger to maintain guarantee contracts;
- (6) to be responsible for the daily management of external guarantees and follow-up risk tracking and control; and
- (7) to be responsible for handling foreign exchange related procedures for overseas guarantees.

Where the subsidiaries provide guarantees, the financial departments of such subsidiaries shall be the functional management department.

**Article 9**

The Securities Legal Department shall have the following duties:

- (1) to be responsible for the legal risk assessment of guarantee related matters;
- (2) to be responsible for organising the submission of proposals on guarantee related matters to the board of directors and the shareholders' meeting for approval;
- (3) to be responsible for the legal review of the guarantee contracts; and
- (4) to be responsible for the information disclosure of guarantee related matters.

**Article 10**

The business units shall have the following duties:

to be responsible for reporting the demand of guarantee business and providing relevant information on guarantee related matters.

**Article 11**

The Audit and Risk Control Department shall have the following duties:

- (1) to be responsible for the supervision and inspection of the Company's guarantee behavior;
- (2) to be responsible for ensuring a sound internal control system for the guarantee business; and
- (3) to be responsible for ensuring the effective implementation of the Company's provisions on guarantee matters.

**CHAPTER 4 PRIOR REVIEW OF GUARANTEE RELATED MATTERS****Article 12**

Before the Company determines to provide guarantee, the functional management department shall get to know the credit status of the guaranteed party. The financial centre of the Company shall be responsible for investigating and evaluating the credit status of the unit applying for guarantee, fully analysing and demonstrating the risks and benefits of the guarantee, and issuing specific opinions.

The Company's financial centre shall require the applicant to provide the following information:

- (1) basic information of the enterprise (including its name, registered address, legal representative, business scope, related relationship with the Company and other relationships);
- (2) audited financial reports in the past three years and analysis of repayment capability;
- (3) an application for guarantee, including but not limited to the name, guarantee method, term and amount of the creditor;
- (4) a copy of the major contracts related to the loan;
- (5) an explanation of the guaranteed party's repayment plan and source of funds for the guaranteed debt;
- (6) statement explaining the necessity and feasibility of the guarantee, the principal clauses involved in the guarantee, the scope of responsibility of the guarantee, the risk analysis of the guarantee and the risk response measures and the fairness of the guarantee if the guarantee is provided in excess of the benefit ratio; and
- (7) other important information.

**Article 13**

Before the Company provides external guarantees, except for its wholly-owned subsidiaries, the board of directors shall carefully examine the financial status, industry prospect, operating status, credit and credit standing of the guaranteed party according to the relevant information provided by the functional management department. No guarantee shall be provided to an applicant under any of the following circumstances or in case insufficient information is provided:

- (1) non-compliance with provisions of article 7 of the Policy;
- (2) the operation and financial situation of the party applying for guarantee have deteriorated and may not be able to repay the debts on schedule;
- (3) it has incurred significant losses in the previous year and is expected to continue to incur losses in the current year;
- (4) there are bad credit records such as bank loans overdue, interest arrears, tax evasion, etc.;
- (5) there are outstanding or potential major litigation, arbitration or administrative punishment cases, which may affect its ability to pay off debts;
- (6) the Company experienced overdue bank loans, default of interest, etc. when providing guarantees for it previously;
- (7) the counter-guarantee provided by the counter-guarantee party is insufficient or the ownership of the property used as the counter-guarantee is defective, or the property used as the counter-guarantee is prohibited by laws and regulations from circulation or restricted from circulation or non-transferable; and
- (8) other circumstances stipulated by relevant laws and regulations where guarantees cannot be provided.

## CHAPTER 5 APPROVAL PROCEDURES FOR GUARANTEE RELATED MATTERS

**Article 14** In principle, the Company does not provide unilateral full guarantee for non-wholly-owned subsidiaries and other shareholders shall be required to provide corresponding guarantee according to the proportion of equity directly held by them and ensure that relevant guarantee is carried out in accordance with usual commercial or better terms, and the guarantee provided by the Company shall be individual guarantee (not joint and individual guarantee). If the beneficiary of the guarantee does not accept such guarantee method, when providing full guarantee to non-wholly-owned subsidiaries, other shareholders shall be required to provide counter-guarantee of the corresponding amount according to the proportion of equity directly held by them, or provide counter-guarantee with equity or other assets held by them.

**Article 15** If a controlling subsidiary requires the Company to provide guarantee for it, it shall submit an application for annual guarantee quota to the financial centre of the Company within 2 months after the end of the previous fiscal year according to actual needs. In principle, the applied guarantee quota shall not exceed the amount of its net assets. The financial centre shall verify and analyse the production and operation situation and financial condition of such subsidiaries that meet the guarantee conditions, and then submit the application for external guarantee quota for the current year.

**Article 16** Within the scope of the Company's annual guarantee amount, the controlling subsidiaries shall submit the information required in Article 12 of the Policy to the Company's financial centre. After checking the relevant information, the Company's financial centre shall issue a guarantee audit report indicating the verification opinions. The guarantee proposal shall be submitted to the Securities Legal Department after countersigned by the chief financial officer and reviewed by the Company's general manager, which shall submit the guarantee proposal to the board of directors and the shareholders' general meeting (if applicable) for review and approval according to the procedures of the board of directors and the shareholders' general meeting.

**Article 17** The content of various forms of comfort letters and commitment letters issued by the Company to the creditors upon the application of its subsidiaries shall be strictly limited and shall not indicate the intention with the nature of guarantee. Otherwise, approval and management shall be carried out according to regulations governing guarantees.

**Article 18** After the Company provides guarantees to its subsidiaries, the subsidiaries provide guarantees to each other, and the Company's controlling subsidiaries provide external guarantees, the Company shall perform the corresponding information disclosure work according to the "Measures for the Administration of Information Disclosure of Zhuzhou CRRC Times Electric Co., Ltd."

**CHAPTER 6 APPROVAL AUTHORITY FOR GUARANTEE RELATED MATTERS****Article 19**

All guarantee related matters of the Company shall be considered and approved by the board of directors. In addition to being approved by more than half of all directors, it shall also be approved by more than two thirds of the directors present at the board meeting.

**Article 20**

An independent non-executive director of the Company shall express independent opinions when the board of directors considers external guarantees regarding whether the guarantees are in compliance with laws and regulations, the impact on the Company and potential risks. When necessary, an accounting firm may be engaged to check the accumulated and current external guarantees of the Company. In case of any abnormality, it shall be reported to the board of directors and regulatory authorities in a timely manner and announced.

The audit committee shall keep track of the guarantees provided by the Company, supervise over and assess the internal control of the Company over the guarantees, and communicate with the accounting firm on relevant matters. Should abnormalities are identified, the audit committee shall report to the board of directors of the Company in a timely manner for it to adopt corresponding measures.

**Article 21**

The following external guarantees of the Company shall be submitted to the shareholders' general meeting for consideration after being considered and approved by the board of directors:

- (1) guarantee with a single amount exceeding 10% of the Company's latest audited net assets;
- (2) any provision of guarantee after the total amount of external guarantees of the Company and its controlling subsidiaries reaches 50% or above of the latest audited net assets of the Company;
- (3) any guarantee provided in favour of a guaranteed party with an asset to liability ratio exceeding 70%;
- (4) any provision of guarantee after the total external guarantee of the Company exceeds 30% of the latest audited total assets of the Company on an accumulative basis for consecutive 12 months;
- (5) a guarantee provided to the shareholder, de facto controller or their respective related parties;
- (6) a guarantee provided to other related parties of the Company; or

(7) other guarantees required to be considered by the shareholders' general meeting and/or independent shareholders (if applicable) as stipulated by laws, administrative regulations and the securities regulatory rules of the place(s) where the Company's shares are listed.

References to "the aggregate amount of external guarantees provided by the Company and its controlling subsidiaries" are to the sum of the aggregate amount of external guarantees provided by the Company, including those in favour of its controlling subsidiaries, and the aggregate amount of external guarantees provided by controlling subsidiaries of the Company.

A guarantee provided in subparagraph (4) above, when considered at a shareholders' general meeting, is subject to approval by two-thirds or more of the voting rights represented by the shareholders present at the meeting.

**Article 22**

Where the Company provides guarantees for a wholly-owned subsidiary, or for a controlling subsidiary and other shareholders of the controlling subsidiary provide the same proportion of guarantee according to the rights and interests they enjoy, provided that the interests of the Company are not prejudiced, the provisions of subparagraphs (1) to (3) of paragraph 1 of Article 21 of the Policy may be exempted. The Company shall summarise and disclose the aforesaid guarantee in the annual report and interim report.

**Article 23**

When the general meeting of shareholders considers the guarantee proposal for shareholders, de facto controllers and their related parties, the shareholders or shareholders and their related parties (and the relevant persons designated according to the securities regulatory rules of the place(s) where the shares of the Company are listed) controlled by the de facto controllers shall not participate in the voting. The proposal shall be passed by more than half of the non-related shareholders holding voting rights present at the general meeting of shareholders.

**Article 24**

According to the relevant provisions of the Stock Exchange Listing Rules (especially the provisions of Chapters 13, 14, 14A and 19A), any guarantee and/or financial assistance that must be approved by the general meeting of shareholders must strictly comply with the approval and disclosure requirements of the Stock Exchange Listing Rules. The board of directors shall consider and approve the proposal before submitting it to the general meeting of shareholders.

## CHAPTER 7 ENTERING INTO GUARANTEE CONTRACTS

**Article 25**

Upon determination of the board of directors and/or the shareholders' general meeting of the Company, the chairman of the board or an agent authorised by the chairman of the board shall sign an external guarantee contract. No party may sign any guarantee contract on behalf of the Company without the approval and authorisation of the general meeting of shareholders and/or the board of directors.

**Article 26**

A guarantee contract must conform to relevant legal norms and the contract items must be clear. The guarantee contract and counter-guarantee contract shall be concluded in written form. The terms of all guarantee contracts shall be reviewed in advance by the Securities Legal Department, and submitted to the Company's deputy general manager in charge of finance for countersigning and general manager for review and the chairman of the Company shall sign the external guarantee contracts.

**Article 27**

When entering into a contract in the form of guarantee, all obligatory clauses shall be strictly examined in the light of the creditworthiness of the guaranteed party. When mandatory clauses may cause unexpected risks to the Company, the guaranteed party shall provide corresponding counter guarantee or the Company shall refuse to provide guarantee for the guaranteed party, and report to the board of directors.

**Article 28**

The following clauses shall be determined in the guarantee contract:

- (1) creditors and debtors;
- (2) the type and amount of major creditor's rights guaranteed;
- (3) the agreed time limit for the debtor and the creditor to perform their debts;
- (4) guarantee methods;
- (5) scope of guarantee;
- (6) guarantee period;
- (7) the rights, obligations and liabilities of all parties for breach of contract;
- (8) where counter-guarantee is the precondition for guarantee, the effective clauses of the guarantee contract shall not take effect until the formal counter-guarantee contract is signed or the necessary counter-guarantee collateral and pledge registration procedures are completed;

(9) other matters that the parties deem necessary to be agreed upon.

**Article 29**

When accepting counter-guarantee mortgage and counter-guarantee pledge, the Company's financial centre shall, together with the Company's Securities Legal Department (or the law firm engaged by the company), jointly improve the relevant legal documents, handle the mortgage or pledge registration formalities (if required by law) in a timely manner, and take necessary measures to reduce the guarantee risks before the counter-guarantee approval and registration formalities.

**Article 30**

After the guarantee contract and the debt master contract are signed, the guaranteed party shall submit the original contract to the financial centre for filing and maintenance, and promptly notify the supervisory committee and the secretary of board of directors.

**Article 31**

The financial centre shall timely submit the signed cross-border guarantee contract to the State Administration of Foreign Exchange for filing.

**CHAPTER 8 INFORMATION DISCLOSURE OF GUARANTEE RELATED MATTERS****Article 32**

The external guarantee approved by the board of directors and/or the general meeting of shareholders shall be disclosed in a timely manner on the relevant information disclosure newspapers or designated websites according to the securities regulatory rules of the place(s) where the shares of the Company are listed. The contents subject to disclosure shall include the resolutions of the board of directors or the general meeting of shareholders and the total amount of external guarantee of the Company and its controlling subsidiaries (including the total amount of guarantee provided by the Company to the controlling subsidiaries) as of the date of information disclosure.

**Article 33**

The Securities Legal Department is the functional management department for the disclosure of the Company's guarantee information. The disclosure of the Company's guarantee information shall be carried out in accordance with laws, regulations, securities regulatory rules of the place(s) where the shares of the Company are listed, the Articles of Association and the Administrative Measures for Information Disclosure of Zhuzhou CRRC Times Electric Co., Ltd..

## CHAPTER 9 GUARANTEE RISK MANAGEMENT

## Section I Administration Before Creditors Claim Creditors' Rights on the Company

**Article 34** After a guarantee contract is signed, the financial centre of the Company shall be responsible for maintaining the guarantee contract and related materials, and monitoring and handling the follow-up matters of external guarantees. Managers should pay attention to the period of the guarantee liability (for example, the counter guarantee) and the commencement and termination time of action, and actively urge the guaranteed party to perform the guaranteed obligation according to the agreed time.

**Article 35** The financial centre shall designate a special person to be responsible for the management of the guarantee ledger (see appendix A), which shall record in detail the guaranteed enterprise, beneficiary, guarantee type, guarantee contract amount, actual guarantee amount, guarantee period and main debt performance period, etc. The guarantee contract shall be properly kept in accordance with the Company's archives management regulations. The person in charge shall regularly collect the production and operation, financial status of the guaranteed party, especially the repayment of due debts, etc., timely report major problems and risk warning, regularly track and inspect the guarantee ledger, and report to the Company according to the actual situation in a timely manner.

**Article 36** The department responsible for handling guarantee related matters shall pay close attention to the changes in the merger, division, bankruptcy, dissolution, major litigation, arbitration, production and operation, assets and liabilities, external guarantee, business reputation, and actual control of the guaranteed party. The person in charge shall report to the Company in a timely manner if he/she identifies that the guarantee has changed or there is greater risk if the guarantee continues, and it is necessary to terminate the guarantee contract.

**Article 37** The person in charge shall timely track and master the external guarantee and the guarantee situation of the Company and its subsidiaries, and submit the guarantee management ledger to the financial departments of CRRC Zhuzhou Institute Co., Ltd. (“**CRRC ZELRI**”) and CRRC on time for filing as required.

**Article 38** In the process of managing the guarantee contracts, once the financial centre discovers the guarantee contracts in violation of the provisions of the Policy, it shall promptly notify the guaranteed party in writing to terminate the guarantee contract or require the guaranteed party to provide further counter-guarantee.

**Article 39** If the guaranteed debt needs to be extended after maturity and the Company needs to continue to provide guarantee, it shall be regarded as a new external guarantee, and the guarantee application, examination and approval procedures must be performed in accordance with the procedures stipulated in the Policy.

**Article 40**

When it is found that the guaranteed party fails to fulfill its repayment obligations within 15 working days after the debt of the guaranteed party expires, or the guaranteed party goes bankrupt, liquidation, or the creditor claims that the guarantor performs its guarantee obligations, the Company shall timely understand the debt repayment of the guaranteed party, prevent further losses, and timely disclose relevant information.

**Section II Post-claim Management of Creditors to the Company****Article 41**

If the guaranteed party is unable to perform the contract and the secured creditor claims the creditor's rights against the Company, the person in charge shall promptly report to the board of directors. After the Company performs the guarantee obligation for the debtor, it shall immediately commence the counter-guarantee recovery procedure.

**Article 42**

If the Company, as the guarantor, has more than two guarantors for the same debt, who have agreed to assume the guarantee responsibility in proportion, it shall refuse to assume the guarantee responsibility beyond that agreed by the Company.

**Article 43**

For a guarantee that has expired, the guaranteed party shall assist the financial centre of the Company to notify the beneficiary to return the guarantee contract and go through the cancellation procedures. If the guarantee contract cannot be returned, the beneficiary shall be required to issue a certificate that the guarantee contract has expired in order to avoid legal risks. For expired cross-border guarantees, the financial centre shall handle relevant cancellation procedures according to the provisions of the State Administration of Foreign Exchange.

**Article 44**

After the people's court accepts the bankruptcy case of the debtor, if the creditor fails to declare his/her creditor's rights, the person in charge shall request the Company to declare its creditor's rights and exercise the right of recourse in advance.

**CHAPTER 10 ACCOUNTABILITY****Article 45**

The guarantee provided by the Company shall be strictly implemented in accordance with the Policy. For those liable, the board of directors of the Company shall determine to make corresponding punishment depending on the Company's losses, risks and seriousness of the case.

**Article 46** If the directors, general manager and other management personnel of the Company sign the guarantee contract without authorisation in accordance with the procedures stipulated in the Policy and thus causes damage to the Company, the parties concerned shall be investigated for responsibility in accordance with the relevant management regulations of the Company.

**Article 47** If any functional management department violates the legal provisions or the provisions of the Policy, ignores risks and grant guarantees without authorisation and thus causes losses, the Company shall investigate the responsibilities of the parties concerned in accordance with the relevant management regulations of the Company.

**Article 48** If a functional management department fails to perform its duties and causes losses to the Company, the Company shall investigate the responsibilities of the parties concerned in accordance with the relevant management regulations of the Company.

**Article 49** Where the law stipulates that the guarantor does not have to bear the responsibilities, and the functional management department undertakes the responsibilities without the consent of the board of directors of the Company, the Company shall investigate the responsibilities of the parties concerned in accordance with the relevant management regulations of the Company.

**Article 50** The Company shall establish and improve the supervision and inspection system for the control of guarantee related matters. The audit and risk control department of the Company shall adopt conformity test or other methods to check whether the internal control system of guarantee business is sound and whether all systems are effectively implemented.

**CHAPTER 11 SUPPLEMENTARY PROVISIONS****Article 51**

Unless otherwise specified, the terms used in the Policy shall have the same meaning as those in the Articles of Association. In case of any matters not covered herein or discrepancy between the content of the Policy and the securities regulatory rules of the place(s) where the Company's shares are listed, the Company Law and other laws and regulations and the provisions of the Articles of Association, the provisions of the above laws and regulations and the Articles of Association shall prevail.

**Article 52**

The board of directors of the Company may propose amendments to the Policy according to relevant laws, administrative regulations, regulatory documents and amendments to the Articles of Association or in response to changes in the Company's operating conditions, and submit the same to the shareholders' general meeting of the Company for consideration and approval.

**Article 53**

The board of directors of the Company shall be responsible for the interpretation of the Policy and its amendments, and it shall come into effect from approval at the general meeting of the Company and completion of initial public issue of A shares of the Company and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange.

APPENDIX A  
GUARANTEE LEDGER

Date:

Unit: RMB

No.	Applicant	Project		Type of guarantee (Note 1)	Currency	Amount (Note 2)	Term (Note 3)	Contract number	Date of signature	Bank issuing letter of guarantee	Revision	Status (Note 4)	Remarks
		name	Beneficiary										
1	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
4	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
5	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

*Note 1:* Type of guarantee includes parent company performance guarantee, parent company loan guarantee, bank guarantee and other parent company guarantees, of which, bank guarantee letters only counts the use of parent company credit line or counter guarantee provided by parent company.

*Note 2:* For guarantees without agreed amount, the amount of the master contract shall be indicated in the remarks.

*Note 3:* For guarantees without guarantee period, the performance period of the master contract shall be indicated in the remarks.

*Note 4:* The guarantee status comprise valid, cancelled and recovered.

*The “Management Policy for External Guarantees” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

MANAGEMENT POLICY FOR RELATED PARTY TRANSACTIONS OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

## CHAPTER 1 GENERAL PROVISIONS

**Article 1**

In order to regulate the related party transactions of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”), ensure the fairness of the related party transactions, safeguard the interests of minority investors and improve the corporate governance of the Company, the Management Policy for Related Party Transactions (the “**Policy**”) is hereby formulated according to relevant requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Standards for Corporate Governance of Listed Companies, the Notice on Certain Issues relating to Regulating Capital Transactions between Listed Companies and Related Parties and External Guarantees of Listed Companies and the relevant PRC prevailing laws, administrative regulations, regulatory documents, securities or stocks listing rules (“**Stock Exchange Listing Rules**” and “**Sci-tech Innovation Board Listing Rules**”) of the stock exchanges of the place(s) where the shares of the Company are listed (including but not limited to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Shanghai Stock Exchange (the “**SSE**”)), the Guidelines of the SSE on Related Party Transactions of Listed Companies and the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

**Article 2**

The Company’s transactions with related parties shall be considered in accordance with the provisions of the Policy and disclosed domestically and abroad simultaneously, unless they are exempted from consideration and disclosure in the form of related party transactions in accordance with the Sci-tech Innovation Board Listing Rules and the Stock Exchange Listing Rules.

**Article 3**

Two detailed rules are attached to the Policy, namely the detailed rules for management of related party transactions (A shares) and the detailed rules for management of related party transactions (H shares), which respectively describe the specific provisions of the Sci-tech Innovation Board Listing Rules and the Stock Exchange Listing Rules and supplement and explain the relevant provisions of the Policy.

**Article 4**

The Policy is applicable to the Company and its subsidiaries (the “**Subsidiaries**”) included in the scope of the Company’s consolidated financial statements. For the purpose of the Policy, “Company” refers to the Company and, depending on the provisions of the securities regulatory rules of the place(s) where the Company’s shares are listed, includes its Subsidiaries.

The audit committee of the board of directors shall perform the duties of controlling related party transactions and daily management of the Company.

**CHAPTER 2 BASIC PRINCIPLES OF RELATED PARTY TRANSACTIONS****Article 5**

Related party transactions of the Company shall be conducted in accordance with the following basic principles:

- (1) the principles of good faith, equality, willingness, fair value, openness and transaction for consideration;
- (2) the pricing principles of equality, justness and fairness;
- (3) the related party transaction operational principles of market orientation and openness;
- (4) in the interests of the shareholders of the Company as a whole;
- (5) related party transaction between the Company and a related party shall be governed by written agreement to clarify the rights, obligations and legal responsibilities of both parties;
- (6) if related parties (for the purpose of this subparagraph, including “related party(ies)” as defined under the Sci-tech Innovation Board Listing Rules and “connected person(s)” as defined under the Stock Exchange Listing Rules, as well as those who have material interests in the transactions to be voted on under certain circumstances according to the Stock Exchange Listing Rules) directly or indirectly enjoy voting rights in the general meeting of the Company, they shall abstain from voting, and such voting shall be made through a poll in writing at the general meeting;
- (7) directors who have any interest in the related parties shall abstain from voting on that matter at the board meeting;
- (8) the board shall evaluate whether the related party transaction is in the interest of the Company on an objective basis, and shall engage a professional valuer or independent financial adviser when necessary;
- (9) compliance with the applicable laws and regulations and the securities regulatory rules of the place(s) where shares of the Company are listed.

**Article 6**

The Company shall take effective measures to prevent related parties from interfering in the operation of the Company in any way (including but not limited to monopoly of procurement and sales channels, etc.), infringing on the Company or exploiting the Company for its own interests. The terms of related party transactions shall be conducted in accordance with the usual commercial terms and shall not be inferior to the terms offered by the Company to an independent third party or by an independent third party to the Company. The price or pricing principle of a related party transactions shall not deviate from the price or charging standard charged by independent third parties in the same or similar transactions in the market. The Company shall fully disclose the pricing basis of the related party transactions.

**Article 7**

The Company shall take effective measures to prevent shareholders and their related parties from transferring the Company's funds, assets and other resources in any forms, thus infringing on the overall interests of the Company and shareholders.

**Article 8**

In view of the differences between the provisions of the Sci-tech Innovation Board Listing Rules and the Stock Exchange Listing Rules on related parties and related party transactions, if the relevant transactions only constitute related party transactions according to the Sci-tech Innovation Board Listing Rules but do not constitute connected transactions or continuing connected transactions under the Stock Exchange Listing Rules, then the relevant provisions of the Sci-tech Innovation Board Listing Rules only shall be observed. If the transaction only constitutes a connected transaction or a continuing connected transaction according to the Stock Exchange Listing Rules, but does not constitute a related party transaction under the Sci-tech Innovation Board Listing Rules, then the relevant provisions of the Stock Exchange Listing Rules only shall be observed. If the transaction constitutes both a related party transaction under the Sci-tech Innovation Board Listing Rules and a connected transaction or a continuing connected transaction under the Stock Exchange Listing Rules, both the Sci-tech Innovation Board Listing Rules and the Stock Exchange Listing Rules shall be followed, and the more stringent requirements shall prevail.

**CHAPTER 3 DEFINITION OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS****Article 9**

The “related party(ies)” of the Company comprise the related legal person(s), natural person(s) and other organisation(s) of the Company, specifically include the “related party(ies)” as defined under the Sci-tech Innovation Board Listing Rules and the “connected person(s)” as defined under the Stock Exchange Listing Rules.

**Article 10** The term “related party transaction” in the Policy primarily refers to a one-off transaction or a continuing transaction between the Company or its wholly-owned or controlling subsidiaries and related parties of the Company, specifically including “related party transaction(s)” as defined under the Sci-tech Innovation Board Listing Rules and “connected transaction(s)” or “continuing connected transaction(s)” as defined under the Stock Exchange Listing Rules.

**Article 11** The Company shall formulate a list of related parties, perform statistical analyses on the name and nature of the related parties of the Company according to the “related party(ies)” as defined under the Sci-tech Innovation Board Listing Rules and the “connected person(s)” as defined under the Stock Exchange Listing Rules, and regularly update the list.

#### **CHAPTER 4 FILING OF RELATED PARTIES**

**Article 12** The directors, supervisors and senior management personnel of the Company, shareholders holding more than 5% of the shares, de facto controllers and parties acting in concert with them shall promptly inform the audit committee of the Company in writing of their related party relationship with the Company.

**Article 13** The audit committee of the Company shall confirm the list of related parties of the Company and report to the board of directors and the supervisory committee in a timely manner.

**Article 14** The Company shall timely report and update the list of related parties and related party relationship information according to the requirements of the securities regulatory authority of the place(s) where the Company’s shares are listed.

#### **CHAPTER 5 DECISION-MAKING AUTHORITY OF RELATED PARTY TRANSACTIONS**

**Article 15** The Company shall sign a related party transaction agreement with related parties for one-off related party transactions or a framework agreement for continuing related party transactions for continuing related party transactions according to the development and needs of its own business and its wholly-owned and controlling subsidiaries.

As for continuing related party transactions, the contents of the framework agreement for related party transactions shall include the pricing principle and basis, the term of the agreement, the transaction price or the annual transaction caps, the total amount of transactions or the specific method for determining the total amount, the payment arrangement, the rights and obligations of both parties to the transaction, and other major clauses. Under the framework agreement of continuing related party transactions, the Company will determine the content and amount of related party transactions for the relevant year with reference to historical transactions and data and/or based on reasonable assumptions. After the related party transaction framework agreement is approved by the board of directors of the Company, it shall be implemented after being submitted to the general meeting for consideration and approval (if applicable) in accordance with the applicable provisions of the securities regulatory rules of the place(s) where shares of the Company are listed.

**Article 16**

For continuing related party transactions, if the framework agreement on continuing related party transactions requires to be considered and approved by the general meeting, it shall be deemed that all related party transactions covered by the framework agreement within the transaction content and amount or annual transaction caps specified in the framework agreement have been approved, and therefore it is not necessary to submit the specific transaction content and related documents signed under the framework agreement to the general meeting for consideration.

**Article 17**

If the principal clauses of the framework agreement are subject to major changes during the implementation process or the agreement is required to be renewed upon expiration, the Company shall submit the revised or to-be-renewed framework agreement for continuing related party transactions to the independent non-executive directors and the board of directors for consideration according to the total transaction amount or annual transaction caps involved in the framework agreement, and implement the framework agreement after complying with the applicable provisions of the securities regulatory rules of the place(s) where shares of the Company are listed (including obtaining the approval of independent shareholders (if applicable)). If there is no specific transaction amount involved, it shall also be submitted to the general meeting for consideration.

**Article 18**

In case of related party transactions exceeding the framework agreement for continuing related party transactions, the Company shall conclude a separate written agreement with the related parties and submit it to the independent non-executive directors and the board of directors for consideration, and implement the agreement after complying with the applicable provisions of the securities regulatory rules of the place(s) where shares of the Company are listed (including obtaining the approval of independent shareholders (if applicable)). If there is no specific total transaction amount in the agreement, it shall also be submitted to the general meeting for consideration and approval.

The audit committee under the board of directors of the Company is responsible for reviewing and filing related party transactions of the Company, and is responsible to the board of directors. The specific duties and working procedures of the audit committee are stipulated in the Implementation Rules and Regulations of the Audit Committee of the Board of Directors. According to the requirements of the Stock Exchange from time to time, the independent non-executive directors of the Company are responsible for conducting quarterly reviews of specific continuing connected transactions of the Company and disclosing their opinions in the form of announcements.

**Article 19**

Related party transactions that meet one of the following conditions shall be considered and approved by the board of directors or the general manager:

1. according to the applicable percentage ratios stipulated in the Stock Exchange Listing Rules from time to time, related party transactions with all percentage ratios above 0.1% (for related party transactions with listed companies) or 1% (for related party transactions with subsidiaries) shall be considered and approved by the board of directors (including independent non-executive directors); and related party transactions with percentage ratios less than 0.1% (for related party transactions with listed companies) or 1% (for related party transactions with subsidiaries) constitute transactions exempted from disclosure and the general manager shall be authorised for decision-making;
2. transactions with related natural persons with an amount over RMB300,000 (save for provision of guarantees); and transactions with related legal persons with an amount accounting for more than 0.1% of the Company's latest audited total assets and market value and more than RMB3,000,000 (save for provision of guarantees) shall be considered and approved by the board of directors;

3. transactions with related natural persons with an amount below RMB300,000 (save for provision of guarantees); and transactions with related legal persons with an amount accounting for less than 0.1% of the Company's latest audited total assets and market value or less than RMB3,000,000 (save for provision of guarantees) shall be determined by the general manager as authorised;
4. transactions involving provision of loans, compensation guarantee, guarantee, mortgage and donation of cash assets shall be considered and approved by the board of directors regardless of amount.

**Article 20**

Related party transactions that meet one of the following conditions shall be submitted to the general meeting (including independent shareholders, if applicable) for approval after being considered and approved by the board of directors:

1. a one-off related party transaction agreement or a continuing related party transaction framework agreement signed by the Company and its related parties that shall be approved by shareholders in accordance with the securities regulatory rules of the place(s) where shares of the Company are listed;
2. according to the applicable percentage ratios stipulated from time to time in the Stock Exchange Listing Rules (for the calculation method of the percentage ratios, see the Detailed Rules for Management of Related Party Transactions (H Shares), including assets ratio, revenue ratio, consideration ratio and equity capital ratio (if applicable), the same hereinafter), any one of the ratios of the transaction is 5% or more;
3. for related party transactions with an amount accounting for more than 1% of the Company's latest audited total assets or market value and exceeds RMB30,000,000, valuation reports or audit reports shall be issued. Related party transactions conducted in daily business processes may be exempted from audit or valuation;
4. any guarantee provided by the Company to related parties, regardless of the amount, shall be submitted to the general meeting for consideration and the shareholders concerned shall abstain from voting at the general meeting.

The above-mentioned related party transactions which are required to be submitted to the general meeting for consideration shall first be submitted to the independent non-executive directors of the board of directors for preliminary consideration before being submitted to the board of directors for consideration and approval.

**CHAPTER 6 DECISION-MAKING PROCEDURES OF RELATED PARTY TRANSACTIONS****Article 21**

Where the Company or its subsidiary(ies) intend(s) to carry out related party transactions with the related parties of the Company, the transactions shall be conducted after performing the decision-making procedures in accordance with the provisions of the Policy. The proposal(s) of related party transaction submitted for decision-making at the meeting shall specify the identities and related party relationships of the parties to the related party transaction, the specific content of the related party transaction, pricing policies, the necessity and feasibility of the transaction, and the impact on the interests of the Company and its shareholders, so as to facilitate the board of directors and/or shareholders to make well-grounded decisions. The proposal shall be specifically prepared by the functional department of the Company responsible for the related party transaction.

**Article 22**

A written agreement shall be signed for related party transactions between the Company and related parties. Necessary preventive measures shall be adopted for entering into such agreement between them:

- (1) any individual may only represent one of the parties when entering into an agreement on related party transaction;
- (2) a related party shall not interfere with the Company's decision in any manner.

**Article 23**

The general meeting, the board of directors and the general manager of the Company are the decision-making institutions for the related party transactions, and shall consider and approve the related party transactions within their respective scope of authority.

**Article 24**

When the board of directors of the Company considers related party transactions, the related directors shall disclose their interests to the board of directors in advance and shall abstain from voting on such matters, nor shall they exercise their voting rights on behalf of other directors. Such board meeting may only be held with attendance of over half of the unrelated directors, and the resolutions made at the board meeting must be approved by over half of the unrelated directors. Any matter which requires approval by more than two-thirds of members of the board pursuant to the Articles of Association shall be subject to approval by more than two-thirds of unrelated directors. If less than three unrelated directors are present at the board meeting, the transaction shall be submitted to the general meeting for consideration.

The definition of related directors as mentioned in the preceding paragraph is subject to the provisions of the Sci-tech Innovation Board Listing Rules or the Stock Exchange Listing Rules, including but not limited to directors with any of the following circumstances:

- (1) being the counterparty of the transaction;
- (2) being the direct or indirect controller of the counterparty;
- (3) holding a post in the counterparty, or in the legal person or other organisation either exercising direct or indirect control over the counterparty or under direct or indirect control by the counterparty;
- (4) the counterparty is an associate of the director as defined under the Stock Exchange Listing Rules;
- (5) being a family member closely related to the natural persons listed in subparagraphs (1) and (2) of this article (for the specific scope, please refer to the relevant definitions in the Sci-tech Innovation Board Listing Rules and the Stock Exchange Listing Rules);
- (6) being a family member closely related to the directors, supervisors or senior management personnel of the legal person or organisation listed in subparagraphs (1) and (2) of this article (for the specific scope, please refer to the relevant definitions in the Sci-tech Innovation Board Listing Rules and the Stock Exchange Listing Rules);
- (7) directors identified by the securities regulatory authorities of the listing places, SSE, Stock Exchange or the Company as having conflicts of interest with the Company based on the principle of substance over form, which may affect their independent business judgment.

**Article 25**

Resolutions made by the board in relation to related party transactions shall come into effect upon approval by unrelated directors (including independent non-executive directors) and the signatures of independent non-executive directors of the Company.

**Article 26**

Unless a related director has made disclosure to the board and the transaction was approved by the board at a meeting at which such director was not counted in the quorum and abstained from voting, the Company shall have the right to require the related director or other corporate entity where he/she holds a post (except as a bona fide third party) to revoke the relevant contract, transaction or arrangement.

**Article 27**

With respect to the related party transactions subject to the approval of the general meeting as mentioned in Article 20 above, in accordance with the applicable provisions of the securities regulatory rules of the place(s) where the Company's shares are listed, apart from making timely disclosure, the Company shall establish an independent board committee comprising independent non-executive directors without material interests in the relevant transactions, and shall also engage an intermediary agency with the qualification to carry out securities and futures related business as an independent financial adviser to audit or evaluate the transaction subject and issue an independent financial adviser report to express its opinions for reference of the independent board committee as the basis of judgment. Letters from the independent board committee and the independent financial adviser shall also be included in the circular regarding the relevant transaction for shareholders' reference and shall be considered and approved by the independent shareholders at the general meeting.

The audit committee shall also verify such related party transactions simultaneously, issue written opinions and submit the same to the board of directors for consideration and report to the supervisory committee. The audit committee may engage independent financial advisers to issue reports as the basis for judgement.

**Article 28**

For a related party transaction to be considered and voted at a general meeting, the related shareholder shall abstain from voting thereon, and the number of voting shares represented by it shall not be included into the total number of valid votes. In the special circumstances where it is impossible for the related shareholders to abstain from voting, the Company shall, upon obtaining approval or waiver from the competent authorities, proceed with the normal voting proceedings. In such a case, the Company shall explain in details in the resolution of the general meeting. The Company shall also specifically record the votes of unrelated shareholders at the general meeting and make disclosure in the announcement of the resolution.

The definition of related shareholders as mentioned in the preceding paragraph is subject to the provisions of the Sci-tech Innovation Board Listing Rules or the Stock Exchange Listing Rules, including but not limited to shareholders with any of the following circumstances:

- (1) being the counterparty of the transaction;
- (2) being the direct or indirect controller of the counterparty;
- (3) under direct or indirect control by the counterparty;

- (4) an associate of the counterparty as defined under the Stock Exchange Listing Rules;
- (5) under direct or indirect control, together with the counterparty, by the same legal person, natural person or other organisation;
- (6) being a shareholder whose voting rights are restricted and affected due to any outstanding share transfer agreement or any other agreement entered into with the counterparty or its related party;
- (7) other interested shareholders as prescribed by the securities regulatory authorities of the listing places, the SSE and the Stock Exchange;
- (8) being a shareholder who is deemed to be a related party and/or connected person or who is able to potentially exploit the Company for his/her own interests as determined by the securities regulatory authorities of the listing places, the SSE and the Stock Exchange.

**Article 29**

To be valid, any resolution on related party transaction at a general meeting shall be passed by votes representing over half of the voting rights represented by shareholders or their proxies (other than the related shareholder) attending the general meeting.

**Article 30**

Independent non-executive directors shall have the right to give their independent opinion to the board or the general meeting with respect to the Company's existing or new significant loans or other capital transactions with shareholders, de facto controller and its related party, and as to whether the Company has adopted effective measures to recover the receivables.

**CHAPTER 7 DISCLOSURE OF RELATED PARTY TRANSACTION****Article 31**

Any transaction between the Company and its related parties that meets one of the following standards shall be disclosed in a timely manner in accordance with the securities regulatory rules of the place(s) where the Company's shares are listed:

- (1) related party transaction between the Company and a related natural person in amount of more than RMB300,000;
- (2) transactions with related legal persons with an amount accounting for more than 0.1% of the Company's latest total audited assets or market value and exceeding RMB3 million;
- (3) connected transaction(s) or continuing connected transaction(s) subject to disclosure according to the Stock Exchange Listing Rules.

**Article 32** Where the Company provides loans, compensation guarantees, guarantees, mortgages to and donates assets in cash from related parties, the Company shall make timely disclosure after consideration and approval by the board of directors in accordance with the securities regulatory rules of the place(s) where the Company's shares are listed regardless of the amount.

**Article 33** For a one-off related party transaction agreement or a framework agreement for continuing related party transactions entered into by the Company in accordance with the provisions of Article 15 of the Policy, in addition to timely disclosing the non-exempted contents of such related party transaction or continuing related party transaction according to the Stock Exchange Listing Rules, actual performance of such transactions shall also be disclosed in the annual report and shall indicate whether they conform to the provisions of the framework agreement.

**Article 34** As for related party transactions that are exempted or waived from consideration and disclosure in the form of related party transactions according to the relevant regulations of the stock exchanges of the listing places, the Company may be exempted or waived in this regard according to the relevant regulations.

## **CHAPTER 8 SUPPLEMENTARY PROVISIONS**

**Article 35** Unless otherwise specified, capitalised terms used in the Policy shall have the same meanings as those defined in the Articles of Association. In case of any matters not covered in the Policy or where the contents herein is inconsistent with the securities regulatory rules of the place(s) where the Company's shares are listed, the provisions of the Company Law and other laws and regulations and the Articles of Association, such regulatory rules, provisions of laws and regulations and the Articles of Association shall prevail.

**Article 36** The board of directors of the Company may propose amendments to the Policy according to the relevant laws, administrative regulations, regulatory documents and amendments to the Articles of Association or due to changes in the Company's operating conditions, and submit the same to the general meeting of the Company for consideration and approval.

**Article 37** The board of directors of the Company shall be responsible for the interpretation of the Policy and its amendments, and it shall come into effect upon approval at the general meeting and completion of the initial public issue of A shares and listing on the SSE Science and Technology Innovation Board.

## ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

DETAILED RULES FOR MANAGEMENT OF  
RELATED PARTY TRANSACTIONS (A SHARES)

In order to regulate the related party transactions of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) and safeguard the lawful rights and interests of the investors, especially the minority investors, these detailed rules (the “**Rules**”) are hereby formulated according to relevant requirements of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the SSE (the “**Sci-tech Innovation Board Listing Rules**”) and laws, regulations, regulatory documents as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

The Rules are only applicable to the related party transactions of the Company in the A-share stock market. The related party transactions of the Company in the H-share stock market shall be separately stipulated by the Company with reference to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** The related parties of the Company include the related natural persons and related legal persons.

**Article 2** Natural persons, legal persons or other organisations in any of the following circumstances shall be regarded as related parties of the Company:

- (1) legal persons or other organisations that directly or indirectly control the Company;
- (2) natural persons each holding more than 5% of the Company’s shares directly or indirectly;
- (3) directors, supervisors or senior management personnel of the Company;
- (4) closely related family members of the related natural persons set out in subparagraphs (2) and (3) of this article, including spouses, children aged 18 or above and spouses thereof, parents and spouses’ parents, siblings and spouses thereof, spouses’ siblings, and parents of children’ spouses;
- (5) legal persons or other organisations directly or indirectly holding more than 5% of the Company’s shares;

- (6) directors, supervisors and senior management personnel directly or indirectly controlling the legal persons or other organisations of the Company;
- (7) legal persons or other organisations controlled directly or indirectly by the related legal persons or related natural persons listed in subparagraphs (1) to (6) of this article, or legal persons or other organisations where the aforesaid related natural persons (except independent directors) holding positions as directors and senior management personnel, except the Company and its controlling subsidiaries;
- (8) natural persons, legal persons or other organisations determined by the China Securities Regulatory Commission (the “CSRC”), the SSE or the Company in the “substance over form” principle as having special connections with the Company and potentially exploiting the Company for their own interests.

If the Company is controlled by the same state-owned assets supervision and administration institution as the legal person or other organisation controlled directly or indirectly by the legal person or other organisation listed in subparagraph (1) of the preceding paragraph, there shall be no related party relationship, except where the chairman, general manager (or president), responsible person or more than half of the directors of the legal person or other organisation concurrently serve as the directors, supervisors or senior management personnel of the Company.

**Article 3**

Legal persons, other organisations or natural persons under any of the following circumstances shall be regarded as an related party of the Company:

- (1) falling into one of the circumstances of Article 2 pursuant to an agreement or arrangement entered into with the Company or its related parties coming into effect or within the next 12 months;
- (2) falling into one of the circumstances of Article 2 in the past 12 months.

**Article 4**

The directors, supervisors, senior management personnel, shareholders holding more than 5% of the shares, de facto controllers of the Company and parties acting in concert with them shall submit to the audit committee of the Company a list of the Company’s related parties and an explanation of their related party relationships in time.

**Article 5**

The related party transactions referred to in the Rules represent the transfer of resources or obligations between the Company or its subsidiaries within the scope of consolidated statements and the related parties listed in Articles 2 and 3 of the Rules, including but not limited to the following transactions:

- (1) acquisition or disposal of assets;
- (2) external investment (except for the purchase of bank financial products);
- (3) providing financial assistance;
- (4) providing guarantee;
- (5) renting or leasing assets;
- (6) entrusting or entrusted management to assets and business;
- (7) assets donation or acceptance of donated assets;
- (8) creditor's rights and debt restructuring;
- (9) entering into license agreement;
- (10) transferring or being transferred research and development projects;
- (11) purchase of raw materials, fuel and power;
- (12) selling products and commodities;
- (13) provision or receipt of services;
- (14) entrusting or entrusted sale;
- (15) placing deposits and obtaining loans from related financial companies;
- (16) joint investment with related parties;
- (17) other transactions that may result in transfer of resources or obligations under an agreement.

**Article 6**

No loans shall be granted to any director, supervisor or senior management member directly or through subsidiary of the Company.

**CHAPTER 2 DECISION-MAKING PROCEDURES OF RELATED PARTY TRANSACTIONS****Article 7**

The resolution of the related party transactions to be carried out by the Company shall be proposed by the functional departments of the Company. The resolution shall specify the specific matters of the related party transactions, the pricing basis and the extent of impact on the interests of the Company and shareholders.

**Article 8**

Related party transactions that meet one of the following conditions shall be considered and approved by the board of directors or the general manager:

1. transactions with related natural persons with an amount over RMB300,000 (save for provision of guarantees); and transactions with related legal persons with an amount accounting for more than 0.1% of the Company's latest audited total assets and market value and more than RMB3,000,000 (save for provision of guarantees) shall be considered and approved by the board of directors;
2. transactions with related natural persons with an amount below RMB300,000 (save for provision of guarantees); and transactions with related legal persons with an amount accounting for less than 0.1% of the Company's latest audited total assets and market value or less than RMB3,000,000 (save for provision of guarantees) shall be determined by the general manager as authorised;
3. transactions involving provision of loans, compensation guarantee, guarantee, mortgage and donation of cash assets shall be considered and approved by the board of directors regardless of amount.

**Article 9**

Related party transactions that meet one of the following conditions shall be submitted to the general meeting (by independent shareholders, if applicable) for approval after being considered and approved by the board of directors:

For related party transactions with an amount accounting for more than 1% of the Company's latest audited total assets or market value and exceeds RMB30,000,000, audit report on the financial report of the transaction subject for the latest year and latest period shall be issued. Where the transaction subject is non-cash asset other than equity interests, valuation report shall be issued and for transactions failing the standards of this paragraph but require the issuance of an audit or valuation report according to the requirements of the SSE.

For the audit or valuation report mentioned in the preceding paragraph, the closing date of the audited financial report shall not exceed 6 months from the date of use of the audit report, and the benchmark date of the evaluation report shall not exceed 1 year from the date of use of the evaluation report.

The audit report and evaluation report stipulated in this article shall be issued by a securities service institution with the qualification to carry out securities and futures related businesses.

The transaction subject involved in related party transactions relevant to the Company's daily operations mentioned in subparagraphs (11) to (15) of Article 5 of the Rules may be exempted from audit or evaluation.

**Article 10**

Where the Company provides guarantee for related parties, it shall be furnished with reasonable business logic, disclosed in time after being approved by the board, and submitted to the general meeting for consideration.

Where the Company provides guarantee for controlling shareholders, de facto controllers and their related parties, the controlling shareholders, de facto controllers and their related parties shall provide counter guarantee.

**Article 11**

When the Company and its related parties establish joint ventures, the amount contributed by the Company shall be taken as the transaction amount, and relevant provisions of Articles 8, 9 and 23 of the Rules shall apply.

After the Company's capital contribution exceeds RMB30,000,000 and accounts for more than 1% of the Company's latest audited total assets or market value, if all the contributors contribute in cash and the proportion of each party's equity interest in the established joint venture is determined according to the proportion of capital contribution, an application may be made to the SSE for exemption from consideration by the general meeting.

**Article 12**

The Company shall prudently provide financial assistance or entrusted finance management to related parties; where really necessary, the amount incurred shall be taken as the calculation standard for disclosure on an accumulative basis in 12 consecutive months and relevant provisions of Article 8, 9 or 23 of the Rules shall apply.

Transactions for which the obligations under provisions hereof have been fulfilled shall no longer be included in the accumulative scope.

**Article 13**

The Company shall apply the provisions of Articles 8, 9 and 23 hereof, respectively to the following transactions on an accumulative basis in 12 consecutive months:

- (1) transactions with the same related party;
- (2) transactions with different related parties for the transaction relevant to the type of the transaction subject.

The above-mentioned same related party shall include the legal persons or other organisations controlled by the same de facto controller, or with controlling relationship, or with the same natural person serving as director or senior management personnel.

Transactions for which the obligations hereof have been fulfilled shall no longer be included in the accumulative scope.

**Article 14**

For related party transactions proposed to be conducted by the Company and subject to consideration at the general meeting, prior approval opinions from independent directors shall be obtained before they are submitted to the board for consideration.

The prior approval opinions of independent directors shall be approved by more than half of all independent directors, and shall be disclosed in the related party transaction announcement.

**Article 15**

When the board of directors considers a related party transaction, related directors shall abstain from voting, and shall not exercise voting right on behalf of other directors.

The quorum of the meeting of the board of directors shall be a simple majority of the unrelated directors. A resolution of a board of directors meeting shall be approved by over half of the unrelated directors. Any matter which requires approval by more than two-thirds of members of the board pursuant to the Articles of Association shall be subject to approval by two-thirds of the unrelated directors. If less than 3 unrelated directors attend the meeting of the board of directors, the transaction shall be submitted to the general meeting for consideration.

The related directors mentioned in the preceding paragraph include the following directors or the directors in any of the following circumstances:

- (1) being the counterparty of the transaction;
- (2) being the direct or indirect controller of the counterparty;

- (3) holding a post in the counterparty, or in the legal person unit either exercising direct or indirect control over the counterparty or under direct or indirect control by the counterparty;
- (4) being a closely related family member of the counterparty or its direct or indirect controller (see to subparagraph 4 of Article 2 of these Rules for the specific scope);
- (5) being a closely related family member of the counterparty or the directors, supervisors or senior management personnel of its direct or indirect controller (see subparagraph 4 of Article 2 of the Rules for the specific scope);
- (6) being a director whose independent business judgment might be affected on other grounds as determined by the CSRC, the SSE or the Company in the “substance over form” principle.

**Article 16**

Where a related party transaction is considered at the general meeting, the related shareholders shall abstain from voting and shall not exercise voting rights on behalf of any other directors.

The related shareholders as mentioned in the preceding paragraph include the following shareholders or the shareholders in any of the following circumstances:

- (1) being the counterparty of the transaction;
- (2) being the direct or indirect controller of the counterparty;
- (3) under direct or indirect control by the counterparty;
- (4) under direct or indirect control, together with the counterparty, by the same legal person, other organisation or natural person;
- (5) being a shareholder whose voting rights are restricted and affected due to any outstanding share transfer agreement or any other agreement entered into with the counterparty or its related party;
- (6) being a shareholder who is able to potentially exploit the Company for his/her own interests as determined by the CSRC or the SSE.

**Article 17**

The Company may be exempted from consideration procedures of related party transactions for the following transactions with its related parties:

- (1) where a party subscribes in cash for shares, corporate debentures or enterprise bonds, convertible bonds or other derivatives publicly offered by the other party;
- (2) where a party as an underwriter syndicate member underwrites shares, corporate debentures or enterprise bonds, convertible bonds or other derivatives publicly offered by the other party;
- (3) where a party collects dividends, bonus or compensation pursuant to a resolution of the general meeting of the other party;
- (4) where a party participates in the open bidding or auction of the other party, except for those bidding or auction without a fair value;
- (5) transactions benefitting only the Company, including accepting donated assets in cash, obtaining debt reduction or exemption or receiving guarantees or assistances;
- (6) where the pricing of the related party transactions is stipulated by the state;
- (7) where the interest rate of funds provided by related parties to the Company is not higher than the benchmark lending rate for the same period stipulated by the People's Bank of China, and the Company does not provide guarantees for such financial assistance;
- (8) where the Company provides products and services to directors, supervisors and senior management on the same trading conditions as to non-related parties;
- (9) other transactions determined by the SSE.

**Article 18**

Where related parties provide financial assistance to the Company at an interest rate not higher than the benchmark loan interest rate for the corresponding period stipulated by the People's Bank of China, and the Company does not provide corresponding mortgage or guarantee for the financial assistance, the Company may apply to SSE for exemption from consideration in the manner required for related party transactions.

Where a related party provides a guarantee to the Company, and the Company does not provide a counter guarantee, the provisions of the preceding paragraph shall apply.

**Article 19** Where the same natural person concurrently serves as an independent director of the Company and other legal persons or organisations and there are no other circumstances that constitute related persons, the Company may apply to the SSE for exemption from consideration in the manner required for related party transactions regarding transactions conducted between such legal persons or organisations and the Company.

**Article 20** Where the related party transactions to be disclosed by the Company constitute state secrets, trade secrets or other circumstances recognised by the stock exchanges, and the performance of relevant obligations may cause the Company to violate relevant state laws and regulations on confidentiality or seriously damage the interests of the Company, the Company may apply to the SSE for exemption from the performance of relevant obligations.

**Article 21** Where transactions between the Company and relevant parties are determined by the SSE as related party transactions in the “substance over form” principle, the Company shall perform disclosure obligation and consideration procedure according to the provisions of Article 8, Article 9 or Article 23 of the Rules.

### **CHAPTER 3 DISCLOSURE OF RELATED PARTY TRANSACTIONS**

**Article 22** Related party transaction shall be governed by written agreement entered into between the Company and a related party with clear and specific content. The Company shall disclose matters such as the execution, modification, termination and performance of the agreement in accordance with the relevant provisions of the Sci-tech Innovation Board Listing Rules.

**Article 23** The transactions (exclusive of providing guarantees) between the Company and its related parties meeting one of the following standards shall be disclosed on a timely basis:

- (1) a transaction between the Company and its related natural person in the amount of more than RMB300,000;
- (2) a transaction with related legal persons accounting for more than 0.1% of the Company's latest audited total assets or market value, and exceeding RMB3 million.

**Article 24**

When the Company conducts the daily related party transactions listed in subparagraphs (11) to (15) of Article 5 of the Rules with related parties, it shall perform the corresponding decision-making procedures and disclosure obligations in accordance with the following provisions:

- (1) the Company may reasonably estimate the annual amount of daily related party transactions by category, perform the consideration procedures and make disclosure. Where the actual amount incurred exceeds the expected amount, the consideration procedure shall be fulfilled again and disclosure shall be made for the excess amount;
- (2) daily related party transactions shall be disclosed and summarised in the annual and interim report of the Company by classification;
- (3) for an agreement on daily related party transactions with a term exceeding three years, the Company shall re-fulfil the relevant consideration procedures and disclosure obligations every three years.

**Article 25**

In disclosing related party transactions, the Company shall submit the following documents to the SSE:

- (1) draft announcement;
- (2) agreement or letter of intent relating to the transaction;
- (3) resolutions of the board of directors and draft resolutions announcement;
- (4) government approval involved in the transaction (if applicable);
- (5) professional report issued by an intermediary (if applicable);
- (6) written document granting prior consent by the independent directors to the transaction;
- (7) opinions of independent directors;
- (8) other documents required by the SSE.

**Article 26**

The announcement of related party transaction disclosed by the Company shall specify:

- (1) overview of the related party transaction and the basic information of the transaction subject;
- (2) prior approval of independent directors and their independent opinions;
- (3) information on related party relationship and the related parties;
- (4) the pricing policy and basis of the transaction, including the relations between the transaction price and the book value or assessed value of the transaction subject and specific and fair market price, and other special pricing matters requiring explanation given the special nature of the transaction subject. If the transaction price differs significantly from the book value or assessed value or market price, the reason shall be provided. Where the transaction is unfair, the direction of transfer of interests arising from the transaction shall be disclosed;
- (5) the main content of other aspects of the transaction agreement including transaction price and settlement method, nature and proportion of interests of the related party in the transaction, validation conditions and validity period of the agreement, time limit for performance, etc.; for the continuing or recurring related party transactions in the daily operation, the total estimated annual transaction amount thereof shall also be stated;
- (6) the objective of the transaction and its impact on the Company, including the real intention and necessity of the related party transaction, and the impact on the current and future financial positions and business results of the Company;
- (7) total amount of the related party transactions already concluded with such related party from the beginning of the current year to the date of disclosure;
- (8) other contents required by the CSRC and the SSE to facilitate to explain the real situation of the transaction.

Where the Company provides guarantee for related parties, it shall also disclose the total amount of external guarantee provided by the Company and its controlling subsidiaries as of the disclosure date, the total amount of guarantee provided by the Company to the controlling subsidiaries, and the respective proportion of the above amounts to the latest audited net assets of the Company.

**Article 27**

Where the Company conducts transactions listed in Articles 17, 18, 19 and 20 of the Rules with related parties, it may be exempted from disclosure by way of related party transactions.

**CHAPTER 4 SUPPLEMENTARY RULES****Article 28**

In case of any matters not covered in the Rules or where content herein is inconsistent with the laws, regulations, the Sci-tech Innovation Board Listing Rules and the Articles of Association published or amended after effectiveness of the Rules, such provisions of laws, regulations, the Sci-tech Innovation Board Listing Rules, the Articles of Association and the Management Policy for Related Party Transactions of the Company shall prevail.

**Article 29**

Unless otherwise specified, capitalised terms used in the Rules shall have the same meanings as those defined in the Articles of Association and the Management Policy for Related Party Transactions of the Company.

**Article 30**

The board of directors of the Company shall be responsible for the interpretation of the Rules and its amendments. As the detailed implementation rules of the Management Policy for Related Party Transactions of the Company, it shall come into effect upon approval at the Company's general meeting and completion of the initial public issue of A shares and listing on the SSE Science and Technology Innovation Board.

**ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.****DETAILED RULES FOR MANAGEMENT OF  
RELATED PARTY TRANSACTIONS (H SHARES)****Article 1**

In order to further supplement requirements of connected transactions under the Stock Exchange Listing Rules, the Rules are formulated to interpret and supplement the Zhuzhou CRRC Times Electric Co., Ltd. Management Policy for Related Party Transactions (the “**Management Policy for Related Party Transactions**”).

**Article 2**

Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined under the Management Policy for Related Party Transactions and Chapter 14A (connected transactions) of the Stock Exchange Listing Rules in effect from time to time.

**Article 3**

“Connected person” shall include:

- (1) directors, chief executives, supervisors or substantial shareholders (i.e. persons entitled to control or exercise 10% or more of the voting rights of the Company) of the Company and/or its subsidiaries;
- (2) a person who was a director of the Company and/or any of its subsidiaries in the last 12 months;
- (3) an “associate” (as defined in the Stock Exchange Listing Rules) of the persons referred to in (1) to (2) above;
- (4) a “connected subsidiary” (as defined in the Stock Exchange Listing Rules); and
- (5) a “deemed connected person” (as defined in the Stock Exchange Listing Rules).

**Article 4**

“Connected transactions” shall include, but are not limited to the following transactions (as defined under Chapter 14A (connected transactions) of the Stock Exchange Listing Rules in effect from time to time):

- (1) any transaction between the Company and/or its subsidiaries and connected persons;

(2) any transaction between the Company and/or its subsidiaries and non-connected persons, which involves the acquisition of the interests of a company (each referred to as the “**Target Company**”) by the Company and/or its subsidiaries, and the substantial shareholders of the Target Company (i.e. persons entitled to control or exercise 10% or more of the voting rights of such company):

(i) is currently (or intends to become) a director, chief executive or controlling shareholder of the Company and/or its subsidiaries (that is, a person who can control or exercise 30% or more of the voting rights or control the composition of most members of the board of directors) (directors, chief executive or controlling shareholders are collectively referred to as “**controller**”); or

(ii) is currently (or will become as a result of a transaction) an associate of the controller (or the proposed controller).

(3) the Company and/or its subsidiaries provides/receives financial assistance (including granting credit, lending money, or providing a compensation guarantee, security or mortgage for a loan) to/from the following persons:

(i) connected persons; or

(ii) “commonly held entity” (as defined in the Stock Exchange Listing Rules).

**Article 5**

According to the Stock Exchange Listing Rules, “percentage ratios” is calculated in accordance with the following methods and expressed as a percentage:

(a) assets ratio:	$\frac{\text{total assets which are the subject of the transaction}}{\text{total consolidated assets of the listed issuer}}$
(b) profits ratio:	$\frac{\text{profits attributable to the assets which are the subject of the transaction}}{\text{consolidated profits of the listed issuer}}$
(c) revenue ratio:	$\frac{\text{revenue attributable to the assets which are the subject of the transaction}}{\text{consolidated revenue of the listed issuer}}$
(d) consideration ratio:	$\frac{\text{total consideration to be paid}}{\text{total market capitalisation of the listed issuer}}$

*Note:* The total market capitalisation of the listed issuer is the average closing price of the company’s securities as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of the transaction.

(e) equity capital ratio:	$\frac{\text{Number of new shares to be issued by the listed issuer as consideration}}{\text{Total number of the listed issuer’s issued shares immediately before the transaction}}$
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*Note:* The equity capital ratio is only applicable to certain transactions involving issuance of additional listed shares by listed companies as consideration. A company’s debt capital (if any), including any preference shares, shall not be included in the calculation of the equity capital ratio.

**Article 6**

Where any calculation of the percentage ratio produces an anomalous result or is inappropriate to the sphere of activity of the Company, the Company may apply to the Stock Exchange to disregard the calculation and/or apply other relevant indicators of size, including industry specific tests.

**Article 7**

According to the Stock Exchange Listing Rules and the Management Policy for Related Party Transactions, compliance requirements for connected transactions or continuing connected transactions conducted on normal commercial terms or better shall be determined according to the calculated applicable percentage ratios (i.e. size test) (other than profits ratio) (as shown in the following table):

Category	Requirements to be observed	Announcement, annual review (only for continuing connected transactions) and annual report	Circular and independent shareholders' approval
	All percentage ratios (except for profits ratio)		
(i) de minimis threshold 1	<ul style="list-style-type: none"> <li>• Less than 0.1%;</li> <li>• Less than 1%, and the connected persons of the transaction are only related to subsidiaries of listed companies; or</li> <li>• Less than 5% and the total consideration (or annual consideration for continuing connected transactions) is less than HK\$3 million</li> </ul>	Not required	Not required
(ii) de minimis threshold 2	<ul style="list-style-type: none"> <li>• Less than 5%; or</li> <li>• Less than 25% and the total consideration (or annual consideration for continuing connected transactions) is less than HK\$10 million</li> </ul>	Required	Not required
(iii)	Transactions not falling within categories (i) or (ii) above	Required	Required

*Note:* The Stock Exchange will aggregate a series of connected transactions if they were all completed within a 12-month period or are otherwise related to determine its classification.

**Article 8**

The board of directors of the Company shall be responsible for the interpretation of the Rules.

*The “Management Policy for Related Party Transactions” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**MANAGEMENT POLICY FOR EXTERNAL INVESTMENTS OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.****CHAPTER 1 GENERAL PROVISIONS****Article 1**

In order to enhance management of external investments of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”), regulate external investment activities of the Company, prevent investment risks and improve external investment returns, the Management Policy for External Investments (the “**Policy**”) is hereby formulated according to relevant requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Sci-tech Innovation Board Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange Listing Rules**”) and other laws and regulations as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”), and combined with the actual circumstances of the Company.

**Article 2**

“External investments” referred to in the Policy represent the following investment activities made by the Company, its wholly-owned subsidiaries and controlling subsidiaries (the “**subsidiary(ies)**”) both domestically and abroad in cash, physical assets and intangible assets:

- (1) establishment of an enterprise solely by the Company or operation of a project which is financed solely by the Company;
- (2) establishment of joint ventures, cooperative companies or development projects which are financed by the Company together with other domestic and overseas independent legal person entities or natural persons;
- (3) additional investment to controlling or investee enterprises;
- (4) control, investment, capital increase and enlargement of shareholding in, merger with and transfer of other domestic and overseas independent legal person entities;
- (5) acquisition of other companies’ assets;
- (6) investments in financial products such as stocks, funds, bonds, entrusted wealth management, and provision of entrusted loans;

- (7) investments in financial derivatives such as hedging, forwards, options and futures or combinations of the above products, corresponding underlying assets including interest rates, exchange rates and currencies;
- (8) other investments as permitted by laws and regulations for the business development of the Company.

**Article 3**

The Company's investment activities shall follow the following principles:

- (1) in accordance with the relevant state laws, regulations, regulatory documents, industrial policies, the securities regulatory rules of the place(s) where the Company's shares are listed and the Company's business objectives;
- (2) in line with the Company's strategic plan;
- (3) with sound economic benefits, conducive to optimising the industrial structure of the Company and fostering core competitiveness;
- (4) aligning investment scale with asset structure and acting within its capabilities based on scientific demonstration and decision-making procedures without prejudicing the principal business of the Company;
- (5) reasonable allocation of corporate resources and facilitation of optimal integration of resources to create sound economic benefits, and ultimately enhance the value of the Company and shareholder returns;
- (6) controlling investment risks.

**CHAPTER 2 RESPONSIBLE PARTIES OF EXTERNAL INVESTMENTS****Article 4**

The general meeting and the board of directors of the Company, as the decision-making bodies for the Company's external investment, shall make decisions on the Company's external investment within their respective scope of authority. Without authorisation, any other department or individual shall not make decisions on external investment.

**Article 5**

The strategy committee of the board of directors of the Company shall be responsible for conducting specialised research and evaluation on the feasibility, investment risks and investment returns, etc. of major investment projects of the Company, supervising the implementation progress of major investment projects, and reporting to the board of directors of the Company in a timely manner once abnormalities are identified.

**Article 6**

The general manager of the Company is the principal person in charge for the implementation of external investment, who takes charge of planning, organising and monitoring the implementation of new projects in terms of human, financial and material resources, and shall report the progress thereof to the board of directors in a timely manner and put forward suggestions for adjustment, so as to facilitate the board of directors and the general meeting (if applicable) to make timely amendments to such investment.

The general manager may organise and establish a project implementation team to be responsible for the execution and specific implementation of external investment projects.

**Article 7**

The planning and development department is the Company's preliminary research, demonstration and follow-up management department for external investment, which participates in the research and formulation of the Company's development strategies, evaluates the benefits of, considers and puts forward suggestions to major investment projects and is responsible for pre-selection, planning, demonstration and preparation of the Company's external basic construction investment, production and operation investment, equity investment, lease, property transaction, asset reorganisation and other projects.

**Article 8**

The securities legal department is responsible for the legal review of, among others, agreements, contracts, relevant material letters and articles of association of external investment projects.

**Article 9**

The financial centre is the financial management department for the Company's external investment, which is responsible for evaluating the benefits of external investment projects, raising funds, handling capital contribution procedures, opening bank account(s), and going through industrial and commercial tax registration, and is also responsible for analysing and supervising the achievement of the management responsibility targets of the controlling subsidiaries.

**CHAPTER 3 DECISION-MAKING AUTHORITY OF EXTERNAL INVESTMENTS****Article 10**

The investment decision-making authority and decision-making procedures of the general meeting, the board of directors and the general manager of the Company shall be implemented in accordance with the Company Law, the Sci-tech Innovation Board Listing Rules, the Stock Exchange Listing Rules, the Articles of Association, the Rules of Procedures for the General Meeting, the Rules of Procedures for the Board of Directors and other relevant management policies of the Company.

**Article 11**

External investments of the Company meeting one of the following criteria shall be submitted to the board of directors for consideration:

- (1) the amount of the Company's asset acquisition accounts for more than 5% of the Company's latest audited total assets;
- (2) the amount of the Company's venture capital (including but not limited to bonds, futures, stocks and entrusted wealth management) and external investment accounts for more than 5% of the Company's latest audited net assets;
- (3) external investments meeting any of the criteria of Rule 7.1.2 under Chapter 7 "discloseable transaction" of the Sci-tech Innovation Board Listing Rules;
- (4) external investments that may constitute "discloseable transactions" under "notifiable transaction" of Chapter 14 of the Stock Exchange Listing Rules, i.e., any applicable percentage ratio (as defined in Chapter 14 of the Stock Exchange Listing Rules, the same hereinafter) of the transaction is more than 5% but is lower than 25%.

Should the figures in the above terms is negative, its absolute value shall be adopted during the calculation.

**Article 12**

External investments of the Company meeting any of the following criteria shall be submitted to the general meeting for consideration:

- (1) the amount of major assets purchased by the Company accounts for more than 30% of the Company's latest audited total assets;
- (2) the amount of the Company's venture capital (including but not limited to bonds, futures, stocks and entrusted wealth management) and external investment accounts for more than 30% of the Company's latest audited net assets;
- (3) external investments meeting any of the criteria of Rule 7.1.3 under Chapter 7 "discloseable transaction" of the Sci-tech Innovation Board Listing Rules;
- (4) external investments that may constitute "major transactions", "very substantial disposals" or "very substantial acquisitions" under "notifiable transactions" of Chapter 14 of the Stock Exchange Listing Rules, and any applicable percentage ratios thereof is more than 25%.

Should the figures in the above terms is negative, its absolute value shall be adopted during the calculation.

**Article 13**

Where a transaction is implemented by stages, the actual status of each stage shall be disclosed in a timely manner, the amount incurred thereof shall be calculated on an accumulative basis for 12 consecutive months, and the obligations stipulated in Article 11 and Article 12 herein shall be applied based on the total amount of the transaction. Obligations for such transactions that have been fulfilled shall no longer be included in the accumulative scope.

**Article 14**

Where the Company conducts transactions in the same category but in the opposite direction referred to herein with the same counterparty at the same time, Article 11 and Article 12 herein shall apply in accordance with the amount of transaction in one direction thereof.

**Article 15**

Where the Company conducts transactions in the same category and are relevant to the subjects stipulated herein, Article 11 and Article 12 herein shall apply on an accumulative basis for 12 consecutive months.

Transactions for which the obligations have been fulfilled in accordance with Article 11 and Article 12 herein shall no longer be included in the accumulative scope.

**Article 16**

Where the transaction subject is equity and has reached the standard stipulated in Article 12 herein, the Company shall provide audit report on the financial report in the most recent year and period of the transaction subject; where the transaction subject is non-cash assets other than equity, an evaluation report shall be provided. The closing date of the audited financial report shall not exceed 6 months from the date of use of the audit report, and the benchmark date of the evaluation report shall not exceed 1 year from the date of use of the evaluation report.

The audit report and evaluation report stipulated above shall be issued by a securities service institution with the qualification to carry out securities and futures related business.

The Company shall provide audit report or evaluation report for transactions that do not reach the standards stipulated herein whenever the securities regulatory authorities consider necessary.

**Article 17**

Where the scope of the Company's consolidated statements is changed due to equity transaction, i.e., such company whose equity is to be acquired is included in the Company's consolidated statements, obligations shall be performed under Article 11 and Article 12 herein based on the financial indicators relative to 100% equity interests of the acquired subsidiary.

Where the aforementioned equity transaction has not resulted in a change in the scope of the consolidated financial statement, the relevant financial indicators shall be calculated in accordance with the proportion of changes in the equity held by the Company, and obligations shall be performed under Article 11 and Article 12 herein.

**Article 18**

Where a controlling subsidiary is no longer included in the consolidated statements of the Company as the Company directly or indirectly waives the right of first refusal or the right of capital increase to such subsidiary, it shall be deemed as disposal of equity assets, and Article 11 and Article 12 herein shall apply based on the financial indicator relative to 100% equity interests of such subsidiary.

Where partial waiver of the right of first refusal or the right of capital increase to its controlling subsidiary or investee company does not result in any change in the scope of the consolidated statement, but a decrease in the shareholding of the Company, relevant financial indicators shall be calculated according to the change of the equity interests held by the Company, and Article 11 and Article 12 herein shall apply.

Where the Company waives or partially waives the right of return to its subordinate non-corporate entities, the provisions of this Article shall apply mutatis mutandis.

**Article 19**

Notwithstanding the provisions of Article 11 and Article 12 above, the external investments of the Company may constitute related party transactions, connected transactions and/or discloseable transactions under the securities regulatory rules of the place(s) where the Company's shares are listed. In such case, the Company shall refer to the securities regulatory rules of the place(s) where the Company's shares are listed, as well as the Company's Management Policy for Related Party Transactions and Management Policy for Information Disclosure. The Company shall comply with the relevant requirements of the securities regulatory rules of the place(s) where the Company's shares are listed (including the approval authority for transactions, abstention of related parties and/or connected persons, information disclosure, whether confirmation by independent non-executive directors is required, whether auditing and/or asset valuation is required, etc.).

**Article 20** Except for external investments required to be considered and approved by the board of directors and the general meeting as stipulated herein, other external investments shall be considered and approved by the general manager according to the type of investment.

**Article 21** For investment projects subject to approval by relevant government departments, relevant reporting and approval procedures shall also be performed in accordance with the regulations.

#### **CHAPTER 4 DECISION-MAKING AND MANAGEMENT OF EXTERNAL INVESTMENT**

**Article 22** Stages including project investigation, feasibility analysis, project initiation and project implementation shall in principle be carried out for decision-making of external investments.

The planning and development department shall conduct investigation and demonstration on the project to be invested, prepare the project initiation report, feasibility study report, letter of intent for cooperation or other relevant documents according to applicable conditions, and shall convene all relevant departments of the Company to conduct comprehensive review on major investment projects. The general manager shall determine whether to make the investment within the scope of authorisation granted by the board of directors. Matters beyond the authorisation scope of the general manager shall be submitted to the board of directors or the general meeting for resolution.

The supervisory committee, the strategic committee of the board of directors and the audit and risk control department shall supervise the investment projects based on their duties, put forward timely corrective opinions on violations, and issue specific reports on major issues.

**Article 23** The Company shall strictly control securities investment with its own funds, entrusted wealth management or investment in futures, options, warrants and other derivative products based on stocks, interest rates, exchange rates and commodities.

**Article 24** If the Company entrusts others to manage its funds, it should choose a qualified professional wealth management institution with good credit status and financial status, no poor credit record and with strong profitability as the trustee, and enter into a written contract with the trustee to specify the amount, duration, investment varieties, rights and obligations as well as legal responsibilities of both parties of the entrusted wealth management.

The board of directors of the Company shall assign dedicated personnel to track the progress of the entrusted wealth management funds and the security status of the investment. If an abnormal situation arises, such person shall report in time so that the board of directors can immediately take effective measures to recover the funds and avoid or reduce the losses suffered by the Company.

**Article 25**

The board of directors of the Company shall be regularly updated on the progress of implementation of major investment projects and the investment benefits. In case of failure to make investment as scheduled, failure to realise the expected benefits or suffer losses therefrom, the board of directors of the Company shall investigate the reasons, take timely and effective measures, and hold the relevant personnel accountable.

**Article 26**

The Company shall appoint or nominate directors, supervisors and senior management personnel for external investments according to the Articles of Association and the articles of association of the invested company.

The dispatched personnel shall earnestly perform their duties in accordance with the Company Law, the Articles of Association and the articles of association of the invested company, so as to maintain and increase the value of the Company's investment. Relevant personnel appointed by the Company as directors, supervisors and senior management personnel of the investee shall report the investment status to the Company in a timely manner. Such dispatched personnel shall submit an annual debriefing report to the Company each year and accept inspection of the Company.

**Article 27**

The Company's financial centre shall make comprehensive and complete financial records of the Company's external investment projects, conduct detailed accounting, establish detailed account ledgers for each investment project, and record relevant information in detail. Accounting methods for external investments shall conform to the provisions of accounting standards and accounting systems.

**Article 28**

The financial matters of the controlling subsidiary to which external investment is made shall be vertically managed by the Company's financial centre. The Company's financial department shall obtain the financial reports of the controlling subsidiary on a monthly basis according to the analysis and management requirements, so that the Company may consolidate the financial statements and analyse the financial condition of the controlling subsidiary, safeguard the rights and interests of the Company and ensure that the interests of the Company are not prejudiced.

**Article 29**

The Company shall conduct a comprehensive inspection of investment projects at each year end and carry out regular or specific audits on its controlling subsidiaries.

**Article 30**

The accounting methods of the controlling subsidiaries and the accounting policies, accounting estimates and changes adopted in financial management shall comply with the Company's financial accounting system and relevant regulations.

**Article 31**

The staff of the audit and risk control department or the finance centre shall conduct regular inventory taking on all investment assets of the Company, to check whether such assets are owned by the Company, and reconcile the inventory taking records with the book records to ensure consistency between the actual and the book records.

**CHAPTER 5 TRANSFER AND RECOVERY OF EXTERNAL INVESTMENT****Article 32**

The Company may recover its external investment in any of the following circumstances:

- (1) in accordance with the provisions of the Articles of Association or the provisions of the licensing agreement, the operation of the investment project (enterprise) expires;
- (2) insolvent and declared bankrupt in accordance with the law due to failure to repay maturing debts as a result of poor management of investment projects (enterprises);
- (3) inability to continue the operation of the investment projects (enterprises) due to force majeure;
- (4) existence or occurrence of other conditions of termination as stipulated in the contract or agreement.

**Article 33**

The Company may transfer its external investment in any of the following circumstances:

- (1) adjustment in the Company's development strategy or operation direction;
- (2) continuous losses recorded in investment projects and no realistic prospect of reversing the losses and with market prospect;
- (3) in urgent need of capital supplement due to short of operating funds;
- (4) other circumstances deemed necessary by the Company.

**Article 34** When external investment is recovered and transferred, the relevant person in charge must exercise due diligence and properly carry out asset evaluation involved in the recovery and transfer of investment, so as to prevent loss of assets of the Company.

**Article 35** The transfer of investment shall be conducted strictly in accordance with the Company Law and the Articles of Association and other relevant regulations on the transfer of investment. The disposal of external investment shall comply with the relevant provisions of state laws, regulations and the Articles of Association.

The procedures and authorities for approving the disposal of external investment shall be the same as those for approving the implementation of external investment.

## **CHAPTER 6 SUPPLEMENTARY RULES**

**Article 36** For the purpose of the Policy, the terms of “more than” or “less than” shall each include the number itself; and the terms of “lower than” or “exceed” shall not include the number itself.

**Article 37** Matters not covered in the Policy shall be implemented in accordance with laws and regulations, the securities regulatory rules of the place(s) where the Company’s shares are listed, the Articles of Association and other relevant provisions. Where relevant stipulations herein are inconsistent with the laws, regulations, the securities regulatory rules of the place(s) where the Company’s shares are listed promulgated or amended afterwards or the duly amended Articles of Association, such provisions of laws, regulations, the securities regulatory rules of the place(s) where the Company’s shares are listed or the amended Articles of Association shall prevail.

**Article 38** The Policy is formulated by the board of directors of the Company and shall come into effect upon approval at the general meeting and completion of the initial public issue of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange.

*The “Management Policy for External Investments” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**POLICY FOR PREVENTING THE CONTROLLING SHAREHOLDERS,  
ACTUAL CONTROLLERS AND RELATED PARTIES FROM  
APPROPRIATING FUNDS OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1**

In order to prevent controlling shareholders, actual controllers and related parties (the “**Appropriator(s)**”) from appropriating funds of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) and further safeguard the legitimate rights and interests of all shareholders and creditors of the Company, the policy (“**Policy**”) is hereby formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Standards for Corporate Governance of Listed Companies, the Notice of Certain Issues in Capital Flows Between Listed Companies and Related Parties thereof and External Guarantees of the Company regulated by China Securities Regulatory Commission and the State-owned Assets and Supervision and Administration Commission of the State Council, Guideline No. 1 for the Application of Self-regulatory Rules for Companies Listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange – Standardised Operation and relevant laws, administrative regulations, regulatory documents and the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

**Article 2**

The Policy shall be applicable to capital flows between the Company, subsidiaries within the scope of consolidated financial statements and controlling shareholders, actual controllers and related parties.

**Article 3**

Directors, supervisors and senior management personnel of the Company are legally obligated to safeguard the financial security of the Company.

**Article 4**

Appropriation of funds referred to in the Policy includes, but is not limited to appropriation of funds for operating and non-operating purposes.

Appropriation of funds for operating purposes refers to appropriation by the Appropriators of funds generated from companies within the scope of consolidated financial statements through related party transactions of purchase and sales in the course of production and operation.

Appropriation of funds for non-operating purposes refers to appropriation generated from salaries, welfare, insurance, advertising expenses and other expenses advanced by companies within the scope of consolidated financial statements to the Appropriators; funds paid to repay debts on behalf of the Appropriators; funds lent to the Appropriators with or without consideration and directly or indirectly; creditor's rights arising from assuming the guarantee responsibility for the Appropriators; and other funds provided to the Appropriators in absence of goods and services as considerations.

## **CHAPTER 2 PRINCIPLES ON PREVENTING THE CONTROLLING SHAREHOLDERS, ACTUAL CONTROLLERS AND RELATED PARTIES FROM APPROPRIATING FUNDS**

### **Article 5**

The Company shall strictly limit appropriation of the Company's funds in its operating capital flows with controlling shareholders, actual controllers and related parties. The Company shall not directly or indirectly provide funds, assets and resources to controlling shareholders, actual controllers and related parties by advancing salaries, benefits, insurance, advertising and other period expenses and prepaying investment funds, nor shall it bear costs and other expenses on behalf of each other.

### **Article 6**

The Company shall not provide fund, whether directly or indirectly, to the controlling shareholders, actual controllers and related persons for their use by any of the following means:

- (1) lending the Company's fund, either with or without consideration, directly or indirectly;
- (2) providing entrusted loans via any bank or non-bank financial institution;
- (3) entrusting them to carry out investment activities;
- (4) issuing trade acceptance without true transaction background for them;
- (5) repaying debts on their behalf;
- (6) providing funds in other ways in the absence of goods and services as considerations or in case of obviously unfair considerations;
- (7) incurring debts as a result of failing to discharge the assurance of its guarantee responsibility in time;
- (8) providing funds by way of capital flows without commercial substance;

- (9) failing to settle the appropriation of funds due to transactions within the prescribed or committed period;
- (10) depositing cash in a financial company controlled by them and the terms such as interest rates are significantly below the market average, which prejudices the interests of the Company and transmits benefit to them;
- (11) financing them through pledge of bank deposits;
- (12) other manners as determined by relevant regulatory authorities.

Controlling shareholders, actual controllers and related parties shall not appropriate the funds of the Company by “repaying at the end of the period after misappropriating during the period”, “small amount and multiple batches” or other means.

### **CHAPTER 3 RESPONSIBILITIES AND MEASURES**

**Article 7**

The Company shall strictly comply with laws, administrative regulations, the Articles of Association and the Management Policy for Related Transactions of Zhuzhou CRRC Times Electric Co., Ltd. in implementing related party transactions with controlling shareholders, actual controllers and related parties in the course of production and operation, such as procurement and sales. Related transactions shall be settled in a timely manner upon occurrence according to the relevant related party transactions agreements to make every effort to minimise the duration of appropriation of funds for operating purposes.

**Article 8**

The board of directors of the Company shall establish verification systems to regularly check the Company's monetary funds and assets restrictions, as well as the transactions and capital flows with the controlling shareholders, actual controllers and related parties, focus on abnormality in the relevant accounting items in the financial reports, and verify whether funds, assets or other resources of the Company are appropriated, transferred or expropriated by the controlling shareholders, actual controllers and related parties, or any other circumstances where the Company's interests are violated. Abnormalities shall be disclosed immediately once identified.

**Article 9**

The audit committee of the Company shall be responsible for guiding the internal audit department to carry out regular inspections; If necessary, it may engage an intermediary agency to provide professional advice.

Should the audit committee checks and finds out appropriation of funds by the controlling shareholders, actual controllers and related parties, it shall urge the board of directors of the Company to disclose immediately and take timely recovery measures. Where the Company fails to disclose in time, or the information disclosed is inconsistent with the actual situation, the relevant personnel shall immediately report to the Shanghai Stock Exchange.

During the audit period of the annual report, the audit committee of the Company shall conduct comprehensive communications with the responsible annual audit accountant, urge the annual audit accountant to act in diligence, and issue special statement on whether funds of the Company are appropriated by controlling shareholders, actual controllers and related parties and disclose the same in a truthful manner.

**Article 10**

The chief financial officer of the Company shall strengthen the control over the financial process of the Company, and monitor the transactions and capital flows between the Company and its controlling shareholders, actual controllers and related parties.

The chief financial officer of the Company shall ensure the financial independence of the Company, and shall not be affected by controlling shareholders, actual controllers and related parties. In case chief financial officer receives any instructions that prejudice the interests of the Company regarding appropriation and transfer of funds, assets or other resources given by controlling shareholders, actual controllers and related parties, he/she shall refuse the instructions and report to the board of directors in a timely manner.

At the board meeting to review the annual report and interim report, the chief financial officer of the Company shall report to the board of directors on any appropriation of funds for non-operating purposes by controlling shareholders, actual controllers and related parties.

**Article 11**

Directors, supervisors and senior management of the Company shall stay alert as to appropriation of interests of the Company by related parties, such as appropriation of funds of the Company. Independent non-executive directors and supervisors of the Company shall inspect the capital flows between the Company and related parties at least once every quarter to find out appropriation and transfer of funds, assets and other resources of the Company by related parties, such as directors, supervisors, senior management personnel and controlling shareholders and shall promptly request the board to take corresponding measures in case of abnormalities.

**Article 12**

The directors, supervisors, senior management personnel of the Company and the chairman (or executive director) and general manager of the subsidiaries shall assume legal obligations and responsibilities to safeguard the funds and property of the Company, and shall perform their duties in diligence in accordance with the Articles of Association, the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Supervisory Committee, and the Working Rules of the General Manager.

**Article 13**

The chairman of the board of directors of the Company shall be the primary responsible person for preventing appropriation of funds of the Company and recovery thereof.

**Article 14**

The board of directors and the general meeting of the Company shall consider and approve related party transactions in the course of production and operation such as purchase and sales between the Company and controlling shareholders, actual controllers and related parties in accordance with their authority and responsibilities.

**Article 15**

The Company must strictly implement the agreements governing related party transactions and the relevant provisions on funds management when conducting related party transactions, fund approval and payment procedures with controlling shareholders, actual controllers and related parties.

**Article 16**

In the event that the controlling shareholders, actual controllers and related parties appropriate or transfer the Company's funds, assets or other resources and thus cause losses or may cause losses to the Company, the board of directors of the Company shall take timely protective measures such as litigation and property preservation to avoid or mitigate losses, and hold the controlling shareholders, actual controllers and relevant personnel accountable.

**Article 17**

Where the controlling shareholders, actual controllers and related parties of the Company appropriate the Company's funds and require the Company to provide guarantee in violation of laws and regulations, they shall not transfer the Company's shares held or controlled by them before all the appropriated funds are returned to the Company and all illegal guarantee is released and the board of directors shall be authorised to go through share lock-up procedures. The board of directors of the Company shall, within five business days from the date on which it is aware of the fact that the controlling shareholders, actual controllers and related parties appropriate the Company's funds and the Company provides guarantee in violation of laws and regulations, handle the lock-up procedures for the Company's shares held by the parties concerned or freeze such shares through judicial procedures.

Where the board of directors slacks in exercising the above duties, the supervisory committee of the Company and shareholders individually or jointly holding more than 10% of the total shares carrying voting rights issued by the Company shall have the right to request the convening of an extraordinary general meeting to resolve on relevant matters in accordance with the provisions of the Articles of Association. During consideration of relevant matters at such meeting, the controlling shareholders, actual controllers and related parties of the Company shall abstain from voting according to law, and the total number of voting shares held by them shall not be included in the total number of valid votes of the general meeting.

**Article 18**

In case of appropriation of funds, the Company shall strictly control the conditions for the implementation of the “Debt Repayment by Shares” or “Debt Repayment by Assets”, and step up its efforts in supervision to prevent acts including substitution of an inferior product for a superior one and repudiation of debts with shares which will prejudice the interests of the Company and all the other shareholders.

**CHAPTER 4 ACCOUNTABILITY AND PUNISHMENT****Article 19**

When the directors and senior management of the Company assist and condone the appropriation of the assets of the Company by controlling shareholders, actual controllers and related parties, the board of directors of the Company shall, based on the severity of the case, impose punishment on the direct responsible person and propose the removal of directors assuming enormous responsibility at the general meeting.

**Article 20**

All directors of the Company shall prudently treat and strictly control debt risks arising from guarantees provided to controlling shareholders, actual controllers and related parties, and shall be jointly and severally liable for losses arising from illegal or improper external guarantees.

**Article 21**

If appropriation of non-operating funds between the Company or its subsidiaries and the controlling shareholders, actual controllers and related parties adversely affects the Company, the Company will impose administrative punishment and economic penalties on the relevant responsible persons.

**Article 22**

In case of losses caused to investors as a result of appropriation of non-operating funds by and illegal guarantee to controlling shareholders, actual controllers and related parties in violation of the Policy by the Company or its subsidiaries, the Company shall, in addition to imposing administrative and economic sanctions to the relevant responsible persons, hold the relevant responsible persons legally liable.

**CHAPTER 5 SUPPLEMENTARY PROVISIONS****Article 23**

Matters not covered in the Policy shall be implemented in accordance with relevant provisions of laws, administrative regulations, regulatory documents and the Articles of Association and other relevant provisions. Where relevant stipulations herein are inconsistent with laws, administrative regulations, regulatory documents and the Articles of Association, such laws, administrative regulations, regulatory documents and the Articles of Association shall prevail.

**Article 24**

The Policy shall be interpreted by the board of directors and shall take effect from approval at the general meeting. The board of directors of the Company may propose amendments to the Policy according to relevant laws, administrative regulations, regulatory documents and amendments to the Articles of Association or based on changes in the Company's operating conditions, and submit the same to the general meeting of the Company for consideration and approval.

*The “Policy for Preventing the Controlling Shareholders, Actual Controllers and Related Parties from Appropriating Funds” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

**MANAGEMENT POLICY FOR PROCEEDS RAISED FROM A SHARES OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.****CHAPTER 1 GENERAL PROVISIONS****Article 1**

In order to standardise the management and utilisation of raised proceeds of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”), improve utilisation efficiency of the raised proceeds and protect the rights and interests of investors, the policy (the “**Policy**”) is hereby formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Issue of Securities by Listed Companies, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Sci-tech Innovation Board Listing Rules**”), the Guideline No. 2 on Supervision and Administration of Listed Companies – Regulatory Requirements on Management and Use of Raised Proceeds of Listed Companies, the Policy on Management of Raised Proceeds by Listed Companies of the Shanghai Stock Exchange (the “**Policy on Management of Raised Proceeds**”), Guideline No. 1 for the Application of Self-regulatory Rules for Companies Listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange – Standardised Operation and other laws and regulations as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”) combined with the actual situation of the Company.

**Article 2**

The term “raised proceeds” mentioned in the Policy refers to the proceeds raised from the investors by the Company through public offering of securities (including the initial public offering, right issue, secondary public offering, issue of convertible corporate bonds and issue of detachable convertible corporate bonds etc.) and non-public offering of securities, excluding any proceeds raised by the Company through the implementation of the share incentive scheme.

The Policy is also applicable to the utilisation and management of surplus raised proceeds when the actual amount raised exceeds the amount proposed to be raised (the “**Surplus Raised Proceeds**”).

The Policy is only applicable to the management of proceeds raised from domestic public and non-public offering of securities. The management of proceeds raised by the Company in the H share market shall be implemented according to the relevant provisions of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other internal management policies of the Company.

**Article 3**

Both the general meeting and the board of directors of the Company are the decision-making bodies for the planning and utilisation of raised proceeds and shall make decisions within the scope of their respective duties.

- (1) The general meeting is responsible for considering and approving the following matters:
  1. utilisation plan of proceeds raised;
  2. use of Surplus Raised Proceeds for permanently supplementing working capital or repayment of bank loans;
  3. change of use of proceeds raised;
  4. use of balance of raised proceeds (including interest income) accounting for more than 10% of Net Raised Proceeds raised upon completion of all the investment projects to be funded with raised proceeds (“**Investment Project(s)**”);
  5. change of Investment Projects (excluding change of specific planning of Investment Projects, such as implementation site);
  6. any single use of proceeds with an amount reaching RMB50,000,000 and accounting for more than 10% of the total amount of Surplus Raised Proceeds.
- (2) the board of directors is responsible for approval of the following matters:
  1. cash management over temporarily idle raised proceeds;
  2. temporarily supplementing working capital with idle raised proceeds;
  3. replace the self-financed proceeds previously invested in the Investment Projects with proceeds raised;
  4. after a single Investment Project is completed, uses the remaining raised proceeds of such project (including interest income) for other Investment Projects, except where the balance of the raised proceeds (including the interest income) is lower than RMB10 million or lower than 5% of the committed investment amount with raised proceeds of such Investment Project;

5. use of balance of raised proceeds (including interest income) below 10% of the net raised proceeds upon completion of all the Investment Projects, except where the balance of the raised proceeds (including the interest income) is lower than RMB10 million or lower than 5% of the net raised proceeds;
6. budget adjustment for projects of which investment amount exceeds the original budget due to special reasons, extension of projects for more than six months, and project termination;
7. use of Surplus Raised Proceeds to cover shortfalls of amount required for Investment Projects, construction in progress and new projects (including acquisition of assets);
8. change of specific plan of Investment Projects such as implementation site;
9. opening special banks account for raised proceeds;
10. disclosure of “Special Report on Deposit and Actual Use of Proceeds Raised by the Company”.

**Article 4**

Relevant business departments of the Company shall carry out specific work according to the division of responsibilities.

**Article 5**

The directors, supervisors and senior management personnel of the Company shall perform their duties in diligence, urge the Company to standardise the use of the raised proceeds, consciously safeguard the safety of the raised proceeds of the Company, and shall not participate in, assist or connive at the Company to change the use of the raised proceeds without authorisation or disguisedly.

**Article 6**

The raised proceeds shall only be used for investment purposes disclosed to the public by the Company and the investment projects to be financed by the raised proceeds which have been resolved or approved by the general meeting and the board of directors. The board of directors of the Company shall formulate detailed plans for the use of the proceeds so as to ensure standardised, open and transparent use thereof.

**Article 7**

After the raised proceeds are in place, the Company shall promptly organise the use of the raised proceeds according to the fund utilisation plans committed in the prospectus, offering circular and other information disclosure documents.

**Article 8**

The board of directors of the Company shall disclose the use of the raised proceeds in a timely manner in accordance with the “Sci-tech Innovation Board Listing Rules” and relevant laws, administrative regulations and other regulatory documents.

**Article 9**

The Company shall use the raised proceeds according to the plan and schedule committed in the prospectus, offering circular and other information disclosure documents. The use of the raised proceeds announced by the Company shall not be changed without a resolution or authorisation made by the Company’s general meeting in accordance with the law and the approval of the relevant securities regulatory authority (if necessary). Directors, supervisors and senior management personnel of the Company shall earnestly perform their duties, strengthen supervision over the raised proceeds, and ensure the authenticity of information disclosure.

**Article 10**

The Company shall support and cooperate with the sponsor(s) or independent financial advisers in performing the sponsoring and/or continuous supervision duties on the management and use of the Company’s raised proceeds in accordance with the Administrative Measures for the Sponsorship Business of the Issue and Listing of Securities and the Measures for the Administration of Raised Proceeds.

**Article 11**

The use of the Company’s raised proceeds shall meet the following requirements:

- (1) the amount of proceeds raised and the investment projects are commensurate with the Company’s existing production and operation scale, financial condition, technical level and management capability, etc.;
- (2) the use of the raised proceeds conforms to the provisions of the national industrial policies and laws and administrative regulations on environmental protection, land management, etc.;
- (3) establishment of a special deposit system for raised proceeds, which must be deposited in a special account determined by the board of directors of the Company (the “**Special Account for Raised Proceeds**”).

**Article 12**

Where the use of raised proceeds is subject to information disclosure, it shall be implemented in accordance with the relevant regulations of the stock exchanges of the listing places and the Management Policy for Information Disclosure of Zhuzhou CRRC Times Electric Co., Ltd.. The Company shall establish and improve the system of deposit, use, change, decision-making, supervision and accountability of the raised proceeds, disclose the specific arrangements for the key investment of the raised proceeds in the field of scientific and technological innovation, and continuously disclose the use of the raised proceeds.

**CHAPTER 2 DEPOSIT OF RAISED PROCEEDS****Article 13**

The Company shall adhere to the principles of centralised deposit, standardised use, truthful disclosure and strict management regarding the deposit of raised proceeds.

Raised proceeds of the Company shall be deposited in the Special Account for Raised Proceeds as approved by the board of directors for centralised management. Non-raised proceeds shall not be deposited in Special Account for Raised Proceeds nor shall the raised proceeds be used for other purposes. The Company believes that, based on the credit arrangements of the Investment Projects, where it is necessary to open special bank accounts in more than one bank as proceeds raised are relatively significant in amount, the Company may open special accounts in more than one bank with the approval of the board of directors under the principle of centralised deposit and convenient supervision.

After the raised proceeds are in place, the Company shall go through the capital verification procedures in a timely manner and engage an accounting firm with securities qualifications to issue a capital verification report.

**Article 14**

The Company shall sign a tripartite supervision agreement with the sponsor(s) or independent financial advisers and the commercial bank where the raised proceeds are deposited (the “**Commercial Bank**”) within one month after the raised proceeds are received. The agreement shall at least include the following:

- (1) the Company shall deposit the raised proceeds in the Special Account for Raised Proceeds in a centralised manner;
- (2) the account number of the Special Account for Raised Proceeds, the Investment Projects underlying the special account and the deposit amount;
- (3) the commercial bank shall provide the Company with bank statements of the Special Account for Raised Proceeds on a monthly basis and send a copy to the sponsoring institution or independent financial advisers;

- (4) if the Company withdraws an amount that exceeds RMB50 million from the Special Account for Raised Proceeds once or at multiple times within 12 months and the amount reaches 20% of the net amount of Raised Proceeds in total from issue after deducting issuance expenses (“**Net Raised Proceeds**”), the Company shall notify the sponsor(s) or the independent financial adviser promptly;
- (5) the sponsor(s) or independent financial advisers may make inquiries to commercial bank on the Special Account for Raised Proceeds at any time;
- (6) the liability for breaching the agreement of the Company, Commercial Bank, sponsors or independent financial advisers.

The Company shall file with the Shanghai Stock Exchange within 2 trading days after the above agreement is signed and make an announcement thereon. If the above agreement is early terminated before the expiration of its effective terms due to the change of sponsor, independent financial advisers or Commercial Bank or other reasons, the Company shall, within 2 weeks upon the termination of the agreement, enter into a new agreement with relevant parties, and shall file with the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after entering into such agreement.

### CHAPTER 3 USE OF RAISED PROCEEDS

#### Article 15

The use of raised proceeds must strictly comply with the Policy and the relevant provisions of the Company, perform the relevant consideration and approval and decision-making procedures, and fulfill the obligation of information disclosure in accordance with the relevant provisions. The following requirements shall be followed:

- (1) The Company shall clearly stipulate the application, the tiered approval, the decision-making procedures, risk control measures and information disclosure procedures for the use of raised proceeds;
- (2) The Company shall use the raised proceeds according to the plan for the use of the raised proceeds committed in the offering circular;
- (3) In case of any circumstance seriously affecting the normal operation of the plan for the use of the raised proceeds, the Company shall promptly report to the Shanghai Stock Exchange and make public announcement(s) thereon;

- (4) In case any of the following circumstances appear in the Investment Projects, the Company shall re-demonstrate the feasibility and expected income of such Investment Projects, determine whether to continue to implement the Investment Project, and disclose the progress of the Investment Project, the reasons for the abnormality and the adjusted Investment Projects (if any) in the latest periodic report:
  1. Any material change in the market environment in which the Investment Project is involved;
  2. Suspension of the Investment Project for over 1 year;
  3. Failure to meet the deadline specified in the plan for the Investment Project and lower than 50% of the relevant proposed investment amount has been made;
  4. Other abnormalities of the Investment Project.

**Article 16**

In principle, the raised proceeds shall be used for its principal operations and invested in the scientific innovation fields. The Company shall not use the raised proceeds in any of the following ways:

- (1) the Investment Projects are financial investments such as financial assets held-for-trading, financial assets available-for-sale, lending to others and entrusted financial management, and being invested, either directly or indirectly, in any company which is principally engaged in securities trading;
- (2) by way of pledge, entrusted loans or others, change the use of raised proceeds in disguise;
- (3) make available the raised proceeds, whether directly or indirectly, for related parties such as the controlling shareholder(s) and de facto controller(s), or provide benefits for related parties for inappropriate gains from the Investment Projects;
- (4) other acts in violation of the provisions on the administration of raised proceeds.

**Article 17**

In the case that the Company has made investment with its own proceeds into the Investment Projects prior to receiving the raised proceeds, the raised proceeds may be used for the original purpose of such investment within six months from the receipt thereof. Such replacement shall be considered and approved by the board of directors with a verification report issued by an accountant firm and the explicit consent from independent non-executive directors, the supervisory committee, the sponsor(s) or independent financial advisers. The Company shall report to the Shanghai Stock Exchange and make an announcement within 2 trading days from the date of the board meeting:

**Article 18**

The raised proceeds which are temporarily idle may be arranged for cash management, and the products invested must meet the following conditions:

- (1) high safety, meeting the requirements of principal guarantee and the issuer of the products having made a commitment on principal guarantee;
- (2) adequate liquidity without affecting the normal progress of the investment plan of the proceeds.

The investment products shall not be pledged, and the special product settlement account (if applicable) shall not be used for the deposition of the proceeds other than proceeds or for any other purposes. In case of opening or cancelling a special product settlement account, the Company shall file with the Shanghai stock exchange and make an announcement thereon within 2 trading days.

**Article 19**

The investment of idle raised proceeds in products shall be subject to the consideration and approval by the board of directors, with explicit consent from independent non-executive directors, the supervisory committee, the sponsor(s) or independent financial advisers. The Company shall make relevant announcement within 2 trading days after the meeting of the board on:

- (1) the basic information on the raised proceeds, including the time of raising, the amount and net amount of the proceeds raised and investment plan;
- (2) utilisation of proceeds raised;
- (3) the limit and duration of the idle raised proceeds for investing in products, whether there is any act of changing the purposes of the raised proceeds in disguise and the measures for ensuring normal progress of the Investment Projects;
- (4) the income distribution manner, investment scope and safety of the investment products;

(5) opinions issued by independent non-executive directors, the supervisory committee, the sponsor(s) or the independent financial adviser.

**Article 20**

The Company may use the idle raised proceeds to temporarily supplement the working capital, provided that the following conditions are met:

- (1) It shall not involve any changes in disguise in the purpose of raised proceeds or affect the normal implementation of the investment plan of the raised proceeds;
- (2) It shall be only used for production and operation related to the principal businesses, and shall not be directly or indirectly used for participation in or subscription for new share placement, or investment in stocks and any derivative instruments or convertible bonds, etc.;
- (3) The duration of any individual replenishment to the working capital shall not exceed 12 months;
- (4) Any raised proceeds previously used for temporary replenishment of working capital, if applicable and falling due, have been returned.

The temporary use of idle proceeds to replenish working capital by the Company shall be subject to the consideration and approval by the board of directors of the Company, with explicit consent given by independent non-executive directors, sponsor(s), independent financial advisers and the supervisory committee and shall report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the meeting of the board of directors.

Before the expiration date of replenishing the working capital, the Company shall return certain proceeds to the Special Account for Raised Proceeds, and report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the full payback of the proceeds.

**Article 21**

Where the Company finances asset or equity interest acquisition of individuals, legal persons or other organisations and their related parties with actual control over the Company with the raised proceeds, the following provisions shall be followed:

- (1) In principle, the acquisition should effectively avoid peer competition, or reduce the continuing related party transactions after the acquisition, or facilitate the Company to expand new businesses, provided that it must be conducive to the long-term development of the Company and may effectively protect the interests of minority investors;

- (2) The Company shall disclose the reasons, pricing policies and basis, the impact on the Company and the solutions thereof for transactions with controlling shareholders or de facto controllers;
- (3) The relevant provisions on decision-making and disclosure of related and/or connected transactions under the Sci-tech Innovation Board Listing Rules and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (4) Relevant provisions on decision-making and disclosure of related party transactions under relevant policies such as the Management Policy for Information Disclosure of Zhuzhou CRRC Times Electric Co., Ltd..

**Article 22**

The Company shall not use the Surplus Raised Proceeds unless it is considered and approved by the board of directors, and the independent non-executive directors, the supervisory committee, the sponsor(s) or the independent financial adviser of the Company have issued special opinions thereon. The Company shall perform the obligation of information disclosure in accordance with the requirements of the Sci-tech Innovation Board Listing Rules and the Measures for the Administration of Raised Proceeds.

**Article 23**

Use of the Surplus Raised Proceeds by the Company shall be based on the actual production and operation needs of the Company, and such amount may be used to cover the shortfall of the Investment Projects, construction in progress and new projects (including acquisition of assets), to repay bank loans, and supplement working capital on a temporary or permanent basis.

**Article 24**

In the event that the Company uses the Surplus Raised Proceeds to cover the shortfall of Investment Projects, it shall disclose the implementation progress of such Investment Project, the reasons for shortfall, the plan for replenishment and the special verification opinions from the sponsor(s) or the independent financial adviser.

**Article 25**

When the Company invested the Surplus Raised Proceeds in projects under construction and new projects (including acquisition of assets), the investment shall be limited to its principal businesses. The Company shall apply the relevant requirements of Article 31, Article 32, Article 35 and Article 36 herein to conduct the feasibility analysis of the investment projects in a scientific and diligent manner, and carry out the obligation of disclosure in a timely manner.

Any single use of proceeds with an amount reaching RMB50,000,000 and accounting for more than 10% of the total amount of proceeds shall be submitted to the general meeting for consideration and approval.

**Article 26**

The Surplus Raised Proceeds may be used to permanently replenish the working capital and repay bank loans, but the cumulative amount in every 12 months shall not exceed 30% of the total amount of the Surplus Raised Proceeds and the Company shall undertake that it will not make any high-risk investments or provide financial assistance to others outside the scope of consolidation of the Company within 12 months after replenishing the working capital.

Requirements of the preceding paragraph shall not apply to joint investment of the Company with professional investment institutions in investment fund related to the principal business of the Company, or the market-oriented industrial investment proceeds of poverty-stricken areas and poverty alleviation charitable proceeds.

Use of the Surplus Raised Proceeds for the purpose of permanently replenishing the working capital or repayment of bank loans is subject to the consideration and approval by a board meeting and a general meeting of the Company, with the manner of online voting provided for shareholders and explicit consent given by independent non-executive directors, the supervisory committee, the sponsor(s) or independent financial advisers. The Company shall report to the Shanghai Stock Exchange and make relevant announcement within 2 trading days after the meeting of the board on:

- (1) the basic information on the proceeds, including the time of raising, the total amount and net amount of the proceeds raised, the amount of Surplus Raised Proceeds and investment plan;
- (2) utilisation of the proceeds raised;
- (3) the necessity of and detailed plan for the Surplus Raised Proceeds used for permanently replenishing the working capital or repaying bank loans;
- (4) the undertaking of not making any high-risk investments or provide financial assistance for others outside the consolidation of the Company within 12 months after replenishing the working capital;
- (5) the impact on the Company of the use of the Surplus Raised Proceeds for permanently replenishing the working capital or repaying bank loans;
- (6) opinions issued by independent non-executive directors, the supervisory committee, the sponsor(s) or the independent financial adviser.

**Article 27**

Where a single or all Investment Project(s) is completed and the Company uses the remaining raised fund of such project (including interest income) for other Investment Projects, it shall obtain an approval from the board of directors and the explicit opinions from the independent non-executive directors, the sponsor(s), independent financial adviser(s) or the supervisory committee. The Company shall report to the Shanghai Stock Exchange and make an announcement thereon within 2 trading days after the meeting of the board of directors.

If the balance of the proceeds (including the interest income) is lower than RMB10,000,000 or five percent (5%) of the committed investment amount with raised proceeds of such Investment Project, the Company may be exempted from the preceding procedures, provided that the use shall be disclosed in its annual report.

If the balance of the proceeds (including interest income) from a single Investment Project is used for non-Investment Projects (including as supplementary working capital), the Company shall perform corresponding procedures and disclosure obligations required for the change of Investment Projects.

**Article 28**

If the balance of the proceeds (including interest income) accounts for more than 10% of the Net Raised Proceeds after all the Investment Projects are completed, the use of this balance of the proceeds shall be considered and approved by the board of directors and the general meeting of the Company, and the independent non-executive directors, the sponsor(s) and the supervisory committee shall express their clear consent before using the balance of the proceeds. The Company shall report to Shanghai Stock Exchange and make an announcement within 2 trading days after the board meeting.

If the balance of the proceeds (including interest income) is less than ten percent (10%) of the Net Raised Proceeds, the use of the balance of the proceeds shall be considered and approved by the board of directors, and the independent non-executive directors, the sponsor(s) and the supervisory committee shall express their clear consent before using the balance of the proceeds. The Company shall report to Shanghai Stock Exchange and make an announcement within 2 trading days after the board meeting.

If the balance of the proceeds (including interest income) is less than RMB10 million or five percent (5%) of the Net Raised Proceeds, the Company may be exempt from performing the procedures in the preceding paragraph, and the use thereof shall be disclosed in the latest periodic report of the Company.

**Article 29**

When the Company invests in the Investment Project, its capital expenditures must go through the approval procedures in strict accordance with the relevant provisions on the use of the Company's monetary proceeds. All expenditures involving raised proceeds shall be applied for by relevant departments according to the fund use plan and the implementation progress of Investment Projects. The financial department shall go through the payment procedures after approval according to the Company's fund approval authority.

**CHAPTER 4 CHANGES IN THE PURPOSE OF RAISED PROCEEDS****Article 30**

Any of the following conditions shall be deemed as a change of use of proceeds:

- (1) cancel or terminate the original Investment Project(s), initiate a new project or replenish working capital;
- (2) change the responsible party of the Investment Project(s), excluding change among the Company, its wholly-owned or controlling subsidiaries;
- (3) change the implementation method of the Investment Project(s);
- (4) other conditions as determined by the Shanghai Stock Exchange.

**Article 31**

The Company's raised proceeds shall be used according to the purposes as set out in the prospectus or the offering circular. Any change in the Company's Investment Projects is subject to an approval from the board of directors and the general meeting and explicit opinions from the independent non-executive directors, the sponsor(s), independent financial advisers or the supervisory committee.

After the board of directors of the Company makes a resolution to change the Investment Projects, it shall timely disclose and submit it to the general meeting for consideration, and explain the reasons for changing the purpose of the raised proceeds, the profile of the new project and its impact on the future of the Company in the notice convening the general meeting. The Company shall not alter the Investment Projects without the approval of the general meeting and the explicit consent of independent non-executive directors, sponsor(s), the independent financial adviser or the supervisory committee.

In case that the Company merely changes the site for implementation of the Investment Projects, such changes may be exempted from the procedures of the previous clause but shall be subject to the consideration and approval by the Board of Directors. A report shall be filed within 2 trading days with the Shanghai Stock Exchange, and the reasons for the changes and the opinion of the sponsor(s) or independent financial advisers shall be announced.

**Article 32**

After changes, the Investment Projects shall remain as an investment in the principal businesses.

The Company shall scientifically and prudently carry out the feasibility analysis of the new Investment Project to ensure such projects have sound market prospect and profitability, effectively prevent investment risks and improve the efficiency of the use of the proceeds.

**Article 33**

In principle, the use of raised proceeds and project investment shall be implemented according to the plan specified in the prospectus, the offering circular and other information disclosure documents. Should an application for change is necessary due to special reasons, the department that proposes such change shall submit the reasons and plans thereof. The project management department shall submit such reasons and plans to the general manager in a unified manner, and propose to the board of directors after confirmation by the general manager.

**Article 34**

The board of directors of the Company may engage an intermediary agency to make a special evaluation of the plan for the change of the use of the raised proceeds proposed by the project management department as confirmed by the general manager, and determine whether to make such changes on the basis of the evaluation.

**Article 35**

In case that the Company intends to make changes to an Investment Project, it shall report to the Shanghai Stock Exchange and make an announcement on the followings within 2 trading days from the submission to the board of directors for consideration:

- (1) Basic information of the original Investment Project and the specific reasons of such changes;
- (2) Basic information, feasibility analysis and risks disclosure on the new Investment Project;
- (3) The investment plan for the new Investment Project;
- (4) The explanation of whether the new Investment Project has obtained or is pending for the approval of the competent authorities (if applicable);
- (5) Independent non-executive directors, supervisory committee, the sponsor(s) or the independent financial adviser's opinions on alteration in the usage of raised proceeds;
- (6) The explanation that such changes to the Investment Project is subject to approval of a general meeting;

(7) Other contents required by the Shanghai Stock Exchange.

Where the new Investment Project involves any related party transactions, purchase of assets or external investments, the Company shall make disclosure in accordance with the requirements of relevant rules.

**Article 36**

Where the Company changes the purpose of an Investment Project to acquisition of assets (including equity) of the controlling shareholder(s) or de facto controller(s), it shall ensure competition in the industry can be effectively avoided and related party transaction can be reduced after the said acquisition.

**Article 37**

Where the Company proposes to externally transfer or replace an Investment Project (except for those which have completed the entire external transfer or replacement process in a material asset restructuring implemented by the Company), the Company shall report to the Shanghai Stock Exchange and make an announcement on the followings within 2 trading days from the submission to the Board for consideration:

- (1) Specific reasons for the external transfer or replacement of the Investment Project;
- (2) The amount of proceeds invested in the project;
- (3) Completion progress of the project and its realised benefit;
- (4) Basic information, feasibility analysis and risk disclosure (if applicable) of the substituting project;
- (5) The pricing basis of the transfer or replacement and relevant gain;
- (6) Opinions on the transfer or replacement of the Investment Project from the independent non-executive directors, the supervisory committee, the sponsor(s) or the independent financial adviser;
- (7) Explanation that the transfer or replacement of the Investment Project is subject to submission to general meeting for consideration;
- (8) Other contents required by the Shanghai Stock Exchange.

The project management department of the Company shall give due regard to the receipt and use of the consideration of the transfer, changes in ownership of the substituting assets and their continuous operation, and fulfill the obligations of necessary information disclosure.

## CHAPTER 5 SUPERVISION AND ADMINISTRATION OF USE OF RAISED PROCEEDS

**Article 38**

The project management department of the Company is responsible for the daily management and supervision of the use of raised proceeds, establishing and improving relevant accounting records and ledgers for activities involving the use of raised proceeds, setting up special files for the deposit and use of raised proceeds, and conducting independent accounting for Investment Projects. The financial management department of the implementation unit of the Investment Projects shall check and verify the use of the raised proceeds on a quarterly basis and report to the Company's fund management department for review.

**Article 39**

The board of directors of the Company shall comprehensively review progress of the Investment Projects semi-annually, and issue a Special Report on the Deposit and the Actual Use of Raised Proceeds of the Company ("Special Report on Raised Proceeds").

Where the actual progress of Investment Projects differs from the investment plan, the Company shall explain specific reasons in the Special Report on Raised Proceeds. When idle proceeds are used in investment products in the current period, the Company shall disclose returns for the reporting period and investment share, counterparties, product names, term and other information as the end of the period in the Special Report on Raised Proceeds.

The Special Report on Raised Proceeds shall be considered and approved by the Board of Directors and the Supervisory Committee, and reported to the Shanghai Stock Exchange with an announcement thereon released within 2 trading days upon submission to the board of directors for consideration. In an annual audit, the Company shall engage certified public accountants to issue an attestation report on the deposit and use of proceeds of the Company, which shall be submitted to the Shanghai Stock Exchange and disclosed on the website of the Shanghai Stock Exchange when the Company discloses its annual report.

**Article 40**

The sponsor(s) or the independent financial adviser shall conduct at least one on-site survey for the deposit and use of raised proceeds of the Company semi-annually.

After the end of each financial year, the sponsor(s) or the independent financial adviser shall issue a special examination report on the deposit and use of proceeds of the Company in the year, which shall be submitted to the Shanghai Stock Exchange when the Company discloses its annual report and shall be disclosed on the website of the Shanghai Stock Exchange. Such report shall contain the followings:

- (1) Information relating to the deposit, use of proceeds and the balance of the Special Account for Raised Proceeds;

- (2) Progress of investment projects, including the difference from the planned investment progress of proceeds;
- (3) Information of using the Company's proceeds to replace its own proceeds previously invested in Investment Projects (if applicable);
- (4) The use of idle proceeds to replenish working capital and its effect (if applicable);
- (5) Any use of Surplus Raised Proceeds (if applicable);
- (6) Any change to use of proceeds (if applicable);
- (7) Conclusive opinion relating to whether the deposit and use of proceeds by the Company are compliant with laws and regulations;
- (8) Other contents required by the Shanghai Stock Exchange.

After the end of each financial year, the board of directors shall disclose the conclusions of the sponsor or the independent financial adviser's special verification report and the accounting firm's verification report in the Special Report on Raised Proceeds.

**Article 41**

Independent non-executive directors, the audit committee of the board of directors and the supervisory committee shall continuously keep track of the actual management and use of the raised proceeds.

The audit committee of the board of directors, the supervisory committee or more than one-half of independent non-executive directors may engage accounting firms to conduct special audits on the deposit and use of raised proceeds and issue attestation reports thereon. The Company shall actively cooperate in this regard and bear the necessary expenses thus incurred.

The board of directors shall report to the Shanghai Stock Exchange and release an announcement within 2 trading days upon receipt of the attestation reports mentioned in the preceding paragraph. If the verification report identifies any non-compliance in administration and use of proceeds of the Company, the board of directors shall also announce the non-compliance, its consequences that have occurred or may occur and the actions that have been taken or are to be taken.

**Article 42**

The directors, senior management personnel and other authorised institutions, departments or personnel of the Company shall exercise their functions and powers according to law in prudence and engage in operation and management within the scope of authorisation. In case of acts beyond authorisation and in violation of laws, regulations, rules, other regulatory documents, the supervision rules of the securities regulatory authorities or stock exchange(s) where the Company's shares are listed, the Articles of Association and the provisions of the Policy that affect the Company's reputation or causes economic losses, the Company shall hold the persons directly in charge or the primary persons in charge of relevant institutions and departments accountable. The following acts shall be deemed as violations of the Policy:

- (1) failure to use the raised proceeds according to the purpose of the Company's raised proceeds;
- (2) unauthorised change of purpose of raised proceeds by the actual utilisation unit;
- (3) failure to perform the disclosure obligation in accordance with the Policy and relevant regulations;
- (4) other acts that violate the Policy as determined by the Company.

**CHAPTER 6 SUPPLEMENTARY PROVISIONS****Article 43**

The Policy is applicable to investment projects implemented through subsidiaries of the Company or other enterprises controlled by the Company.

**Article 44**

Matters not covered in the Policy shall be implemented in accordance with relevant provisions of laws, regulations, securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association. Where relevant stipulations herein are inconsistent with laws, regulations, securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association subject to valid amendments, such laws, regulations, securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association shall prevail.

**Article 45**

References to "more than/above" herein shall include the actual given figures, and "lower than/below" shall not include the actual given figures.

**Article 46**

The Policy shall be interpreted by the board of directors and shall take effect from approval at the general meeting and completion of the initial public issue of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange. The board of directors of the Company may propose amendments to the Policy according to relevant laws, administrative regulations, regulatory documents and amendments to the Articles of Association or based on changes in the Company's operating conditions, and submit the same to the general meeting of the Company for consideration and approval.

*The “Management Policy for Funds Raised from A Shares” as set out in this appendix is prepared in Chinese version, and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the former shall prevail.*

The biological details of the Director proposed to be re-elected at the EGM are set out as follows:

### EXECUTIVE DIRECTOR

#### Shang Jing

Shang Jing, aged 43, is an executive Director and general manager of the Company, as well as a member of the strategy committee of the Company.

Mr. Shang is a director of 中鐵檢驗認證株洲牽引電氣設備檢驗站有限公司 (China Railway Approved Zhuzhou Traction Electric Equipment Inspection Station Company Limited\*). Mr. Shang is a professorate senior engineer. He joined the Parent Company in July 2003 and has held the position as an engineer at the R&D centre. He served as engineer at the R&D centre, the director and the deputy director of the industrial drive department of the Company from September 2005 to May 2011, and the deputy director and the director of the foundation and platform research and development centre of Research Institute of the Parent Company from June 2011 to February 2015, respectively. He was also the vice chief engineer and the director of the foundation and platform research and development centre of Research Institute of the Parent Company from February 2015 to January 2016. Mr. Shang graduated with a bachelor's degree in Mechanical and Electrical Engineering and a master's degree in Power System and Automation from Southwest Jiaotong University in July 2000 and April 2003 respectively. In December 2016, he graduated from Central South University with a doctor degree in control science and engineering. Mr. Shang was a vice general manager and chief engineer of the Company from January 2016 to September 2020 and has been an executive Director and general manager of the Company since 28 September 2020.

The Company has entered into a service contract of executive Director with Mr. Shang for a term commencing from 28 September 2020 subject to, among other things, the requirements of the Articles of Association and/or the Hong Kong Listing Rules (as applicable) governing retirement and re-election of directors at the general meetings of the Company. Mr. Shang will retire and offer himself for re-election at the EGM. Upon his re-election as an executive Director at the EGM, the subsisting service contract of executive Director shall remain valid, and his term of office will terminate until the conclusion of the 2022 annual general meeting of the Company to be held in 2023 or for such shorter period as may be decided at the EGM until terminated by either party giving a three months' prior written notice.

Pursuant to the service contract of executive Director, Mr. Shang is entitled to an annual directors' fee of RMB65,000 (excluding tax), which is determined on the basis of his experience, responsibilities within the Group, the Company's performance, as well as the remuneration benchmark in the industry and the market situation. Mr. Shang has waived his entitlement to receive director's fee as an executive Director commencing from 28 September 2020. The remuneration of Mr. Shang as the Company's general manager will be determined by the Board on the basis of his experience, responsibilities within the Group, the Company's performance, as well as the remuneration benchmark in the industry and the market situation.

Save as disclosed herein, Mr. Shang has no relationship with any other Director, senior management, substantial shareholders (as defined under the Hong Kong Listing Rules) or controlling shareholders of the Company, nor does he hold any other position in the Company or other members of the Group. Save as disclosed in this circular, Mr. Shang did not hold any directorship in any company the securities of which are listed in Hong Kong or overseas securities market at present or in the past three years.

To the best knowledge of the Directors, as at the Latest Practicable Date, Mr. Shang did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Save as disclosed herein, there are no other matters regarding the proposed re-election of Mr. Shang as an executive Director that need to be brought to the attention of the Shareholders, nor is there other information subject to disclosure under Rules 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.

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# NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2020

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**株洲中车时代电气股份有限公司**  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 3898)

## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2020

**NOTICE IS HEREBY GIVEN THAT** the first extraordinary general meeting of 2020 (the “**EGM**”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) will be held at Conference Room 103, Guobian Building, 169 Times Road, Shifeng District, Zhuzhou, Hunan Province, the People’s Republic of China (the “**PRC**”) on Monday, 7 December 2020 at 9:00 a.m. for the shareholders of the Company to transact the following matters. Unless otherwise indicated, capitalised items used herein shall have the same meaning as those defined in the Company’s circular dated 20 November 2020 (the “**Circular**”).

### AS SPECIAL RESOLUTIONS

1. To consider and approve the application for the Issue of A Shares of the Company (each being a separate resolution):
  - 1.1 Place of listing;
  - 1.2 Class of shares to be issued;
  - 1.3 Nominal value of shares;
  - 1.4 Target subscribers;
  - 1.5 Schedule of the issue and listing;
  - 1.6 Method of issue;
  - 1.7 Issue size;
  - 1.8 Pricing methodology;
  - 1.9 Implementation of strategic placing upon issue;
  - 1.10 Use of proceeds;
  - 1.11 Method of underwriting; and
  - 1.12 Validity period of resolutions in relation to the issue and listing.
2. To consider and approve the authorisation to the Board to fully deal with specific matters relating to the Issue of A Shares.

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## **NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2020**

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3. To consider and approve the Projects to be Financed with Proceeds from the Issue of A Shares and feasibility analysis report.
4. To consider and approve the accumulated profit distribution plan prior to the Issue of A Shares.
5. To consider and approve the formulation of the plan for stabilisation of price of A Shares within three years after the Issue of A Shares.
6. To consider and approve the dilution of immediate return by the Issue of A Shares and recovery measures.
7. To consider and approve the three-year dividend distribution plan for Shareholders after the Issue of A Shares.
8. To consider and approve the undertakings regarding the information disclosure in the prospectus for the Issue of A Shares.
9. To consider and approve the proposed amendments to the Articles of Association for the purpose of the Issue of A Shares.

### **AS ORDINARY RESOLUTIONS**

10. To consider and approve the Rules of Procedures for the General Meetings applicable after the Issue of A Shares.
11. To consider and approve the Rules of Procedures for the Board of Directors applicable after the Issue of A Shares.
12. To consider and approve the Rules of Procedures for the Supervisory Committee applicable after the Issue of A Shares.
13. To consider and approve the formulation of the Terms of Reference of the Independent Non-executive Directors.
14. To consider and approve the formulation of the internal control policies relating to the Issue of A Shares (each being a separate resolution):
  - 14.1 “Management Policy for External Guarantees”;
  - 14.2 “Management Policy for Related Party Transactions”;
  - 14.3 “Management Policy for External Investments”;
  - 14.4 “Policy for Preventing the Controlling Shareholders, Actual Controllers and Related Parties from Appropriating Funds”; and
  - 14.5 “Management Policy for Funds Raised from A Shares”.

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2020

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15. To consider and approve the engagement of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's auditor for the issue and listing of A Shares and authorise the Board to determine the final audit fees with reference to the market price and audit workload and enter into the relevant service agreement(s).
16. To consider and approve the transactions contemplated under the 2020-23 Financial Services Framework Agreement I proposed to be entered into between the Company and CRRC Finance.
17. To consider and approve the transactions contemplated under the 2021-23 Financial Services Framework Agreement II proposed to be entered into between the Company and CRRC Hongkong Capital.
18. To consider and approve the transactions contemplated under the 2021-23 Shiling Mutual Supply Framework Agreement proposed to be entered into between the Company and Shiling Company.
19. To consider and approve the re-election of Mr. Shang Jing as an executive Director.

By order of the Board

**Li Donglin**  
*Chairman*

Zhuzhou, the PRC, 20 November 2020

*Notes:*

1. All times stated in this notice refer to Hong Kong time.
2. The votes at the EGM will be taken by poll.
3. Where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such Share at the EGM, and the service of this notice to that person shall be deemed to have served on all joint holders of such Share.
4. In order to determine the entitlements of Shareholders to attend and vote at the EGM, the register of members of the Company will be temporarily closed from Wednesday, 2 December 2020 to Monday, 7 December 2020 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfer documents together with the relevant Share certificates must be lodged, for holders of the H Shares, with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or, for holders of the Domestic Shares, with the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC, not later than 4:30 p.m. on Tuesday, 1 December 2020.
5. Holders of the H Shares and the Domestic Shares whose names appear on the register of members of the Company at the close of business on Tuesday, 1 December 2020 are entitled to attend and vote at the EGM and may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2020

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6. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited, for holders of the H Shares, to the H Share registrar of the Company or, for holders of the Domestic Shares, the registered office address of the Company, not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof.

7. The address of the H Share registrar of the Company is as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East Wanchai  
Hong Kong

8. The registered office address of the Company is as follows:

Times Road  
Shifeng District  
Zhuzhou  
Hunan Province, 412001  
The People's Republic of China  
Tel: (86) 731 2849 8028

9. The principal place of business of the Company in Hong Kong is as follows:

Unit 1106, 11th Floor Jubilee Centre  
18 Fenwick Street  
Wanchai Hong Kong  
Tel: (852) 2189 7268

10. The EGM is expected to take half a day. Shareholders or their proxies attending the EGM shall be responsible for their own transportation, accommodation and other expenses. Shareholders or their proxies shall produce their identification documents for verification when attending the EGM.

11. In light of the outbreak of the Novel Coronavirus Disease (“**COVID-19**”), the following precautionary measures will be implemented at the EGM to safeguard the health and safety of the attendees:

- Compulsory body temperature check will be conducted for every Shareholder and proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degree Celsius will not be admitted to the venue;
- Mandatory wearing of surgical face masks for every Shareholder and proxy throughout the meeting; and
- No refreshment and souvenirs will be provided.

To further control the spread of COVID-19, the Company advises the Shareholders, particularly Shareholders who are subject to quarantine in relation to COVID-19, to exercise their voting rights by appointing the chairman of the EGM as their proxy to vote according to their indicated voting instructions, as an alternative to attending the EGM in person.

Depending on the development of COVID-19, the Company may implement further changes on the precautionary measures and may publish further announcement in relation to such measures as appropriate.

*As at the date of this notice, our chairman of the Board and executive Director is Li Donglin, our vice chairman of the Board and executive Director is Liu Ke'an, our other executive Directors are Shang Jing and Yan Wu, our Non-executive Director is Zhang Xinning, and our Independent Non-executive Directors are Chan Kam Wing, Clement, Pao Ping Wing, Liu Chunru, Chen Xiaoming and Gao Feng.*



株洲中车时代电气股份有限公司  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 3898)

## NOTICE OF THE FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES OF 2020

**NOTICE IS HEREBY GIVEN THAT** the first class meeting of holders of domestic shares of 2020 (the “**Class Meeting of Holders of Domestic Shares**”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) will be held at Conference Room 103, Guobian Building, 169 Times Road, Shifeng District, Zhuzhou, Hunan Province, the People’s Republic of China (the “**PRC**”) on Monday, 7 December 2020 immediately following the conclusion of the extraordinary general meeting of the Company or any adjournment thereof which will be held at the same place and on the same date for the holders of domestic shares of the Company to transact the following matters. Unless otherwise indicated, capitalised items used herein shall have the same meaning as those defined in the Company’s circular dated 20 November 2020 (the “**Circular**”).

### AS SPECIAL RESOLUTIONS

1. To consider and approve the application for the Issue of A Shares of the Company (each being a separate resolution):
  - 1.1 Place of listing;
  - 1.2 Class of shares to be issued;
  - 1.3 Nominal value of shares;
  - 1.4 Target subscribers;
  - 1.5 Schedule of the issue and listing;
  - 1.6 Method of issue;
  - 1.7 Issue size;
  - 1.8 Pricing methodology;
  - 1.9 Implementation of strategic placing upon issue;
  - 1.10 Use of proceeds;
  - 1.11 Method of underwriting; and
  - 1.12 Validity period of resolutions in relation to the issue and listing.

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## NOTICE OF THE FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES OF 2020

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2. To consider and approve the authorisation to the Board to fully deal with specific matters relating to the Issue of A Shares.
3. To consider and approve the Projects to be Financed with Proceeds from the Issue of A Shares and feasibility analysis report.
4. To consider and approve the accumulated profit distribution plan prior to the Issue of A Shares.
5. To consider and approve the formulation of the plan for stabilisation of price of A Shares within three years after the Issue of A Shares.
6. To consider and approve the dilution of immediate return by the Issue of A Shares and recovery measures.
7. To consider and approve the three-year dividend distribution plan for Shareholders after the Issue of A Shares.
8. To consider and approve the undertakings regarding the information disclosure in the prospectus for the Issue of A Shares.

By order of the Board

**Li Donglin**  
*Chairman*

Zhuzhou, the PRC, 20 November 2020

*Notes:*

1. All times stated in this notice refer to Hong Kong time.
2. The votes at the Class Meeting of Holders of Domestic Shares will be taken by poll.
3. Where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members of Domestic Shares shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such Domestic Share at the Class Meeting of Holders of Domestic Shares, and the service of this notice to that person shall be deemed to have served on all joint holders of such Domestic Share.
4. In order to determine the entitlements of Domestic Shareholders to attend and vote at the Class Meeting of Holders of Domestic Shares, the register of members of Domestic Shares of the Company will be temporarily closed from Wednesday, 2 December 2020 to Monday, 7 December 2020 (both days inclusive), during which period no transfer of Domestic Shares will be registered. In order to be entitled to attend and vote at the Class Meeting of Holders of Domestic Shares, all transfer documents together with the relevant Domestic Share certificates must be lodged with the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC, not later than 4:30 p.m. on Tuesday, 1 December 2020.
5. Holders of the Domestic Shares whose names appear on the register of members of Domestic Shares of the Company at the close of business on Tuesday, 1 December 2020 are entitled to attend and vote at the Class Meeting of Holders of Domestic Shares and may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.

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## NOTICE OF THE FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES OF 2020

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6. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited to the registered office address of the Company, not less than 24 hours before the time appointed for holding the Class Meeting of Holders of Domestic Shares or any adjournment thereof.

7. The registered office address of the Company is as follows:

Times Road  
Shifeng District  
Zhuzhou  
Hunan Province, 412001  
The People's Republic of China  
Tel: (86) 731 2849 8028

8. The Class Meeting of Holders of Domestic Shares is expected to take half a day. Shareholders or their proxies attending the Class Meeting of Holders of Domestic Shares shall be responsible for their own transportation, accommodation and other expenses. Shareholders or their proxies shall produce their identification documents for verification when attending the Class Meeting of Holders of Domestic Shares.

9. In light of the outbreak of the Novel Coronavirus Disease (“**COVID-19**”), the following precautionary measures will be implemented at the Class Meeting of Holders of Domestic Shares to safeguard the health and safety of the attendees:

- Compulsory body temperature check will be conducted for every Shareholder and proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degree Celsius will not be admitted to the venue;
- Mandatory wearing of surgical face masks for every Shareholder and proxy throughout the meeting; and
- No refreshment and souvenirs will be provided.

To further control the spread of COVID-19, the Company advises the Shareholders, particularly Shareholders who are subject to quarantine in relation to COVID-19, to exercise their voting rights by appointing the chairman of the Class Meeting of Holders of Domestic Shares as their proxy to vote according to their indicated voting instructions, as an alternative to attending the Class Meeting of Holders of Domestic Shares in person.

Depending on the development of COVID-19, the Company may implement further changes on the precautionary measures and may publish further announcement in relation to such measures as appropriate.

*As at the date of this notice, our chairman of the Board and executive Director is Li Donglin, our vice chairman of the Board and executive Director is Liu Ke'an, our other executive Directors are Shang Jing and Yan Wu, our Non-executive Director is Zhang Xinning, and our Independent Non-executive Directors are Chan Kam Wing, Clement, Pao Ping Wing, Liu Chunru, Chen Xiaoming and Gao Feng.*

# NOTICE OF THE FIRST CLASS MEETING OF HOLDERS OF H SHARES OF 2020



株洲中车时代电气股份有限公司  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 3898)

## NOTICE OF THE FIRST CLASS MEETING OF HOLDERS OF H SHARES OF 2020

**NOTICE IS HEREBY GIVEN THAT** the first class meeting of holders of H shares of 2020 (the “**Class Meeting of Holders of H Shares**”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) will be held at Conference Room 103, Guobian Building, 169 Times Road, Shifeng District, Zhuzhou, Hunan Province, the People’s Republic of China (the “**PRC**”) on Monday, 7 December 2020 immediately following the conclusion of the extraordinary general meeting of the Company and the class meeting of holders of domestic shares of the Company or any adjournment thereof which will be held at the same place and on the same date for the holders of H shares of the Company to transact the following matters. Unless otherwise indicated, capitalised items used herein shall have the same meaning as those defined in the Company’s circular dated 20 November 2020 (the “**Circular**”).

### AS SPECIAL RESOLUTIONS

1. To consider and approve the application for the Issue of A Shares of the Company (each being a separate resolution):
  - 1.1 Place of listing;
  - 1.2 Class of shares to be issued;
  - 1.3 Nominal value of shares;
  - 1.4 Target subscribers;
  - 1.5 Schedule of the issue and listing;
  - 1.6 Method of issue;
  - 1.7 Issue size;
  - 1.8 Pricing methodology;
  - 1.9 Implementation of strategic placing upon issue;
  - 1.10 Use of proceeds;
  - 1.11 Method of underwriting; and
  - 1.12 Validity period of resolutions in relation to the issue and listing.

## NOTICE OF THE FIRST CLASS MEETING OF HOLDERS OF H SHARES OF 2020

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2. To consider and approve the authorisation to the Board to fully deal with specific matters relating to the Issue of A Shares.
3. To consider and approve the Projects to be Financed with Proceeds from the Issue of A Shares and feasibility analysis report.
4. To consider and approve the accumulated profit distribution plan prior to the Issue of A Shares.
5. To consider and approve the formulation of the plan for stabilisation of price of A Shares within three years after the Issue of A Shares.
6. To consider and approve the dilution of immediate return by the Issue of A Shares and recovery measures.
7. To consider and approve the three-year dividend distribution plan for Shareholders after the Issue of A Shares.
8. To consider and approve the undertakings regarding the information disclosure in the prospectus for the Issue of A Shares.

By order of the Board

**Li Donglin**

*Chairman*

Zhuzhou, the PRC, 20 November 2020

*Notes:*

1. All times stated in this notice refer to Hong Kong time.
2. The votes at the Class Meeting of Holders of H Shares will be taken by poll.
3. Where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members of H Shares shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such H Share at the Class Meeting of Holders of H Shares, and the service of this notice to that person shall be deemed to have served on all joint holders of such H Share.
4. In order to determine the entitlements of H Shareholders to attend and vote at the Class Meeting of Holders of H Shares, the register of members of H Shares of the Company will be temporarily closed from Wednesday, 2 December 2020 to Monday, 7 December 2020 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be entitled to attend and vote at the Class Meeting of Holders of H Shares, all transfer documents together with the relevant H Share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 1 December 2020.
5. Holders of the H Shares whose names appear on the register of members of H Shares of the Company at the close of business on Tuesday, 1 December 2020 are entitled to attend and vote at the Class Meeting of Holders of H Shares and may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.

## NOTICE OF THE FIRST CLASS MEETING OF HOLDERS OF H SHARES OF 2020

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6. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited, to the H Share registrar of the Company not less than 24 hours before the time appointed for holding the Class Meeting of Holders of H Shares or any adjournment thereof.

7. The address of the H Share registrar of the Company is as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East Wanchai  
Hong Kong

8. The principal place of business of the Company in Hong Kong is as follows:

Unit 1106, 11th Floor Jubilee Centre  
18 Fenwick Street  
Wanchai Hong Kong  
Tel: (852) 2189 7268

9. The Class Meeting of Holders of H Shares is expected to take half a day. Shareholders or their proxies attending the Class Meeting of Holders of H Shares shall be responsible for their own transportation, accommodation and other expenses. Shareholders or their proxies shall produce their identification documents for verification when attending the Class Meeting of Holders of H Shares.

10. In light of the outbreak of the Novel Coronavirus Disease (“**COVID-19**”), the following precautionary measures will be implemented at the Class Meeting of Holders of H Shares to safeguard the health and safety of the attendees:

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Depending on the development of COVID-19, the Company may implement further changes on the precautionary measures and may publish further announcement in relation to such measures as appropriate.

*As at the date of this notice, our chairman of the Board and executive Director is Li Donglin, our vice chairman of the Board and executive Director is Liu Ke'an, our other executive Directors are Shang Jing and Yan Wu, our Non-executive Director is Zhang Xinning, and our Independent Non-executive Directors are Chan Kam Wing, Clement, Pao Ping Wing, Liu Chunru, Chen Xiaoming and Gao Feng.*