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CIMC Vehicles (Group) Co., Ltd.

中集車輛(集團)股份有限公司

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

(Stock Code: 1839)

PROPOSED FORMULATION OF THE RELEVANT RULES IN RELATION TO THE A SHARE OFFERING; PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT) AND APPENDIXES THERETO; AND PROPOSED AMENDMENTS TO CONNECTED TRANSACTION MANAGEMENT RULES

This announcement should be read in conjunction with the announcements and the supplemental circular of the Company on the A Share Offering and relevant matters dated 6 May 2020, 15 May 2020, 3 June 2020 and 22 June 2020 respectively, in relation to, among others, the consideration and approval of the Board on the resolution in relation to the proposed initial public offering of A Shares and the proposed listing of such Shares on the ChiNext Market of the Shenzhen Stock Exchange (the “**A Share Offering**” or the “**A Share Offering and Listing**”) as well as relevant matters, Shareholders of the Company have considered and approved the above-mentioned A Share Offering related matters at the AGM and the Class Meetings held on 22 June 2020. Capitalised terms used in this announcement shall have the same meanings as those defined in the announcements and the supplemental circular mentioned above unless the context otherwise requires.

The Board of Directors convened a Board meeting on 23 June 2020. The Board of Directors is pleased to announce that the Board has considered and approved the resolutions in relation to, among others, the proposed formulation of the relevant rules in relation to the A Share Offering. These resolutions are subject to the Shareholders’ approval by ordinary resolutions at an extraordinary general meeting. The Board of Directors further announces that in view of the fact that CSRC and the Shenzhen Stock Exchange published the relevant requirements of the registration system for the ChiNext Market on 12 June 2020, the Board of Directors has considered and approved the Proposed Amendments to the Articles of Association (Draft), the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee (collectively, the “**Articles of Association (Draft) and Appendixes thereto**”) and the Connected Transaction Management Rules. The Proposed Amendments to Articles of Association (Draft) and Appendixes thereto shall be subject to approval at an extraordinary general meeting and shareholders’ class meetings by way of a special resolution(s), and the Proposed Amendments to Connected Transaction Management Rules shall be subject to approval at an extraordinary general meeting and shareholders’ class meetings by way of an ordinary resolution.

I. PROPOSED FORMULATION OF THE TERMS OF REFERENCE FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

In order to improve the corporate governance structure, give full play to the supervisory role of independent non-executive Directors, protect the legitimate rights and interests of all Shareholders, especially minority Shareholders from detriment, the Company proposes to formulate the Terms of Reference for the Independent Non-executive Directors of CIMC Vehicles (Group) Co., Ltd. in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, the Guidelines on the Establishment of Independent Directorship of Listed Companies, the listing rules of the place where the Shares are listed, and other laws, regulations and regulatory documents as well as relevant requirements of the Articles of Association. The aforementioned rules will be effective and implemented on the date of the A Share Offering and Listing. The relevant details will be set out in the circular to be despatched to the Shareholders by the Company in due course.

II. PROPOSED FORMULATION OF THE ADMINISTRATIVE POLICIES FOR EXTERNAL INVESTMENT

In order to further standardize external investment activities of the Company after the A Share Offering and Listing, effectively control external investment risks of the Company, increase the returns on external investment, the Company proposes to formulate the Administrative Policies for External Investment of CIMC Vehicles (Group) Co., Ltd. in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, the listing rules of the place where the Shares are listed, and other laws, regulations and regulatory documents as well as relevant requirements of the Articles of Association while taking into account the actual circumstances of the Company. The aforementioned policies will be effective and implemented on the date of the A Share Offering and Listing. The relevant details will be set out in the circular to be despatched to the Shareholders by the Company in due course.

III. PROPOSED FORMULATION OF THE ADMINISTRATIVE POLICIES FOR EXTERNAL GUARANTEES

In order to further standardize external guarantee activities of the Company after the A Share Offering and Listing, protect the legitimate rights and interests of investors, maintain the safety of the assets of the Company, reduce operation risks, the Company proposes to formulate the Administrative Policies for External Guarantees of CIMC Vehicles (Group) Co., Ltd. in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Guarantee Law of the People's Republic of China, the listing rules of the place where the Shares are listed, and other laws, regulations and regulatory documents as well as relevant requirements of the Articles of Association while taking into account the actual circumstances of the Company. The aforementioned policies will be effective and implemented on the date of the A Share Offering and Listing. The relevant details will be set out in the circular to be despatched to the Shareholders by the Company in due course.

IV. PROPOSED FORMULATION OF THE ADMINISTRATIVE POLICIES FOR RAISED FUNDS

In order to standardize the management and use of the fund raised by the Company, protect the interests of investors, the Company proposes to formulate the Administrative Policies for Raised Funds of CIMC Vehicles (Group) Co., Ltd. in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies, the listing rules of the place where the Shares are listed, and other laws, regulations and regulatory documents as well as relevant requirements of the Articles of Association while taking into account the actual circumstances of the Company. The aforementioned policies will be effective and implemented on the date of the A Share Offering and Listing. The relevant details will be set out in the circular to be despatched to the Shareholders by the Company in due course.

V. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT) AND APPENDIXES THERETO

Shareholders of the Company have approved the resolution on the Articles of Association (Draft) and Appendixes thereto taking effect upon the A Share Offering and Listing on the ChiNext Market as specified in the Supplemental Circular of the Company dated 3 June 2020 at the AGM and the Class Meetings held on 22 June 2020, and the Articles of Association (Draft) and Appendixes thereto will become effective since the date of the A Share Offering and Listing. In view of the fact that CSRC and the Shenzhen Stock Exchange published the relevant requirements of the registration system for the ChiNext Market on 12 June 2020, the Company proposes to further amend the Articles of Association (Draft) and Appendixes thereto in accordance with the relevant requirements of the “Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (2020 revision)”. The detailed comparison table of the amendments to the Articles of Association (Draft) and Appendixes thereto is set out in Appendixes I to IV of this announcement.

VI. PROPOSED AMENDMENTS TO CONNECTED TRANSACTION MANAGEMENT RULES

Shareholders of the Company have approved the resolution on amendments to the Connected Transaction Management Rules at the AGM and the Class Meetings held on 22 June 2020. In view of the fact that CSRC and the Shenzhen Stock Exchange published the relevant requirements of the registration system for the ChiNext Market on 12 June 2020, the Company proposes to further amend the Connected Transaction Management Rules in accordance with the relevant requirements of the “Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (2020 revision)”. The aforementioned policies will take effect and be implemented on the date of A Share Offering and Listing. The relevant details will be set out in the circular to be despatched by the Company to the Shareholders when and as appropriate.

The Company will convene the extraordinary general meeting to propose the consideration and approval of, among other things, the above resolutions in relation to the proposed formulation of the relevant rules in relation to the A Share Offering, by the Shareholders. A circular of the general meeting containing, among other things, details on the aforementioned resolutions, together with the notice of the extraordinary general meeting will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules. Please note that in addition to the approval by the Shareholders, the A Share Offering is still subject to the approval or decision of the relevant regulatory authorities.

Further announcements on significant updates and development in relation to the A Share Offering will be made by the Company in due course, pursuant to the Listing Rules and other applicable laws and regulations. This announcement is for information only and does not constitute any invitation or offer to acquire, purchase or subscribe for securities of the Company.

By Order of the Board
CIMC Vehicles (Group) Co., Ltd.
Li Guiping
Executive Director

Hong Kong, 23 June 2020

*As at the date of this announcement, the Board comprises nine members, being Mr. Mai Boliang**, Mr. Li Guiping*, Ms. Zeng Beihua**, Mr. Wang Yu**, Mr. Chen Bo**, Mr. Huang Haicheng**, Mr. Feng Jinhua***, Mr. Fan Zhaoping*** and Mr. Cheng Hok Kai Frederick***.*

* *Executive Director*

** *Non-executive Directors*

*** *Independent non-executive Directors*

**TABLE OF COMPARISON FOR AMENDMENTS
TO THE ARTICLES OF ASSOCIATION (DRAFT)**

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
1	<p>Article 24 Under the following circumstances, the Company may repurchase its shares in accordance with laws, administrative regulations, departmental rules and the Articles of Association:</p> <p>(I) to reduce its registered capital;</p> <p>(II) to merge with another company that holds its shares;</p> <p>(III) the shares are to be used for employee share ownership plans or equity incentives;</p> <p>(IV) to purchase its own shares from its shareholders who are against the resolution regarding the merger or demerger with another company in a shareholders' general meeting;</p> <p>(V) the shares are to be used to convert corporate bonds issued by the listed company that can be converted to shares;</p> <p>(VI) it is necessary to maintain corporate value and shareholders' equity.</p> <p>The Company shall not engage in trading of its shares save for the circumstances specified above.</p>	<p>Article 24 Under the following circumstances, the Company may repurchase its shares in accordance with laws, administrative regulations, departmental rules and the Articles of Association:</p> <p>(I) to reduce its registered capital;</p> <p>(II) to merge with another company that holds its shares;</p> <p>(III) the shares are to be used for employee share ownership plans or equity incentives;</p> <p>(IV) to purchase its own shares from its shareholders who are against the resolution regarding the merger or demerger with another company in a shareholders' general meeting;</p> <p>(V) the shares are to be used to convert corporate bonds issued by the Company that can be converted to shares;</p> <p>(VI) it is necessary to maintain corporate value and shareholders' equity.</p> <p>The Company shall not engage in trading of its shares save for the circumstances specified above.</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>Where the Company purchases its own shares for the purposes of item (I) to item (II) above, it shall obtain approval at the shareholders' general meeting. Where the Company purchases its own shares for the purposes of item (III), item (V) and item (VI) above, it shall be subject to approval by way of Board resolution at a Board meeting attended by more than two-thirds of the Directors. Following the acquisition of its shares in accordance with the foregoing, such shares shall be cancelled within ten days from the date of acquisition in the case of item (I) and transferred or cancelled within six months in the case of items (II) and (IV) above; and such shares shall be transferred or cancelled within three years in the case of items (III), (V) and (VI) above and in case of the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company. The nominal value of such Shares which have been cancelled shall be reduced from the registered capital of the Company, and the Company shall promptly apply for registration with the original company registration authorities of the change of registered capital of the Company.</p>	<p>Where the Company purchases its own shares for the purposes of item (I) to item (II) above, it shall obtain approval at the shareholders' general meeting. Where the Company purchases its own shares for the purposes of item (III), item (V) and item (VI) above, it shall be subject to approval by way of Board resolution at a Board meeting attended by more than two-thirds of the Directors. Following the acquisition of its shares in accordance with the foregoing, such shares shall be cancelled within ten days from the date of acquisition in the case of item (I) and transferred or cancelled within six months in the case of items (II) and (IV) above; and such shares shall be transferred or cancelled within three years in the case of items (III), (V) and (VI) above and in case of the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company. The nominal value of such Shares which have been cancelled shall be reduced from the registered capital of the Company, and the Company shall promptly apply for registration with the original company registration authorities of the change of registered capital of the Company.</p>
2	<p>Article 59 The shareholders' general meeting is the authority of the Company and shall exercise the following powers:</p> <p>(I) to decide on the Company's overall operational policies and investment plans;</p> <p>(II) to elect and replace the Directors and to decide on matters relating to the remuneration of Directors;</p> <p>(III) to elect and replace the Supervisors held by shareholder representatives and to decide on matters relating to the remuneration of Supervisors;</p> <p>(IV) to examine and approve reports of the Board;</p>	<p>Article 59 The shareholders' general meeting is the authority of the Company and shall exercise the following powers:</p> <p>(I) to decide on the Company's overall operational policies and investment plans;</p> <p>(II) to elect and replace the Directors and to decide on matters relating to the remuneration of Directors;</p> <p>(III) to elect and replace the Supervisors held by shareholder representatives and to decide on matters relating to the remuneration of Supervisors;</p> <p>(IV) to examine and approve reports of the Board;</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>(V) to examine and approve reports of the Supervisory Committee;</p> <p>(VI) to examine and approve the proposed annual financial budget report, final accounts report, balance sheet, profit statement and other financial statements of the Company;</p> <p>(VII) to examine and approve the Company's proposals for profit distribution and recovery of losses;</p> <p>(VIII) to decide on any increase or reduction of registered capital of the Company and issuance of any class of shares, warrants and other similar securities;</p> <p>(IX) to decide on the issue of bonds by the Company;</p> <p>(X) to decide on merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(XI) to amend the Articles of Association;</p> <p>(XII) to determine the appointment, dismissal or non-re-appointment of accounting firms by the Company;</p> <p>(XIII) consider the acquisition or disposal of significant assets or provision of a guarantee in an amount exceeding 30% of the audited total assets of the Company in the most recent period, which were carried out by the Company within 1 year;</p> <p>(XIV) consider and implement the share option incentive scheme of the Company;</p> <p>(XV) consider related party transactions which are subject to consideration at the shareholder's general meeting;</p>	<p>(V) to examine and approve reports of the Supervisory Committee;</p> <p>(VI) to examine and approve the proposed annual financial budget report, final accounts report, balance sheet, profit statement and other financial statements of the Company;</p> <p>(VII) to examine and approve the Company's proposals for profit distribution and recovery of losses;</p> <p>(VIII) to decide on any increase or reduction of registered capital of the Company and issuance of any class of shares, warrants and other similar securities;</p> <p>(IX) to decide on the issue of bonds by the Company;</p> <p>(X) to decide on merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(XI) to amend the Articles of Association;</p> <p>(XII) to determine the appointment, dismissal or non-re-appointment of accounting firms by the Company;</p> <p>(XIII) consider the acquisition or disposal of significant assets or provision of a guarantee in an amount exceeding 30% of the audited total assets of the Company in the most recent period, which were carried out by the Company within 1 year;</p> <p>(XIV) consider and implement the share option incentive scheme of the Company;</p> <p>(XV) consider related party transactions which are subject to consideration at the shareholder's general meeting;</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>(XVII) consider proposals of shareholders representing more than 3% (inclusive) of voting shares of the Company;</p> <p>(XVIII) consider other matters which are subject to determination at the shareholder's general meeting in accordance with laws, administrative regulations, departmental rules, the Articles of Association, the listing rules of the stock exchange in the place where Shares of the Company are listed.</p> <p>In the Articles of Association, "external guarantee" means a guarantee provided by the Company to other persons, including guarantee provided by the Company to holding subsidiaries; total amount of external guarantees of the Company and its holding subsidiaries means the sum of the total amount of external guarantees provided by the Company to companies including holding subsidiaries and the total amount of external guarantees provided by holding subsidiaries of the Company.</p>	<p>(XVII) consider proposals of shareholders representing more than 3% (inclusive) of voting shares of the Company;</p> <p>(XVIII) consider other matters which are subject to determination at the shareholder's general meeting in accordance with laws, administrative regulations, departmental rules, the Articles of Association, the listing rules of the stock exchange in the place where Shares of the Company are listed.</p> <p>In the Articles of Association, "external guarantee" means a guarantee provided by the Company to other persons, including guarantee provided by the Company to holding subsidiaries; total amount of external guarantees of the Company and its holding subsidiaries means the sum of the total amount of external guarantees provided by the Company to companies including holding subsidiaries and the total amount of external guarantees provided by holding subsidiaries of the Company.</p> <p><u>If the Company provides guarantees for a wholly-owned subsidiary or provides guarantees for a holding subsidiary and other shareholders of such holding subsidiary would provide guarantees in proportion to their rights and interests, and when such guarantees fall within the circumstances of subparagraph 1 to 3 and 5 of paragraph XVI under clause I of this Article, they can be exempted from being submitted to the general meeting for consideration. Where the securities regulatory authorities of the place where the shares of the Company are listed have other requirements, such requirements shall prevail.</u></p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
3	<p>Article 67 Where the Supervisory Committee or shareholders decide to convene a shareholders' general meeting by themselves, a written notice shall be submitted to the Board of Directors and filed with the relevant securities regulatory authorities and stock exchange in the place where the Company is domiciled according to the applicable provisions.</p> <p><u>Before making an announcement on the resolution(s) of the shareholders' general meeting</u>, the shareholders convening the meeting shall hold no less than 10% of the Shares.</p>	<p>Article 67 Where the Supervisory Committee or shareholders decide to convene a shareholders' general meeting by themselves, a written notice shall be submitted to the Board of Directors and filed with the relevant securities regulatory authorities and stock exchange in the place where the Company is domiciled according to the applicable provisions.</p> <p><u>For a shareholders' general meeting convened by shareholders themselves, during the period from the date of giving the notice of the shareholders' general meeting to the conclusion of the meeting</u>, the shareholders convening the meeting shall hold no less than 10% of the Shares.</p>
4	<p>Article 74 Notice of the shareholders' general meeting shall comply with the following requirements:</p> <p>(I) shall be in written form;</p> <p>(II) shall specify the time, venue and duration of the meeting;</p> <p>(III) matters and proposals that shall be submitted to the meeting for consideration;</p> <p>(IV) shall provide shareholders the detailed information and explanations necessary for the shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the causes and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring;</p>	<p>Article 74 Notice of the shareholders' general meeting shall comply with the following requirements:</p> <p>(I) shall be in written form;</p> <p>(II) shall specify the time, venue and duration of the meeting;</p> <p>(III) matters and proposals that shall be submitted to the meeting for consideration;</p> <p>(IV) shall provide shareholders the detailed information and explanations necessary for the shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the causes and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring;</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>(V) in the event that any of the Directors, Supervisors, president and other senior management has material interests at stake in matters to be discussed, the nature and extent of the interests at stake shall be disclosed. If the matters to be discussed affect any Director, Supervisor, president and other senior management as a shareholder in a manner different from how they affect the same type of other shareholders, the difference shall be explained;</p> <p>(VI) shall include the full text of any special resolution to be proposed for approval at the meeting;</p> <p>(VII) shall contain a conspicuous statement that a shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxy needs not to be a Shareholder;</p> <p>(VIII) shall specify the date and place for the delivery of proxy forms for voting;</p> <p>(IX) shall specify the record date for determining the shareholders who are entitled to attend the shareholders' general meeting;</p> <p>(X) shall state the names and telephone numbers of the standing contact persons for the meeting.</p>	<p>(V) in the event that any of the Directors, Supervisors, president and other senior management has material interests at stake in matters to be discussed, the nature and extent of the interests at stake shall be disclosed. If the matters to be discussed affect any Director, Supervisor, president and other senior management as a shareholder in a manner different from how they affect the same type of other shareholders, the difference shall be explained;</p> <p>(VI) shall include the full text of any special resolution to be proposed for approval at the meeting;</p> <p>(VII) shall contain a conspicuous statement that a shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxy needs not to be a Shareholder;</p> <p>(VIII) shall specify the date and place for the delivery of proxy forms for voting;</p> <p>(IX) shall specify the record date for determining the shareholders who are entitled to attend the shareholders' general meeting;</p> <p>(X) shall state the names and telephone numbers of the standing contact persons for the meeting.</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>In the event that the election of Directors and Supervisors is to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose details of candidates for the Directors and Supervisors, and shall at least include the following particulars:</p> <p>(I) their educational background, work experience, part-time jobs and other personal details;</p> <p>(II) whether or not they have any related relationship with the Company or the Company's controlling shareholder(s) and actual controller(s);</p> <p>(III) to disclose number of shares of the Company they hold;</p> <p>(IV) whether or not they have been penalized by the CSRC and other relevant departments, and disciplined by the stock exchange;</p> <p>(V) other contents required by the securities regulatory rules in the place where the Company's shares are listed.</p> <p>In addition to adopting the cumulative voting system to elect Directors and Supervisors, a single proposal on each of the candidates for Directors and Supervisors shall be submitted.</p>	<p>In the event that the election of Directors and Supervisors is to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose details of candidates for the Directors and Supervisors, and shall at least include the following particulars:</p> <p>(I) their educational background, work experience, part-time jobs and other personal details;</p> <p>(II) whether or not they have any related relationship with the Company or the Company's controlling shareholder(s) and actual controller(s);</p> <p>(III) to disclose number of shares of the Company they hold;</p> <p>(IV) whether or not they have been penalized by the CSRC and other relevant departments, and disciplined by the stock exchange;</p> <p>(V) other contents required by the securities regulatory rules in the place where the Company's shares are listed.</p> <p>In addition to adopting the cumulative voting system to elect Directors and Supervisors, a single proposal on each of the candidates for Directors and Supervisors shall be submitted.</p> <p><u>When a Director is to be selected at a shareholders' general meeting, the voting by independent non-executive Directors and non-independent non-executive Directors shall be made separately.</u></p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
5	Article 76 After issuance of the notice for shareholders	

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>(VII) to prepare plans for the acquisition and disposal of significant assets of the Company, repurchase of shares of the Company, merger, division, dissolution and transformation of the Company, which are required to be submitted for consideration at the shareholder's general meeting;</p> <p>(VIII) to decide on the establishment of the Company's internal management structure;</p> <p>(IX) to appoint or dismiss the Company's president; based on the nominations of the president, to appoint or dismiss deputy president, secretary to the Board, chief financial officer and other senior management and to determine their remuneration and rewards and penalties;</p> <p>(X) to formulate the basic management system of the Company;</p> <p>(XI) to formulate proposals for any amendments to the Articles of Association;</p> <p>(XII) to propose to shareholders' general meetings the appointment or change of the accounting firm acting as the auditor of the Company;</p> <p>(XIII) determine an equity investment exceeding RMB100 million by the Company (including but not limited to establishment of a new company and joint venture, equity acquisition and participation in capital increase), provided that the total equity investment within 1 year which meets the condition specified in paragraph (XIII) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p>	<p>(VII) to prepare plans for the acquisition and disposal of significant assets of the Company, repurchase of shares of the Company, merger, division, dissolution and transformation of the Company, which are required to be submitted for consideration at the shareholder's general meeting;</p> <p>(VIII) to decide on the establishment of the Company's internal management structure;</p> <p>(IX) to appoint or dismiss the Company's president; based on the nominations of the president, to appoint or dismiss deputy president, secretary to the Board, chief financial officer and other senior management and to determine their remuneration and rewards and penalties;</p> <p>(X) to formulate the basic management system of the Company;</p> <p>(XI) to formulate proposals for any amendments to the Articles of Association;</p> <p>(XII) to propose to shareholders' general meetings the appointment or change of the accounting firm acting as the auditor of the Company;</p> <p>(XIII) determine an equity investment exceeding RMB100 million by the Company (including but not limited to establishment of a new company and joint venture, equity acquisition and participation in capital increase), provided that the total equity investment within 1 year which meets the condition specified in sub-paragraph (13) of paragraph (I) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>(XIV)determine a fixed asset investment exceeding RMB150 million by the Company (including but not limited to construction, technical transformation and asset acquisition projects), provided that the total fixed asset investment within 1 year which meets the condition specified in paragraph (XIII) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p> <p>(XV)determine investment, acquisition or disposal of assets, financing, connected transactions and other matters, which do not meet the condition specified by laws, regulations and the Articles of Association for consideration at the shareholder's general meeting, or which are required to be determined by the Board, in accordance with the Stock Exchange Listing Rules;</p> <p>(XVI)other matters authorized by laws, administrative regulations, departmental rules or the Articles of Association and the shareholders' general meeting.</p> <p>Resolutions relating to the above, with the exception of paragraphs (VI), (VII) and (XI) above which shall be approved by more than two-thirds of the Directors, shall be approved by more than half of the Directors.</p> <p>When the provision of guarantees (including guarantees to subsidiaries) is considered at the meetings of the Board of Directors, it shall be passed by the more than two-thirds of the Directors present at the meeting.</p>	<p>(XIV)determine a fixed asset investment exceeding RMB150 million by the Company (including but not limited to construction, technical transformation and asset acquisition projects), provided that the total fixed asset investment within 1 year which meets the condition specified in sub-paragraph (13) of paragraph (I) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p> <p>(XV)determine investment, acquisition or disposal of assets, financing, connected transactions and other matters, which do not meet the condition specified by laws, regulations and the Articles of Association for consideration at the shareholder's general meeting, or which are required to be determined by the Board, in accordance with the Stock Exchange Listing Rules;</p> <p>(XVI)other matters authorized by laws, administrative regulations, departmental rules or the Articles of Association and the shareholders' general meeting.</p> <p>Resolutions relating to the above, with the exception of paragraphs (VI), (VII) and (XI) above which shall be approved by more than two-thirds of the Directors, shall be approved by more than half of the Directors.</p> <p>When the provision of guarantees (including guarantees to subsidiaries) is considered at the meetings of the Board of Directors, it shall be passed by the more than two-thirds of the Directors present at the meeting.</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	All resolutions related to connected transactions proposed by the Board of Directors shall be subject to the endorsement of independent non-executive Directors.	All resolutions related to connected transactions proposed by the Board of Directors shall be subject to the endorsement of independent non-executive Directors.
7	<p>Article 154 The Board shall set up an audit committee, a remuneration committee, a nomination committee and other special committees. All members of the special committees shall be Directors, among which, the audit committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules and the ChiNext Market Listing Rules, or appropriate accounting or related financial</p> <p>.025 Tw T18.923</p>	

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>The Company shall deliver its annual financial report to the CSRC and the SZSE within 4 months from the ending date of each financial year, shall deliver its half-yearly financial report to the CSRC branches and the SZSE within 2 months from the ending date of the first 6 months of each financial year, and shall deliver its quarterly financial report to the CSRC branches and the SZSE within 1 month from the ending dates of the first 3 months and first 9 months respectively of each financial year. The Company shall prepare the above financial reports according to the laws, regulations or requirements of the regulatory authorities.</p>	<p>The Company shall deliver its annual financial report to the CSRC and the SZSE within 4 months from the ending date of each financial year, shall deliver its half-yearly financial report to the CSRC branches and the SZSE within 2 months from the ending date of the first 6 months of each financial year, and shall deliver its quarterly financial report to the CSRC branches and the SZSE within 1 month from the ending dates of the first 3 months and first 9 months respectively of each financial year. The Company shall prepare the above financial reports according to the laws, regulations or requirements of the regulatory authorities.</p>
9	<p>Article 240 The notice sent by the Company shall allow sufficient time for shareholders whose registered addresses are in Hong Kong to exercise their rights or act according to the notice.</p> <p>Where a notice is served by way of announcement, upon the publication of such announcement, all relevant persons shall be deemed to have received the notice.</p>	<p>Article 240 The notice sent by the Company shall allow sufficient time for shareholders whose registered addresses are in Hong Kong to exercise their rights or act according to the notice.</p> <p>Where a notice is served by way of announcement, upon the publication of such announcement, all relevant persons shall be deemed to have received the notice.</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
	<p>Unless the context otherwise requires, “announcements” referred to in the Articles of Association shall mean, in relation to announcements to holders of Domestic Shares or announcements required by the relevant provisions and the Articles of Association to be published in the PRC, <u>such announcements published</u> in the website of the stock exchange where the Domestic Shares of the Company are listed and <u>PRC newspaper</u> by the media meeting the conditions stipulated by the securities regulatory authorities under the State Council; or, in relation to announcements to shareholders of H Shares or announcements required by the relevant provisions and the Articles of Association to be published in Hong Kong, such announcements that must be published in the Company’s website, the website of the Hong Kong Stock Exchange and other websites stipulated by the Stock Exchange Listing Rules from time to time in accordance with the requirements of the Stock Exchange Listing Rules.</p>	<p>Unless the context otherwise requires, “announcements” referred to in the Articles of Association shall mean, in relation to announcements to holders of Domestic Shares or announcements required by the relevant provisions and the Articles of Association to be published in the PRC, such announcements published in the website of the stock exchange where the Domestic Shares of the Company are listed and the media meeting the conditions stipulated by the securities regulatory authorities under the State Council; or, in relation to announcements to shareholders of H Shares or announcements required by the relevant provisions and the Articles of Association to be published in Hong Kong, such announcements that must be published in the Company’s website, the website of the Hong Kong Stock Exchange and other websites stipulated by the Stock Exchange Listing Rules from time to time in accordance with the requirements of the Stock Exchange Listing Rules.</p>
10	<p>Article 272 In the Articles of Association, the terms of “no less than”, “within” and “no more than” shall be inclusive whilst the terms of “beyond”, “under”, “over” and “exceeding” shall be exclusive.</p> <p>In the Articles of Association, “actual controller” means a person who is not a shareholder of the Company but is able to actually govern actions of the Company through investment relationship, agreement or other arrangements.</p> <p>In the Articles of Association, “connected transaction”, “interested person” and “connected Director” have the same meaning ascribed to them in Stock Exchange Listing Rules.</p> <p>In the Articles of Association, “accounting firm” has the same meaning as “auditor”.</p>	<p>Article 272 In the Articles of Association, the terms of “no less than”, “within” and “no more than” shall be inclusive whilst the terms of “beyond”, “under”, “over” and “exceeding” shall be exclusive.</p> <p>In the Articles of Association, “actual controller” means a person who is not a shareholder of the Company but is able to actually govern actions of the Company ^{firm} through investment relationship, agreement or other arrangements.</p> <p>In the Articles of Association, “connected transaction</p>

No.	Existing Articles of the Articles of Association (Draft)	Amended Articles of the Articles of Association (Draft)
11	<p>Article 273 The Articles of Association shall be considered and passed by a special resolution at a shareholders' general meeting of the Company, and shall take effect from the date of the initial public offering of the <u>A Shares</u> of the Company in the People's Republic of China and when they are listed and <u>commence dealings on the ChiNext Market</u>, and shall supersede previous articles of association of the Company filed with competent administration for industry and commerce and its amendments.</p> <p>Appendices to the Articles of Association shall include the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee.</p>	<p>Article 273 The Articles of Association shall be considered and passed by a special resolution at a shareholders' general meeting of the Company, and shall take effect and be implemented from the date of the initial public offering of the <u>RMB ordinary shares (A Shares)</u> of the Company in the People's Republic of China and <u>when they are listed on the ChiNext Market</u>, and shall supersede previous articles of association of the Company filed with competent administration for industry and commerce and its amendments.</p> <p>Appendices to the Articles of Association shall include the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee.</p>

TABLE OF COMPARISON FOR AMENDMENTS TO THE
RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
1	<p>Article 15 Where the Supervisory Committee or shareholders decide to convene a shareholders' general meeting by themselves, a written notice shall be submitted to the Board of Directors and filed with the relevant securities regulatory authorities and stock exchange in the place where the Company is domiciled according to the applicable provisions.</p> <p><u>Before making an announcement on the resolution(s) of the shareholders' general meeting</u>, the shareholders convening the meeting shall hold no less than 10% of the Shares.</p>	<p>Article 15 Where the Supervisory Committee or shareholders decide to convene a shareholders' general meeting by themselves, a written notice shall be submitted to the Board of Directors and filed with the relevant securities regulatory authorities and stock exchange in the place where the Company is domiciled according to the applicable provisions.</p> <p><u>For a shareholders' general meeting convened by shareholders themselves, during the period from the date of giving the notice of the shareholders' general meeting to the conclusion of the meeting</u>, the shareholders convening the meeting shall hold no less than 10% of the Shares.</p>
2	<p>Article 25 Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, the notice of a shareholders' general meeting shall be served on shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. <u>For holders of Domestic Shares, the notice of a shareholders' general meeting may also be given by publishing an announcement.</u> For holders of H Shares, in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders, the notice of a shareholders' general meeting, a circular for shareholders and relevant files may also be given by making announcement in the Company's website or the websites of Hong Kong Stock Exchange.</p>	<p>Article 25 Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, the notice of a <u>shareholders'</u> general meeting shall be served on holders of H Shares (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of H Shares, in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders, the notice of a shareholders' general meeting, a circular for shareholders and relevant files may also be given by making announcement in the Company's website or the websites of Hong Kong Stock Exchange. <u>For holders of Domestic Shares, the notice of a shareholders' general meeting may also be given by publishing an announcement.</u></p>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
	<p>The announcement referred to in the preceding paragraph shall be published in the website of the stock exchange where the Domestic Shares of the Company are listed and the media meeting the conditions stipulated by the securities regulatory authorities under the State Council. Once the announcement is published, all holders of Domestic Shares shall be deemed to have received the notice in relation to the shareholders' general meeting. For the notice of a shareholders' general meeting, a circular for shareholders and relevant files issued to holders of H Shares by the Company, the Company may send only the English or the Chinese version of the notice of a shareholders' general meeting and relevant files in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders.</p>	<p>The announcement referred to in the preceding paragraph shall be published in the website of the stock exchange where the Domestic Shares of the Company are listed and the media meeting the conditions stipulated by the securities regulatory authorities under the State Council. Once the announcement is published, all holders of Domestic Shares shall be deemed to have received the notice in relation to the shareholders' general meeting. For the notice of a shareholders' general meeting, a circular for shareholders and relevant files issued to holders of H Shares by the Company, the Company may send only the English or the Chinese version of the notice of a shareholders' general meeting and relevant files in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders.</p>
3	<p>Article 26 After issuance of the notice for shareholders' general meeting, the shareholders' general meeting <u>shall not be postponed or cancelled</u> without proper reasons and the proposals specified in the notice <u>shall not be withdrawn</u>. In case of delay or cancellation, <u>the convener shall make an announcement giving reasons at least 2 working days before the original date when the meeting is convened</u>. If there are any other requirements on the above matters under listing rules of the place where the Shares of the Company are listed, such requirements shall prevail.</p>	<p>Article 26 After issuance of the notice for shareholders' general meeting, the shareholders' general meeting <u>must not be postponed or cancelled</u> without proper reasons and the proposals specified in the notice <u>must not be withdrawn</u>. In case of delay or cancellation, <u>a notice shall be given 2 trading days before the original date when the meeting is convened, specifying the reasons for such delay or cancellation</u>. If there are any other requirements on the above matters under listing rules of the place where the Shares of the Company are listed, such requirements shall prevail.</p>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
4	<p>Article 61 The list of candidates for Directors and Supervisors shall be proposed in writing at a general meeting for voting.</p> <p>When the general meeting votes for election of Directors or Supervisors and where a single shareholder and parties acting in concert with him hold equity interests of 30% or above, the cumulative voting system shall be adopted.</p> <p>The cumulative voting system as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of Directors or Supervisors to be elected, and the voting right held by the shareholders may be used collectively when the Directors or Supervisors are elected at the general meeting.</p> <p>If Directors will be elected by cumulative voting at the shareholders' general meeting, the voting of independent non-executive Directors and non-independent Directors shall be conducted separately.</p>	<p>Article 61 The list of candidates for Directors and Supervisors shall be proposed in writing at a general meeting for voting.</p> <p>When the general meeting votes for election of Directors or Supervisors and where a single shareholder and parties acting in concert with him hold equity interests of 30% or above, the cumulative voting system shall be adopted.</p> <p>The cumulative voting system as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of Directors or Supervisors to be elected, and the voting right held by the shareholders may be used collectively when the Directors or Supervisors are elected at the general meeting.</p> <p>If Directors will be elected by cumulative voting at the shareholders' general meeting, the voting of independent non-executive Directors and non-independent non-executive Directors shall be conducted separately.</p>
5	<p>Article 101 The Rules shall take effect from the date of the initial public offering of the A Shares of the Company in the People's Republic of China and when they are listed and commence dealings on the ChiNext Market of Shenzhen Stock Exchange when it is considered and passed at a shareholders' general meeting of the Company.</p>	<p>Article 101 The Rules shall take effect and be implemented from the date of the initial public offering of the RMB ordinary shares (A Shares) of the Company in the People's Republic of China and when they are listed on the ChiNext Market of Shenzhen Stock Exchange when it is considered and passed at a shareholders' general meeting of the Company.</p>

**TABLE OF COMPARISON FOR AMENDMENTS TO THE
RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS**

No.	Existing Article of the Rules of Procedure for the Board of Directors	Amended Article of the Rules of Procedure for the Board of Directors
1	<p>Article 9 The Board set up an Audit Committee, a Remuneration Committee, a Nomination Committee and other Special Committees thereunder. All members of the Special Committees shall be Directors, among which, the Audit Committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules and the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, or appropriate accounting or related financial management expertise. The chairman of the Audit Committee must be an independent non-executive Director. The majority of the members of the Remuneration Committee shall be independent non-executive Directors. The chairman of the Remuneration Committee must be an independent non-executive Director. The majority of the members of the Nomination Committee shall be independent non-executive Directors. The <u>chairman of the Nomination Committee must be the chairman of the Board or an independent non-executive Director.</u></p>	<p>Article 9 The Board set up an Audit Committee, a Remuneration Committee, a Nomination Committee and other Special Committees thereunder. All members of the Special Committees shall be Directors, among which, the Audit Committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules and the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, or appropriate accounting or related financial management expertise. The chairman of the Audit Committee must be an independent non-executive Director. The majority of the members of the Remuneration Committee shall be independent non-executive Directors. The chairman of the Remuneration Committee must be an independent non-executive Director. The majority of the members of the Nomination Committee shall be independent non-executive Directors. The chairman of the Nomination Committee must be <u>an independent non-executive Director.</u></p>
2	<p>Article 51 After being considered and approved at the general meeting of the Company, the Rules <u>shall take effect from the date of the initial public offering of the A Shares of the Company</u> in the People's Republic of China <u>and when they are listed and traded on the ChiNext Market of Shenzhen Stock Exchange.</u></p>	<p>Article 51 After being considered and approved at the general meeting of the Company, the Rules <u>shall take effect and be implemented from the date of the initial public offering of the RMB ordinary shares (A Shares) of the Company</u> in the People's Republic of China <u>and when they are listed on the ChiNext Market of Shenzhen Stock Exchange.</u></p>

Appendix IV

TABLE OF COMPARISON FOR AMENDMENTS TO THE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE

No.	Existing Article of the Rules of Procedure for the Supervisory Committee	Amended Article of the Rules of Procedure for the Supervisory Committee
1	Article 27 After being considered and approved at the general meeting of the Company, these rules of procedure <u>shall take effect from the date of the initial public offering of the A Shares of the Company</u> in the People's Republic of China <u>and when they are listed and traded on the ChiNext Market of Shenzhen Stock Exchange.</u>	Article 27 After being considered and approved at the general meeting of the Company, these rules of procedure <u>shall take effect and be implemented from the date of the initial public offering of the RMB ordinary shares (A shares) of the Company</u> in the People's Republic of China and <u>when they are listed on the ChiNext Market of Shenzhen Stock Exchange.</u>