
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **CRRC Corporation Limited**, you should at once hand this circular, the enclosed form of proxy and reply slip for attending the AGM and the 2019 annual report (if applicable) to the purchaser or the transferee or to the bank, licensed dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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中國中車股份有限公司 CRRC CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 1766)

ANNUAL GENERAL MEETING

A notice convening the AGM of CRRC Corporation Limited to be held at Meeting Room IX, 2nd floor, Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 18 June 2020 is set out on pages 7 to 10 of this circular.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, on or before Thursday, 28 May 2020.

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM. If you intend to attend the AGM by proxy, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, in person or by post not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof in any event. Completion and return of the form of proxy will not preclude you from attending, and voting at, the AGM or at any adjourned meeting if you so wish.

24 April 2020

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DEFINITIONS

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

“A Share(s)”	domestic share(s) with a nominal value of RMB 1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange (Stock Code: 601766)
“A Shareholder(s)”	holder(s) of A Shares
“AGM”	the annual general meeting of the Company to be held at Meeting Room IX, 2nd floor, Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 18 June 2020
“Articles of Association”	the Articles of Association of the Company
“Board”	the Board of Directors of the Company
“Company” or “CRRC”	CRRC Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Company Law”	the Company Law of the People’s Republic of China, as amended from time to time
“CRRC GROUP”	CRRC GROUP Co., Ltd. (中國中車集團有限公司), a large-scale wholly State-owned enterprise and controlling shareholder of the Company
“CSRC”	China Securities Regulatory Commission
“Debenture(s)”	one or a portfolio of debt financing instruments proposed to be issued by the Company, including corporate bonds, ultra-short-term debentures, short-term debentures, medium-term notes, perpetual bonds, assets-backed debentures (including but not limited to ABN and ABS), overseas bonds denominated in RMB, bonds denominated in USD, A Share convertible bonds, H Share convertible bonds or other new types of bonds issued in the PRC or overseas in one or multiple tranches, with the total outstanding balance of all types of debentures in issue not exceeding the equivalent of RMB70 billion

DEFINITIONS

“Director(s)”	the director(s) of the Company
“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 Hong Kong Stock Exchange and traded in HK dollars (Stock Code: 1766)
“H Shareholder(s)”	holder(s) of H Shares
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive Director(s) of the Company
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure for General Meetings”	the Rules of Procedure for General Meetings of the Company
“Rules of Procedure for the Board”	the Rules of Procedure for the Board of the Company
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	A Shareholder(s) and H Shareholder(s)
“SSE”	the Shanghai Stock Exchange

DEFINITIONS

“Supervisory Committee”	the Supervisory Committee of the company
“USD”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD

中國中車股份有限公司 CRRC CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 1766)

Executive Directors:

Mr. Liu Hualong
Mr. Sun Yongcai
Mr. Lou Qiliang

Independent Non-executive Directors:

Mr. Li Guo'an
Mr. Wu Zhuo
Mr. Sun Patrick

Registered office:

No. 16, Central West Fourth Ring Road
Haidian District
Beijing, the PRC
Postal code: 100036

Place of Business in Hong Kong:

Unit H, 41/F
Office Tower, Convention Plaza
No. 1, Harbour Road
Hong Kong

24 April 2020

To the H Shareholders

Dear Sirs,

1. INTRODUCTION

On behalf of the Board, I hereby invite you to attend the AGM to be held at Meeting Room IX, 2nd floor, Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 18 June 2020.

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

2. MATTERS TO BE CONSIDERED AT THE AGM

The matters to be considered at the AGM are described in detail in the notice of the AGM set out in pages 7 to 10 of this circular. At the AGM, the following will be proposed for approval as ordinary resolutions: (1) the resolution in relation to the 2019 final financial accounts report of the Company; (2) the 2019 Work Report of the Board of the Company; (3) the 2019 Work Report of the Supervisory Committee of the Company; (4) the resolution in relation to the 2019 profit distribution plan of the Company; (5) the resolution in relation to the arrangement of guarantees by the Company for 2020; (6) the resolution in relation to the remuneration of the Directors of the Company for 2019; (7) the resolution in relation to the remuneration of the Supervisors of the Company for 2019, and special resolutions: (8) the resolution in relation to the amendments to the Articles of Association; (9) the resolution in relation to the amendments to the Rules of Procedure for General Meetings; (10) the resolution in relation to the amendments to the Rules of Procedure for the Board; (11) the

LETTER FROM THE BOARD

resolution in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company and (12) the resolution in relation to the issuance of debt financing instruments by the Company for 2020.

In order to enable you to have a better understanding on the resolutions to be proposed at the AGM and to make informed decisions thereof with sufficient and necessary information, we have provided the Shareholders with detailed information in Appendix I to this circular, including information and explanations of the resolutions to be proposed at the AGM for approval.

Pursuant to the requirements under the Rules for the Shareholders' Meetings of Listed Companies issued by the CSRC, each of the Independent Directors shall prepare a work report for the preceding year at the annual general meeting. Such report will be submitted to the Shareholders for consideration but not for approval at the AGM.

3. AGM

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, on or before Thursday, 28 May 2020.

If you intend to attend the AGM by proxy, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, in person or by post not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof in any event. The Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555). Completion and return of the form of proxy will not preclude you from attending, and voting at, the AGM or any adjourned meeting if you so wish.

4. VOTING BY WAY OF POLL

In accordance with the requirements of the Hong Kong Listing Rules, the resolutions set out in the notice of the AGM will be voted by way of poll. Voting results will be uploaded to the website of the Company at www.crrcgc.cc and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Directors (including Independent Non-executive Directors) consider that the resolutions as set out in the notice of the AGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the above proposed resolutions.

Yours faithfully,
By order of the Board of
CRRC Corporation Limited
Liu Hualong
Chairman

NOTICE OF THE AGM

中國中車股份有限公司 CRRC CORPORATION LIMITED

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

(Stock code: 1766)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting for the financial year ended 31 December 2019 (the “AGM” or “Annual General Meeting”) of CRRC Corporation Limited (the “Company”) will be held at Meeting Room IX, 2nd floor, Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 18 June 2020 for the purpose of considering and approving, if appropriate, the following resolutions (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 24 April 2020):

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the 2019 final financial accounts report of the Company
2. To consider and approve the 2019 Work Report of the Board of the Company
3. To consider and approve the 2019 Work Report of the Supervisory Committee of the Company
4. To consider and approve the resolution in relation to the 2019 profit distribution plan of the Company
5. To consider and approve the resolution in relation to the arrangement of guarantees by the Company for 2020
6. To consider and approve the resolution in relation to the remuneration of the Directors of the Company for 2019
7. To consider and approve the resolution in relation to the remuneration of the Supervisors of the Company for 2019

SPECIAL RESOLUTIONS

8. To consider and approve the resolution in relation to the amendments to the Articles of Association
9. To consider and approve the resolution in relation to the amendments to the Rules of Procedure for General Meetings
10. To consider and approve the resolution in relation to the amendments to the Rules of Procedure for the Board

NOTICE OF THE AGM

11. To consider and approve the resolution in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company
12. To consider and approve the resolution in relation to the issuance of debt financing instruments by the Company for 2020

REPORTING MATTER

The Independent Directors of the Company will submit their 2019 work report to the Shareholders for consideration but not for approval at the AGM.

By order of the Board
Liu Hualong
Chairman

24 April 2020

Notes:

1. Details of the above resolutions are set out in Appendix I to this circular dated 24 April 2020 regarding the AGM of the Company.
2. Pursuant to the requirements under the Rules for the Shareholders' Meetings of Listed Companies issued by the CSRC, the Independent Directors shall issue a duty report for the preceding year at the annual general meeting. Such report will be submitted to the Shareholders for consideration but not for approval at the AGM.
3. The Board of the Company has recommended a final dividend of RMB0.15 per share (tax inclusive) for the year ended 31 December 2019. If such dividend is declared by the Shareholders upon passing the resolution No. 4, the final dividend is expected to be paid on a certain business day (excluding Saturday, Sunday or public holidays in Hong Kong and the PRC) on or before 14 August 2020 to those Shareholders whose names appear on the register of members of the Company on Tuesday, 30 June 2020.

Under relevant regulations of China Securities Depository and Clearing Corporation Limited Shanghai Branch and in line with the market practice regarding dividend distribution of A Shares, the Company will publish a separate announcement in respect of its final dividend distribution to holders of A Shares after the Company's AGM, which will set out the record date and ex-dividend date for final dividend distribution to holders of A Shares.

Timetable arrangements such as the record date, the ex-dividend date and the date of distribution of cash dividend for the investors of northbound trading under Shanghai-Hong Kong Stock Connect will be the same as holders of A Shares of the Company. Timetable arrangements such as the record date, the ex-dividend date and the date of distribution of cash dividend for the investors of southbound trading under Shanghai-Hong Kong Stock Connect will be the same as holders of H Shares of the Company.

To determine the identity of the Shareholders entitled to receive the final dividend, the Company's register of members will be closed from Thursday, 25 June 2020 to Tuesday, 30 June 2020 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be entitled to the final dividend, H Shareholders of the Company who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Wednesday, 24 June 2020.

According to the Law on Enterprise Income Tax of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementing rules which was amended and came into effect on 29 December 2018 and the Notice of the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese

NOTICE OF THE AGM

Resident Enterprises to H Shareholders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation (Guo Shui Han [2008] No. 897), the Company is required to withhold enterprise income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Share register of members of the Company. The enterprise income tax shall be withheld for the dividends of any H shares under the name of non-individual shareholders (any H shares of the Company registered in the name of HKSCC Nominees Limited, other nominees and trustees, or other organizations and institutions, shall be deemed as shares held by non-resident enterprise shareholders, hence enterprise income tax will be deducted from the amount of dividend payable).

According to Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation, the Company shall withhold and pay the individual income tax for the dividend payable to individual H Shareholders. At the same time, the individual H Shareholders are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements between the countries where they are residents and China or the tax arrangements between mainland China and Hong Kong (Macau). If the individual H Shareholders are Hong Kong or Macau residents or residents of the countries having an agreed dividend tax rate of 10% with China, the Company shall withhold and pay the individual income tax at a rate of 10%. If the individual H Shareholders are residents of the countries having an agreed dividend tax rate of less than 10% with China, the Company would apply for entitlement of the relevant agreed preferential tax treatment on their behalf in accordance with the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》) (SAT Announcement [2019] No. 35), the qualified shareholders are required to timely submit all application materials as required by the tax convention announcement to the Company. If the individual H Shareholders are residents of the countries having an agreed dividend tax rate exceeding 10% but lower than 20% with China, the Company shall withhold and pay the individual income tax at the actual agreed rate. In case the individual H Shareholders are residents of the countries that have not entered into any tax agreement with China or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

According to the current practice of the Inland Revenue Department of Hong Kong, dividends paid by the Company in Hong Kong are not subject to taxation.

The Company shall take the registered address (hereinafter the “**Registered Address**”) as recorded in the register of members of the Company on 30 June 2020 to determine the residence of the individual H Shareholders, and accordingly withhold and pay the individual income tax. If the residence of any individual H Shareholder is inconsistent with the Registered Address, he/she should notify the Company's H Share Registrar on or before 4:30 p.m. on 24 June 2020 and provide the relevant supporting documents, and the correspondence details are as follows: Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555). If such individual H Shareholder has failed to provide the relevant supporting documents to the Company's H Share Registrar within the time period as stated above, the Company will determine his/her residence according to the Registered Address as recorded in the register of members on 30 June 2020.

The Company assumes no responsibility and will not entertain any claims arising from any delay in the determination, or inaccurate determination, of the status of the Shareholders or any dispute over the arrangement of withholding and payment of tax.

4. In accordance with the requirements of the Hong Kong Listing Rules, the resolutions set out in the notice of the AGM will be voted by way of poll. Voting results will be uploaded to the website of the Company at www.crrgc.cc and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM.
5. Any Shareholder who is entitled to attend and vote at the AGM convened by the above notice shall be entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder of the Company.
6. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authorization document, if any, under which it is signed, or a notarially certified copy of such power of attorney or authorization document, should be completed and deposited at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders), at least 24 hours

NOTICE OF THE AGM

before the scheduled time to convene the AGM or any adjourned meeting thereof. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude a Shareholder from attending in person and voting at the AGM or any adjourned meeting thereof should he/she so wish.

7. For the purpose of determining H Shareholders' entitlement to attend the AGM, the H Share register of members of the Company will be closed from Tuesday, 19 May 2020 to Thursday, 18 June 2020 (both days inclusive), during which no transfer of H Shares will be registered. In order to attend the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 18 May 2020. H Shareholders whose names appear on the register of members of the Company maintained by Computershare Hong Kong Investor Services Limited on or before the above date will be eligible to attend the AGM.
8. In the case of joint shareholding and more than one joint shareholder is attending the AGM in person or by proxy, the vote cast by the senior joint shareholder, whether in person or by proxy, will be accepted as the sole vote cast on behalf of all other joint shareholders. For this purpose, the order of seniority will be determined by the order in which the names of the joint shareholders appear in the register of members of the Company in respect of the joint shareholding.
9. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip for the AGM to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, by hand, by post or by fax on or before Thursday, 28 May 2020. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555).
10. The AGM is expected to last for about half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when they attend the AGM.

ORDINARY RESOLUTIONS:**1. The 2019 Final Financial Accounts Report of the Company**

The Company has prepared its financial statements and the notes thereto for the year 2019 in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, and engaged Deloitte Touche Tohmatsu CPA LLP to audit the consolidated balance sheets and the balance sheet of the Company as at 31 December 2019, the consolidated statements of profit or loss and the statement of profit or loss of the Company for the period from 1 January 2019 to 31 December 2019, the consolidated statements of cash flows and the statement of cash flows of the Company, the consolidated statements of changes in equity and the statement of changes in equity of the Company and the notes of the financial statements. Deloitte Touche Tohmatsu CPA LLP is of the opinion that the financial statements are prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC in all material aspects, fairly reflect the consolidated financial position and the financial position of the Company as at 31 December 2019, the consolidated operating results and the operating results of the Company, as well as the consolidated cash flow and the cash flow of the Company for the year 2019. For details of the above statements, please refer to the section XIII Financial Report in 2019 annual report published in the website of SSE and the website of the Company.

The abovementioned resolution in relation to the 2019 final financial accounts report was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval.

2. The 2019 Work Report of the Board of the Company

In accordance with the relevant provisions of the Articles of Association and the Rules of Procedure for the Board, the Board of the Company reported the working status of the Board for the year 2019, details of which are set out in Annex A to this circular.

3. The 2019 Work Report of the Supervisory Committee of the Company

In accordance with the relevant provisions of the Articles of Association, the Rules of Procedure for General Meetings and the Rules of Procedure for the Supervisory Committee, the Supervisory Committee of the Company reported the working status of the Supervisory Committee for the year 2019, details of which are set out in Annex B to this circular.

4. The resolution in relation to the 2019 profit distribution plan of the Company

According to the requirements from the relevant regulatory authorities, the Articles of Association and relevant laws and regulations, after fully taking into account the net profits for 2019, the financial affordability and the development needs of the Company, the Board proposed the 2019 profit distribution plan as follows:

- (1) The profit distribution of the Company for the year 2019 will be carried out by way of cash dividend.
- (2) As of 31 December 2019, the profit distribution at the end of the period of the Company is RMB6.078 billion. Based on the Company's total share capital of 28,698,864,088 Shares, a cash dividend of RMB0.15 per Share (tax inclusive) will be distributed to all Shareholders. Total cash required for the dividend distribution amounts to RMB4,305 million. The remaining undistributed profit will be carried forward to the next year for distribution. The cash dividend of the Company for the year represents 36% of the net profit attributable to shareholders of the Company for the year 2019.
- (3) For holders of A Shares, the dividend will be denominated, declared and paid in Renminbi; for holders of H Shares, the dividend will be denominated and declared in Renminbi and paid in HK dollars. The actual amount distributed in HK dollars will be calculated based on the average benchmark exchange rate between Renminbi and HK dollar as published by the People's Bank of China for five working days prior to the date for convening the general meeting for considering the profit distribution plan.
- (4) For the profit distribution, the amount of cash dividends to be paid to Qualified Foreign Institutional Investors ("QFII") of A Shares, other institutional investors of A Shares (excluding the aforesaid QFII) and individual investors of A Shares is RMB0.15/Share (tax inclusive, with appropriate income tax to be withheld and paid by the Company according to the applicable taxation laws and regulations of the PRC upon dividends distribution). The amount of cash dividends to be paid to non-resident enterprise shareholders of H Shares and individual investors of H shares is RMB0.15/Share (tax inclusive, with appropriate income tax to be withheld and paid by the Company according to the applicable taxation laws and regulations of the PRC upon dividends distribution).
- (5) Matters in relation to profit distribution to investors of Shanghai – Hong Kong Stock Connect:
 - i) Northbound Trading. For investors of The Stock Exchange of Hong Kong Limited (including corporates and individuals) investing in the A Shares of the Company through northbound trading, their dividends will be distributed in Renminbi by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. Taxes shall be withheld pursuant to the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、證監會關於

滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2014] No. 81). The Company shall withhold income tax at the rate of 10%, the actual cash dividends after tax to be distributed will be RMB0.135 per Share. For investors of northbound trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the Company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authority, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

- ii) Southbound Trading. For investors of the Shanghai Stock Exchange (including corporates and individuals) investing in the H Shares of the Company through southbound trading, the Company will sign the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (《港股通H股股票現金紅利派發協議》) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited will, as the nominee of the investors of southbound trading, receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of southbound trading through its depository and clearing system. The cash dividends for the investors of southbound trading will be paid in Renminbi. Taxes shall be withheld pursuant to the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2014] No. 81). For dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share company shall withhold individual income tax at the rate of 20% on behalf of such investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H-share company shall not withhold income tax on dividends for domestic corporate investors and those domestic corporate investors shall report and pay the relevant tax by themselves.
- (6) Matters in relation to profit distribution to investors of southbound trading under Shenzhen-Hong Kong Stock Connect:

For investors of the Shenzhen Stock Exchange (including corporates and individuals) investing in the H Shares of the Company through Southbound Trading, the Company will sign the Agreement on Distribution of Cash Dividends of H Shares for southbound trading (《港股通H股股票現金紅利派發協議》) with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited will, as the nominee of the investors of

southbound trading, receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of southbound trading through its depositary and clearing system. The cash dividends for the investors of southbound trading will be paid in Renminbi. Taxes shall be withheld pursuant to the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2016] No. 127). For dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share company shall withhold individual income tax at the rate of 20% on behalf of such investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H-share company shall not withhold income tax on dividends for domestic corporate investors and those domestic corporate investors shall report and pay the relevant tax by themselves.

The above 2019 profit distribution plan was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval. Meanwhile, the Board proposes that the Board be generally and unconditionally authorized by the AGM to implement the relevant matters in respect of the distribution of the profit and the Board be asked to further delegate the above authorization to the Company's chairman and president to be responsible for specific implementation and to handle the withholding of tax and other matters according to applicable laws and regulations and the requirements of relevant regulatory authorities.

5. The arrangement of guarantees by the Company for 2020

Based on the daily production and operation needs of its subsidiaries, the Company and its direct wholly-owned subsidiaries propose to provide guarantees for subsidiaries of the Company in respect of their financing and credit business, such as bank credit facilities and letters of guarantee from insurance companies, for 2020 and provided parent guarantees to certain subsidiaries of the Company in respect of their business such as domestic and overseas bidding and contract performance, with a total guarantee amount of RMB139.93 billion. The specific arrangement is as follows:

(1) Guarantee amount

- (i) The Company will provide guarantee of RMB29.57 billion to its wholly-owned subsidiaries in respect of their financing and credit business and will undertake joint liabilities for debts arising from the various businesses of the guaranteed parties involving the use of credit. The details of the guarantees are set out below:

Name of Guaranteed Party (on consolidated basis)	Guarantee amount (RMB'0,000)
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	140,000

Name of Guaranteed Party (on consolidated basis)	Guarantee amount (RMB'0,000)
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	80,000
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	100,000
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	40,000
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	200,000
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	300,000
CRRC Sifang Co., Ltd. (中車四方車輛有限公司)	70,000
CRRC Qiqihaer Co., Ltd. (中車齊齊哈爾車輛有限公司)	150,000
CRRC Shijiazhuang Co., Ltd. (中車石家莊車輛有限公司)	30,000
CRRC Shenyang Co., Ltd. (中車瀋陽機車車輛有限公司)	60,000
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	100,000
CRRC Xi'an Co., Ltd. (中車西安車輛有限公司)	40,000
CRRC Guiyang Co., Ltd. (中車貴陽車輛有限公司)	30,000
CRRC Taiyuan Co., Ltd. (中車太原機車車輛有限公司)	30,000
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	40,000
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	60,000
CRRC Yangtze Group Ltd. (中車長江運輸設備集團有限公司) (Not presented separately)	30,000
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	300,000
CRRC Sifang Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	70,000
CRRC Yongji Motor Co., Ltd. (中車永濟電機有限公司)	120,000
CRRC Zhuzhou Motor Co., Ltd. (中車株洲電機有限公司)	90,000
CRRC Qishuyan Institute Co., Ltd. (中車戚墅堰機車車輛工藝研究所)	50,000
CRRC Dalian Institute Co., Ltd. (中車大連機車研究所有限公司)	20,000
CRRC Dalian R&D Co., Ltd. (中車大連電力牽引研發中心有限公司)	20,000
CRRC Beijing Nankou Co., Ltd. (中車北京南口機械有限公司)	10,000
CRRC Construction Engineering Co., Ltd. (中車建設工程有限公司)	250,000
Beijing CRRC Information Technology Co., Ltd. (北京中車信息技術有限公司)	2,000
CRRC Investment & Leasing Co., Ltd. (中車投資租賃有限公司)	5,000
CRRC Hong Kong Co., Ltd. (中國中車(香港)有限公司)	100,000
CRRC Hong Kong Capital Management Co., Ltd. (中國中車香港資本管理有限公司)	100,000
CRRC Logistics Co., Ltd. (中車物流有限公司)	250,000
CRRC International Co., Ltd. (中車國際有限公司)	50,000
CRRC Industrial Institute Co., Ltd. (中車工業研究院有限公司)	0
CRRC Capital Management Co., Ltd. (中車資本管理有限公司)	20,000
Total	<u>2,957,000</u>

The guarantee amounts mentioned above are based on the estimate of the current business conditions. Based on possible changes, the Company will provide guarantee of RMB29.57 billion to its wholly-owned subsidiaries in respect of their financing and credit business, which can be adjusted within the total guarantee amount.

- (ii) The Company will provide guarantee of RMB10 billion to its non-wholly-owned subsidiaries in respect of their financing and credit business and will undertake joint liabilities for debts arising from the various businesses of the guaranteed parties involving the use of credit. The details of the guarantees are set out below:

Name of Guaranteed Party (on consolidated basis)	Guarantee amount (RMB'0,000)
CRRC Ziyang Co., Ltd. (中車資陽機車有限公司)	100,000
CRRC Changchun Railway Vehicle Co., Ltd. (中車長春軌道客車股份有限公司)	350,000
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	350,000
Beijing CNR CR Railway Transportation Equipment Co., Ltd. (北京北車中鐵軌道交通裝備有限公司)	0
CRRC Finance Co., Ltd. (中車財務有限公司)	100,000
South Africa CRRC Co., Ltd. (南非中車車輛有限公司)	100,000
CRRC Finance & Leasing Co., Ltd. (中車金融租賃有限公司)	0
Total	<u>1,000,000</u>

The guarantee amounts mentioned above are based on the estimate of the current business conditions. Based on possible changes, the Company will provide guarantee of RMB10 billion to its non-wholly-owned subsidiaries in respect of their financing and credit business, which can be adjusted within the total guarantee amount.

- (iii) The direct wholly-owned subsidiaries of the Company and the listed Company will provide guarantee of RMB19.76 billion to subsidiaries in respect of their financing and credit business and will undertake joint guarantee liabilities for debts arising from the various businesses of the guaranteed parties involving the use of credit, the details of which are set out below:

Name of Guarantor (Headquarter)	Guarantee amount (RMB'0,000)
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	350,000
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	32,000
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	10,000
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	5,000
CRRC Ziyang Co., Ltd. (中車資陽機車有限公司)	5,000

Name of Guarantor (Headquarter)	Guarantee amount (RMB'0,000)
CRRC Changchun Railway Vehicle Co., Ltd. (中車長春軌道客車股份有限公司)	200,000
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	200,000
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	150,000
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	20,000
CRRC Sifang Co., Ltd. (中車四方車輛有限公司)	5,000
CRRC Qiqihaer Co., Ltd. (中車齊齊哈爾車輛有限公司)	10,000
CRRC Shijiazhuang Co., Ltd. (中車石家莊車輛有限公司)	30,000
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	30,000
CRRC Qiche Group Co., Ltd. (中車齊車集團有限公司)	40,000
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	3,000
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	20,000
CRRC Yangtze Group., Ltd. (中車長江運輸設備集團有限公司)	80,000
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	500,000
CRRC Sifang Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	10,000
CRRC Yongji Motor Co., Ltd. (中車永濟電機有限公司)	4,000
CRRC Zhuzhou Motor Co., Ltd. (中車株洲電機有限公司)	60,000
CRRC Qishuyan Institute Co. Ltd. (中車戚墅堰機車車輛工藝研究所)	6,000
CRRC Construction Engineering Co., Ltd. (中車建設工程有限公司)	200,000
CRRC Logistics Co., Ltd. (中車物流有限公司)	6,000
Total	<u>1,976,000</u>

Guarantees provided to PPP project companies within the scope of consolidation should comply with relevant requirements on guarantee credit enhancement of the Notice on Strengthening the Control and Management of PPP Business Risk of Central Enterprises (Guo Zi Fa Cai Guan [2017] No. 192).

- (iv) CRRC Finance Co., Ltd. (中車財務有限公司) will provide financing guarantee of RMB2.2 billion for member enterprises, including domestic financing guarantee, delay payment guarantee, instalment payment guarantee, borrowing guarantee.

- (v) The Company will provide parent guarantee of RMB78.4 billion, among which RMB25.0 billion for wholly-owned subsidiaries and RMB53.4 billion for non-wholly-owned subsidiaries, to subsidiaries in respect of their domestic and overseas bidding and contract performance businesses and will undertake guarantee liability within the scope agreed under the guarantee contract. Depending on the equity level of the actual signing entity within the internal organization of the Company, part of the parent guarantee may be signed by the direct wholly-owned subsidiaries.
- (vi) The validity period of the guarantee amounts mentioned above will commence from the date of approval at the 2019 annual general meeting until the date on which the 2020 annual general meeting is convened.
- (vii) The guarantee amounts mentioned above are based on the estimate of the current business conditions. Based on possible changes, the guarantee provided between the wholly-owned subsidiaries or the non-wholly-owned subsidiaries under the abovementioned guarantee plan may be adjusted within the total guarantee amount.
- (viii) As the total amount of the abovementioned guarantee plan has reached the level that is required to be submitted to the general meeting of the Company for consideration according to the relevant laws, regulations and regulatory documents as well as the rules of the internal system of the Company, therefore, the abovementioned guarantee plan must be submitted to the AGM for consideration.

(2) Basic status of the guaranteed party

Unit: RMB'0,000

Name of Entity	Balance of assets at the end of the period	Balance of liabilities at the end of the period	Balance of owners' equity at the end of the period	Balance of owners' equity attributable to the parent company at the end of the period	Percentage of shareholding (%)
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	2,905,320.29	1,859,052.93	1,046,267.36	917,067.41	100.00
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	597,562.51	400,193.78	197,368.73	169,107.86	100.00
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	2,075,038.49	1,387,668.98	687,369.51	684,218.50	100.00
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	321,337.42	197,474.15	123,863.27	117,775.45	100.00
CRRC Ziyang Co., Ltd. (中車資陽機車有限公司)	370,443.60	308,679.70	61,763.89	42,600.12	99.61
CRRC Changchun Railway Vehicles Co., Ltd. (中車長春軌道客車股份有限公司)	5,890,174.73	3,923,607.90	1,966,566.83	1,874,492.73	93.54

APPENDIX I

MATTERS TO BE CONSIDERED AT THE AGM

Unit: RMB'0,000

Name of Entity	Balance of assets at the end of the period	Balance of liabilities at the end of the period	Balance of owners' equity at the end of the period	Balance of owners' equity attributable to the parent company at the end of the period	Percentage of shareholding (%)
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	5,871,734.09	4,049,551.45	1,822,182.64	1,605,737.04	97.81
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	2,766,507.92	1,598,681.90	1,167,826.03	1,126,912.24	100.00
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	2,021,589.73	1,584,888.65	436,701.08	326,697.04	100.00
CRRC Sifang Co., Ltd. (中車四方車輛有限公司)	1,633,421.16	1,101,368.84	532,052.32	317,214.34	100.00
CRRC Qiche Group Co., Ltd. (中車齊集團有限公司)	2,259,337.28	1,447,268.66	812,068.62	735,129.19	100.00
CRRC Qiqihar Co., Ltd. (中車齊齊哈爾車輛有限公司)	719,000.89	391,344.67	327,656.23	327,332.59	100.00
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	949,252.82	698,029.61	251,223.20	240,230.21	100.00
CRRC Shijiazhuang Co., Ltd. (中車石家莊車輛有限公司)	356,979.16	228,005.08	128,974.08	63,351.28	100.00
CRRC Shenyang Co., Ltd. (中車瀋陽機車車輛有限公司)	206,003.89	139,124.18	66,879.71	66,879.71	100.00
CRRC Yangtze Group., Ltd. (中車長江運輸設備集團有限公司)	1,644,062.68	986,391.52	657,671.17	648,432.49	100.00
CRRC Xi'an Co., Ltd. (中車西安車輛有限公司)	278,480.36	128,692.79	149,787.57	149,787.57	100.00
CRRC Guiyang Co., Ltd. (中車貴陽車輛有限公司)	178,926.12	75,619.52	103,306.61	102,199.05	100.00
CRRC Taiyuan Co., Ltd. (中車太原機車車輛有限公司)	437,360.42	329,811.04	107,549.37	107,549.37	100.00
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	236,530.78	132,367.81	104,162.97	102,823.92	100.00
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	427,397.95	354,390.06	73,007.89	66,215.81	100.00
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	5,867,204.83	2,672,848.60	3,194,356.23	1,776,404.66	100.00
CRRC Sifang Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	941,050.49	489,693.37	451,357.12	442,703.34	100.00
CRRC Yongji Motor Co., Ltd. (中車永濟電機有限公司)	963,030.40	552,040.61	410,989.79	340,731.02	100.00
CRRC Zhuzhou Motor Co., Ltd. (中車株洲電機有限公司)	845,529.55	541,220.28	304,309.27	296,784.51	100.00
CRRC Qishuyan Institute Co., Ltd. (中車戚墅堰機車車輛工藝研究所有限公司)	631,316.58	332,823.61	298,492.97	288,458.76	100.00

APPENDIX I

MATTERS TO BE CONSIDERED AT THE AGM

Unit: RMB'0,000

Name of Entity	Balance of assets at the end of the period	Balance of liabilities at the end of the period	Balance of owners' equity at the end of the period	Balance of owners' equity attributable to the parent company at the end of the period	Percentage of shareholding (%)
CRRC Dalian Institute Co., Ltd. (中車大連機車研究所有限公司)	197,022.75	123,035.03	73,987.72	73,065.38	100.00
CRRC Dalian R&D Co., Ltd. (中車大連電力牽引研發中心有限公司)	141,901.80	92,846.38	49,055.42	49,055.42	100.00
CRRC Beijing Nankou Co., Ltd. (中車北京南口機械有限公司)	123,078.44	83,077.19	40,001.25	26,105.26	100.00
CRRC Construction Engineering Co., Ltd. (中車建設工程有限公司)	523,360.07	320,750.31	202,609.77	202,609.77	100.00
CRRC Information Technology Co., Ltd. (中車信息技術有限公司)	15,907.10	10,214.79	5,692.31	5,692.31	100.00
Beijing CNR CR Railway Transportation Equipment Co., Ltd. (北京北車中鐵軌道交通裝備有限公司)	37,281.62	128,002.44	-90,720.82	-90,720.82	51.00
CRRC Investment & Leasing Co., Ltd. (中車投資租賃有限公司)	596,399.95	466,494.37	129,905.58	74,674.48	100.00
CRRC Finance Co., Ltd. (中車財務有限公司)	4,510,053.95	4,112,711.67	397,342.28	397,342.28	91.36
CRRC Hong Kong Co., Ltd. (中國中車(香港)有限公司)	551,772.03	415,584.08	136,187.94	136,187.94	100.00
CRRC Hong Kong Capital Management Co., Ltd. (中國中車香港資本管理有限公司)	659,372.18	428,565.45	230,806.72	230,806.72	100.00
CRRC Logistics Co., Ltd. (中車物流有限公司)	725,939.65	771,406.03	-45,466.38	-46,270.99	100.00
CRRC International Co., Ltd. (中車國際有限公司)	98,887.93	27,873.75	71,014.18	70,641.50	100.00
South Africa CRRC Co., Ltd. (南非中車車輛有限公司)	74,864.83	84,854.10	-9,989.27	-9,989.27	66.00
CRRC Industrial Institute Co., Ltd. (中車工業研究院有限公司)	38,915.99	17,486.90	21,429.09	21,429.09	100.00
CRRC Capital Management Co., Ltd. (中車資本管理有限公司)	272,403.59	5,489.62	266,913.97	266,913.97	100.00
CRRC Financial Leasing Co., Ltd. (中車金融租賃有限公司)	830,135.23	523,878.97	306,256.26	306,256.26	81.00

(3) Total amount of guarantees and amount of overdue guarantees

As at 31 December 2019, the total guarantees provided by the Company and its subsidiaries to external parties amounted to RMB57.437 billion, representing 42.27% of the Company's audited net assets as at the end of 2019; the Company provided RMB52.824 billion in total amount of guarantees to its subsidiaries, representing 38.87% of the audited net assets as at the end of 2019. The Company and its controlling subsidiaries did not have overdue external guarantees.

The above resolution in relation to the arrangement of guarantees for 2020 has been considered and approved by the Board on 30 March 2020, and is hereby submitted to the AGM for consideration and approval.

6. The resolution in relation to the remuneration of the Directors of the Company for 2019

According to the relevant requirements of the SASAC and requirements of the Remuneration Plan of Directors and Supervisors of CRRC Corporation Limited, remuneration of Directors of the Company for 2019 is hereby submitted to the AGM for consideration.

(1) Remuneration of Independent Non-executive Directors

The annual remuneration of Independent Directors, comprising basic remuneration and meeting allowance, was based on the standards set out in the "Notice Regarding the Adjustment of Standards of Remuneration of Independent Directors" issued by SASAC (Guo Zi Ting Fen Pei [2009] No.328) and the "Notice on Relevant Issues Regarding Work Subsidy of External Directors Who Resigned as Central Enterprise Principals" issued by SASAC (Guo Zi Ting Fen Pei [2016] No.531). The specific remuneration is shown in the table below:

Unit: RMB'0,000

Name	Title	Remuneration
Li Guo'an	Independent Director	6.00
Wu Zhuo	Independent Director	6.00
Sun Patrick	Independent Director	14.10

Note:

1. According to the relevant requirements of SASAC, Liu Zhiyong, a non-executive Director, did not receive remuneration and allowance from the Company.
2. The annual basic remuneration of Independent Directors serving as chairman at special committees concurrently was RMB100,000/person/year. The allowance for meetings of Board: RMB3,000/person/meeting; the allowance for meetings of special committees: RMB2,000/person/meeting.
3. Effective from 20 June 2017, pursuant to the "Notice on Relevant Issues Regarding Work Subsidy of External Directors Who Resigned as Central Enterprise Principals" issued by SASAC (Guo Zi Ting Fen Pei [2016] No.531), Li Guo'an and Wu Zhuo are directors who resigned as central enterprise principals.

According to the Resolution on the Remuneration Plan for External Directors of CRRC Corporation Limited considered and approved at the 2016 annual general meeting convened by the Company on 20 June 2017, their work subsidy would be granted based on the standard of RMB5,000 (income before tax) per person per month instead. The original standard would still be implemented for Sun Patrick.

(2) Remuneration of Executive Directors

The Company's Chairman Liu Hualong, executive Director Sun Yongcai, executive Director Lou Qiliang are all persons in charge of central enterprises managed by SASAC, whose remuneration comprises 2019 annual basic remuneration, 2018 annual performance-based salary and 2016-2018 incentive during term of office as verified by the SASAC.

The former executive director Xu Zongxiang is the person in charge of central enterprises managed by SASAC, whose remuneration comprises 2019 annual basic remuneration (until November), 2018 annual performance-based salary and 2016-2018 incentive during term of office approved by the SASAC.

The specific remuneration is set out in the table below:

Unit: RMB'0,000

Name	Title	Basic remuneration	Performance-based salary for the year	Total
Liu Hualong	Chairman	—	—	—
Sun Yongcai	Executive Director	22.12	105.14	127.26
Lou Qiliang	Executive Director	19.69	96.43	116.12
Xu Zongxiang	Executive Director	18.05	96.43	114.48

Note:

1. Liu Hualong was paid by CRRC GROUP, the parent company of the Company.
2. Lou Qiliang resigned as the vice president of the Company on 30 October 2019, and became an executive Director of the Company on 27 December 2019.
3. Xu Zongxiang resigned on 19 November 2019.

The abovementioned resolution in relation to the remuneration of the Directors of the Company for 2019 was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval.

7. The resolution in relation to the remuneration of the Supervisors of the Company for 2019

According to the relevant requirements of the SASAC and requirements of the Remuneration Plan of Directors and Supervisors of CRRC Corporation Limited, remuneration of Supervisors of the Company for 2019 is hereby submitted to the AGM for consideration.

The remuneration of Zhao Hu, the Company's current Chairman of the Supervisory Committee, and Chen Zhenhan and Chen Xiaoyi, the Supervisors, and Chen Fangping and Qiu Wei, the former Supervisors, is managed according to the employee remuneration management system of the Company's head office, which implements the remuneration management system for the head office; Wan Jun, the Company's former Chairman of Supervisory Committee, is the person in charge of central enterprises managed by SASAC, whose remuneration comprises 2019 annual basic remuneration (until July), 2018 annual performance-based salary and 2016-2018 incentive during term of office approved by the SASAC. The specific remuneration is set out in the table below:

Unit: RMB'0,000

Name	Title	Performance-based salary		Total
		Basic remuneration	for the year	
Zhao Hu	Chairman of Supervisory Committee	36.13	37.52	73.65
	Employee representative Supervisor			
Chen Zhenhan	Supervisor	30.18	10.01	40.19
Chen Xiaoyi	Supervisor	30.38	30.43	60.81
Wan Jun	Chairman of Supervisory Committee	11.61	97.53	109.14
Chen Fangping	Supervisor	16.60	35.17	51.77
Qiu Wei	Employee representative Supervisor	29.09	37.30	66.39

Note:

1. Zhao Hu served as an employee representative supervisor of the Company on 28 October 2019 and the chairman of the supervisory committee of the Company on 5 December 2019.
2. Chen Zhenhan served as a shareholder representative supervisor of the Company on 25 June 2019.
3. Chen Xiaoyi served as a shareholder representative supervisor of the Company on 27 December 2019.
4. Wan Jun resigned from his position as a Supervisor of the Company and the Chairman of Supervisory Committee on 30 October 2019, the duties of supervisor were performed until 27 December 2019.
5. Chen Fangping resigned from his position as a Supervisor of the Company on 29 April 2019 and performed his duties until 25 June 2019.

6. Qiu Wei resigned from his position as a Supervisor of the Company on 28 October 2019.

The abovementioned resolution in relation to the remuneration of the Supervisors of the Company for 2019 was considered and approved by the Supervisory Committee on 30 March 2020 and is hereby submitted to the AGM for consideration and approval.

SPECIAL RESOLUTIONS:

8. Resolution in relation to amendments to the Articles of Association

In order to further improve its level of corporate governance and meet the relevant regulatory requirements, pursuant to amendments to the prevailing laws, regulations and regulatory documents including the Code of Corporate Governance for Listed Companies (Revised and implemented in September 2018), Reply of the State Council on Adjustment of the Notice Period for General Meeting and Other Matters Applicable to Overseas Listed Company (Promulgated and implemented in October 2019) and the Securities Law of the People's Republic of China (implemented on 1 March 2020), the Company proposed to amend the relevant articles of the Articles of Association. Details of major amendments are as follows (details of the proposed amendments to the Articles of Association are set out in Appendix II of this circular):

(1) Amendments to relevant provision of short-swing trading

Pursuant to the requirements of Company Law of the People's Republic of China, amendments have been made to the relevant provisions of short-swing trading in the Articles of Association. In addition to the shares of the Company, the types of subjects of short-swing trading include the addition of "other equity securities". In addition to the former Directors, Supervisors, senior management members and shareholders holding more than 5% of the shares, the scope of short-swing trading also include the addition of "spouses, parents, children" of the above-mentioned persons.

(2) Amendments to relevant provision of soliciting voting rights

Pursuant to the requirements of Company Law of the People's Republic of China, amendments have been made to the relevant provisions of soliciting voting rights in the Articles of Association. The "investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authorities of the State Council" was added to the parties of soliciting voting rights, and it is expressly stipulated that shareholders soliciting voting rights need to "hold more than 1% of the voting shares of the Company" and that the soliciting party shall disclose the solicitation documents.

(3) Amendments to relevant provision of the cumulative voting system

The provision of the Code of Corporate Governance of Listed Companies (2018 Revision) stipulated that cumulative voting system shall be adopted if a single shareholder and parties acting in concert with him/her hold equity interests exceeding

30% or above of the total share capital of the Company, and the general meeting proposes to elect more than two (2) Directors and Supervisors. The relevant principle of the cumulative voting system has been enhanced.

(4) Amendments to the notice period for general meeting and the procedures taken to convene the meeting

Pursuant to Reply of the State Council on Adjustment of the Notice Period for General Meeting and Other Matters Applicable to Overseas Listed Company and combined with relevant laws and regulations of the place where the Company's shares are listed, amendments were made to the notice period for general meeting and the procedures taken to convene the meeting.

The above resolution in relation to amendments to the Articles of Association was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval. At the same time, it is proposed to approve the submission to the AGM for granting the Board to complete the relevant industrial and commercial changes/registration in relation to the amendments to the Articles of Association, and to approve the Board, upon authorization, to delegate its authority to be exercised directly by the Chairman and the person authorized by the Chairman.

9. Resolution in relation to amendments to the Rules of Procedure for General Meetings

In order to further improve its level of corporate governance and meet the relevant regulatory requirements, pursuant to amendments to the prevailing laws, regulations and regulatory documents including the Code of Corporate Governance for Listed Companies (Revised and implemented in September 2018), Reply of the State Council on Adjustment of the Notice Period for General Meeting and Other Matters Applicable to Overseas Listed Company (Promulgated and implemented in October 2019) and the Securities Law of the People's Republic of China (implemented on 1 March 2020), the Company proposed to amend the Rules of Procedure for General Meetings based on the amendments to the Articles of Association. Details of the proposed amendments to the Rules of Procedure for General Meetings are set out in Appendix III of this circular.

The above resolution in relation to amendments to the Rules of Procedure for General Meetings was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval.

10. Resolution in relation to amendments to the Rules of Procedure for the Board

In order to further improve its level of corporate governance and meet the relevant regulatory requirements and combined with the company's actual production and operation conditions, the Company proposed to amend the Rules of Procedure for the Board in relation to the duties and powers of the Board in a detailed manner. Details of the proposed amendments to the Rules of Procedure for the Board are set out in Appendix IV of this circular.

The above resolution in relation to amendments to the Rules of Procedure for the Board was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval.

11. Resolution in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company

The Board hereby proposes to the general meeting for approval by way of a special resolution in relation to the grant of an unconditional general mandate to the Board to, subject to market condition and the requirements of the Company, separately or concurrently issue, allot and deal with, by share capital or equity-linked instruments (as defined below), new shares not exceeding 20% of each of the issued domestic shares (A Shares) and/or overseas listed foreign invested shares (H Shares) of the Company at the time of passing this resolution at the general meeting. According to requirements of relevant PRC laws and regulations and regulatory documents, the Board shall seek approval from the general meeting for each issuance of new A Shares even if the general mandate has been granted to the Board.

Details of the general mandate include but are not limited to the following matters:

1. to formulate and implement the detailed issue proposal which includes, without limitation, the class of new shares to be issued, the pricing mechanism and/or the issue price (including a price range), the number of shares to be issued, the target subscribers and the use of proceeds; to determine the timing of the issue and the period of the issue, and to decide whether to place to existing shareholders or not;
2. to consider, approve and execute, on behalf of the Company, agreements relating to the issue, including but not limited to placing and underwriting agreements, engagement agreements with intermediaries;
3. to consider, approve and execute, on behalf of the Company, legal documents relating to the issue which shall be submitted to the relevant regulatory authorities; to fulfill the relevant approval procedures in accordance with the requirements of the regulatory authorities and requirements at the places where the Company is listed;
4. to make necessary amendments to the relevant agreements and legal documents in items 2 and 3 above in accordance with the requirements of domestic and foreign regulatory authorities;
5. to affix the seal of the Company on the agreements and legal documents relating to the issue;
6. to engage intermediaries in connection with the issue and to approve and execute all actions, deeds, documents and such other matters that are necessary, appropriate, expedient or relevant to the issue;

7. to approve the increase of the registered capital of the Company, make relevant amendments to the Articles of Association of the Company relating to the total capital and shareholding structure, and fulfill the relevant registration and filing procedures pursuant to the domestic and overseas legal requirements, after the issue of the new shares.

Except that the Board may make or grant offers, agreements, or options during the Relevant Period in relation to the issue of A Shares and/or H Shares, which might require further promotion or implementation after the end of the Relevant Period, the period of the above mandate shall not exceed the Relevant Period. The Relevant Period means the period from the date of granting the mandate by a special resolution at the 2019 annual general meeting until whichever is the earliest of:

1. the conclusion of the 2020 annual general meeting of the Company;
2. the expiration of the 12-month period following the passing of this resolution by a special resolution at the 2019 annual general meeting;
3. the date on which the mandate under this resolution is revoked or varied by a special resolution at any general meeting of the Company.

For the purpose of this resolution, “equity-linked instruments” include bonds that may be converted or exchanged into A Share and/or H Share, options or other derivatives.

The abovementioned resolution in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval.

12. Resolution in relation to the issuance of debt financing instruments by the Company for 2020

In order to satisfy the production and operation needs of the Company, to adjust the structure of liabilities, and to reduce the financing costs of the Company, according to the Company’s financing plans for 2020, the Company intends to finance by debt instruments and issue one or a portfolio of debt financing instruments in one or multiple tranches. And it has been resolved that the resolution in relation to the proposed issue of debt financing instruments above will be proposed to the AGM for Shareholders’ consideration and approval.

(1) Issue plan

The categories of the debt financing instruments proposed to be issued by the Company include corporate bonds, ultra-short-term debentures, short-term debentures, medium-term notes, perpetual bonds, asset-backed debentures (including but not limited to ABN and ABS) overseas bonds denominated in RMB, bonds denominated in USD, A Share convertible

bonds, H Share convertible bonds or other new types of bonds (“Debentures”) issued in the PRC with the total outstanding balance of repayment amount of the Debentures not exceeding an aggregate of equivalent to RMB70 billion.

In respect of the convertible bonds proposed to be issued, the A Share or H Share so converted may be issued pursuant to the general mandate to additional issue considered and passed by the general meetings of the Company in response to the application for conversion by the holders of the convertible bonds.

(2) Principal terms of issue

- (i) Issuer: the Company, and for the issuance of overseas debt financing instruments, the Company or an overseas wholly-owned subsidiary of the Company will act as the issuer.
- (ii) Size of issue: the specific size of issue will be determined in line with the capital requirements and market conditions with the total outstanding repayment amount of the Debentures not exceeding an aggregate of equivalent to RMB70 billion, provided that requirements of relevant laws and regulations and regulatory documents are complied with.
- (iii) Term(s) and category(ies): the Debentures can take the form of single term debenture or a combination of multiple categories with different terms. The specific composition of such terms and the issue size of each category with a specific term will be determined in accordance with relevant requirements and the market conditions, and the issue size of each category of debentures shall not exceed the limit applicable to the issue of such category of Debentures by the Company in accordance with relevant requirements of the PRC.
- (iv) Use of proceeds: the proceeds to be raised from such issue will be used for satisfying the production and operation needs of the Company, the adjustment of the structure of liabilities, replenishment of working capital and/or project investments.
- (v) Validity term of the resolution: the validity term of the resolution in relation to the proposed issuance of the debt financing instruments means the period from the approval date of this resolution at the general meeting to the date for convening the 2020 annual general meeting of the Company. In the event that the Company has resolved to carry out such issuance within the validity term of the resolution and the Company has obtained the approval, permit or registration in relation to the issuance from the regulatory authorities within the validity term of the above resolution, the Company may complete such issuance within the validity term so far as such approval, permit or registration remains valid.

(3) Authorization

It is proposed to grant a general and unconditional mandate at the general meeting to the Board to deal with the following matters within the scope of the principal terms of the issue as set out in paragraph (2) above, pursuant to relevant laws and regulations, the opinions and advices of regulatory authorities, the operation needs of the Company as well as the then market conditions:

- (i) to determine the type(s), specific category(ies), specific terms and conditions as well as other matters of the Debentures, including but not limited to all the matters in relation to the issue such as the size of issue, actual total amount, currency, issue price, interest rate or the determination method thereof, applicable issuer, place of issue, timing of issue, term(s), whether to issue in tranches and the number of tranches, whether to adopt any terms for repurchase and redemption, rating arrangements, guarantee matters, term of repayment of the principal and interests, use of proceeds, as well as listing and underwriting arrangements;
- (ii) to carry out all necessary and incidental actions and procedures for the issue of Debentures, including but not limited to, engaging intermediary agencies to handle, on behalf of the Company, the approval, record, filing and registration procedures with relevant regulatory authorities relating to the application for the issue, executing all necessary legal documents relating to the issue and dealing with other matters relating to the issue and trading of the Debentures;
- (iii) to make relevant adjustments to the relevant matters of the issue of the Debentures and to determine whether to proceed with the issue with reference to the opinions from relevant domestic regulatory authorities and the changes in policies and market conditions, provided that such adjustments and decision shall be within the scope of the authorization of the general meeting and shall be subject to re-voting at a general meeting of the Company if otherwise required by the relevant laws and regulations and the Articles of Association of CRRC Corporation Limited;
- (iv) to deal with other specific matters in relation to the issue of the Debentures and to execute all the required documents;
- (v) to approve the Board's further delegation of the aforesaid authorization to the Chairman of the Board and the president of the Company for the implementation of the issue.

The abovementioned resolution in relation to the issuance of the debt financing instruments for 2020 was considered and approved by the Board on 30 March 2020 and is hereby submitted to the AGM for consideration and approval.

CRRC CORPORATION LIMITED
2019 WORK REPORT OF THE BOARD

In 2019, the Board of the Company earnestly fulfilled the duties entrusted by the Company Law and the Articles of Association, took the maximization of Shareholders' value as its own responsibility, earnestly performed various duties, continued to enhance its own capacities to give play to the function of the Board in strategic leading, scientific decision-making and risk prevention, and promoted the improvement of corporate governance standards and the development of the Company's business operations. It effectively safeguarded the interests of the Company and its shareholders and established a good image of the Company in the capital market. All Directors of the Company conscientiously performed their duties, worked diligently and accomplished a lot of work for the Company's major decisions and the normative operation of the Board. The relevant details are reported as follows:

I. Focusing on scientific decision-making and continuing to enhance its own capacities

1. Stablising scientific and reasonable structure of governance institution. At the end of 2019, the second session of the Board of the Company is composed of 7 Directors. The Board members have rich experience and the structure of the Board is reasonable. Among the Board members, there are three executive Directors, namely Liu Hualong, Sun Yongcai and Lou Qiliang; one non-executive Director, namely Liu Zhiyong; and three independent non-executive Directors, namely Li Guo'an, Wu Zhuo and Sun Patrick. In October, Xu Zongxiang, an executive Director, resigned as a Director due to work transfer. The Board organized an Extraordinary General Meeting to add 1 Director in the shortest time through a supplementary proposal based on the nomination of shareholders. The Board has four committees, namely strategy committee, audit and risk management committee, remuneration and evaluation committee and nomination committee. Other than the strategy committee which is chaired by the chairman of the Company, the other three committees are all chaired by independent non-executive Directors. The audit and risk management committee and the remuneration and evaluation committee are all composed of non-executive Directors. Non-executive Directors account for the majority of the nomination committee, which ensures that non-executive Directors could fully express their opinions and effectively participate in corporate governance, and guarantees the normative, scientific and effective operation of the Board.

2. Putting emphasis on learning to improve the ability to perform duties. The Board of the Company attaches importance to organizing members to conduct political theory and business studies, and actively participates in various trainings to continuously improve their ability to perform their duties. Firstly, in accordance with the general arrangement of the theme education of "bearing in mind the initial objective at the very beginning and being mindful of the mission", party members and Directors participated in the study of the party organization they belonged to and earnestly studied Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the latest important speeches by General Secretary Xi Jinping to further strengthen the "four awarenesses", adhere to "four confidences" and achieve the "two maintenances". Secondly, three non-executive Directors participated in the 2019 external director training course for

central enterprises organized by the SASAC of the State Council, during which they focused on studying the ideas of the Central Economic Work Conference, the standards for performing duties of external directors of central enterprises, and the current key and difficult issues in the reform of state-owned enterprises. Thirdly, three independent Directors participated in the follow-up training of independent directors organized by the Shanghai Stock Exchange, as well as a senior seminar for directors and supervisors of domestic and foreign companies organized by The Hong Kong Institute of Chartered Secretaries to learn the latest regulatory policies, Board governance and practical duties of Directors. Fourthly, a Director participated in the practical training of the Board of Singapore Temasek organized by the SASAC of the State Council.

3. Conducting in-depth research to improve the quality of decision-making. The members of the Board conducted in-depth investigations through a variety of channels to understand and keep abreast of the Company's information and improve the quality of decision-making. Firstly, they gained an understanding of the operation and development of the Company through its regular collection of information on management, market expansion, product development, technological innovation, selection and recruitment of talents and financial management. Secondly, subject to the specific needs of a meeting, the Directors communicated with the management on relevant affairs before such Board meeting is officially convened and even before the determination of proposals to be considered. Thirdly, when the Company has a significant event, the secretary of the Board will organize a special report to the external Directors. Fourthly, during the period of corresponding meetings of the Board and special committees, the Company regularly set out its major investments, research and development projects as well as market expansion and other notified matters, in addition to the necessary proposals. Fifthly, external Directors attended important meetings held by the Company's management to gain an understanding of the Company's operations. Sixthly, the Company went to subsidiaries for investigations and studies to understand the production and operation of the Company in detail. In 2019, the Directors went to 10 subsidiaries at various levels including CRRC Tangshan, CRRC ZELRI, and Qiche Group for investigation, and went to India to investigate and study the Company's projects of urban rail transit vehicles and metro vehicles, so as to understand the development of the business in India.

4. Performing duties according to the laws to coordinate various governance bodies. As the core of corporate governance, the Board of the Company performs its duties in accordance with the laws, and respects the statutory functions of various governance bodies, such as Shareholders, the Supervisory Committee, the management, the party committee, employee representative assembly, fulfilling their respective duties and responsibilities, collaborating operation and effectively maintaining balance with each of the governance bodies. The Board maintained communication with Shareholders to actively discuss with them about the Company's strategies and operations at the general meeting. The Board consciously accepted the supervision of the Supervisory Committee with all Supervisors present at Board meetings. Under the leadership of the president, the management actively supported and cooperated in the work of the Board, reporting to the Board, accepting questions and enquiries from the Directors, and carrying out the daily production and operation according to the laws. In the whole year, the Board convened 2 general meetings and considered and approved 17 resolutions; convened 8 Board meetings

and considered and approved 39 resolutions in respect of periodic reports, connected transactions, amendments to the Articles of Association, etc. The Board convened 11 special committee meetings of the Board.

II. Focusing on strategic orientation and continuing to promote the deepening of reform

1. Planning in advance and playing a strategic leading role. As the main part of the Company's strategic planning, the Board plans ahead the development strategy of the Company based on deciding the annual business objectives and business plans of the Company. In the course of the Board meetings and the investigation, the Directors have repeatedly made proposals on major development strategies involving the adjustment of the Company's business structure and the layout of the domestic and foreign markets in response to changes in the political and economic situation at home and abroad and the market pattern of the industry since the 19th National Congress of the CPC. In 2019, based on the amendments to the "13th Five-Year Plan" development strategy of the Company, the Board promoted the revision of the special strategy plans, and initiated the preparation work for the "14th Five-Year Plan" development strategy.

2. Marching forward and promoting the deepening of reform and restructuring. Firstly, to promote the deepening of the reform of the top-level design, forming a "1 + 20" programmatic document system with "integrity, systematization, coordination and operability". Secondly, to promote the development and implementation of first-class programs. In accordance with the goal of creating a world-class demonstration enterprise, the Company specified the "design drawing", "route map" and "construction drawing" for promoting the implementation of eight first-class projects. Thirdly, to push forward the reform of "Double Hundred Enterprises". CRRC Sifang, CRRC Zhuzhou and CRRC Dalian were successfully selected as the second batch of "Double Hundred Enterprises", the number of which reached 7, ranking first among central enterprises, and comprehensive reform plans were successively implemented. The "Double Hundred Enterprises" incentive mechanism has achieved innovative breakthroughs and the governance structure has been continuously optimized. Sifang Institute and Qishuyan Institute were selected as the fourth batch of mixed ownership reform pilot projects, and a total of 3 enterprises number were selected. Fourthly, to promote Qiche Group and Yangtze Group to deeply implement the "strategy + operation" management and control model on the basis of business restructuring, and the group-based operation management has achieved initial results.

3. Actively assuming responsibility and promoting the practice of social responsibility. The Company continued to improve the social responsibility system, strengthened the social responsibility management ability, proactively issued the corporate social responsibility report and vigorously promoted the practice of social responsibility. The Company will perform its social responsibility as the inevitable requirements for deepening enterprise reform and improving core competitiveness of enterprises, continue to promote the integration of social responsibility concept into enterprise operation and management, continuously strengthen the sustainable operation capability, insist on the mission of "connecting the world to benefit human", and make contributions to the social development. In 2019, the Company deeply implemented targeted poverty alleviation and helped Maiji District, Tianshui City, Gansu Province and Jingxi City, Guangxi Province to get rid of

poverty. The Company implemented special pollution control, and a number of environmentally friendly products and processes were put into use and fully completed the goal of energy conservation and emission reduction set by the SASAC. With main indicators fell significantly year-on-year, the Company was awarded the “Outstanding Contribution Enterprise in Energy Conservation and Emission Reduction” during the appointment period of SASAC.

4. Making progress steadily and promoting the achievement of operation targets.

Facing the complicated situation in which domestic and foreign risks and challenges are clearly rising, the Company, with focus on the three themes of “synergy, strengthening areas of weakness and improving quality”, moved forward against difficulties to effectively respond to changes in the internal and external environment. The Company firmly grasped the overall work guideline of making progress while maintaining steady, adhered to the guidance of high goals, strengthened operational management and control, carried out in-depth quality improvement activities, and strived to resolve various types of profit reduction. In 2019, the Company fully achieved the operating targets with double growth in revenue and profits.

III. Focusing on mitigating risks and continuing to maintain compliance operations

1. Conducting top-level design and preliminary construction of management structure. The Board of the Company attaches great importance to risk and internal control management. With combination of the development strategy and business development, the Company conducted the top-level design, initially built a risk management and control organizational structure covering the company level, headquarters functional department level, subsidiary level, and subsidiary business position level, constructed three lines of defense for risk management and established a “classification, stratification and centralized management and control” model for major risks. Through the establishment of risk and internal control management system framework and a clear management and control model, and clarifying the responsibilities of each department and risk management and control of each subsidiary, the risk management and control structure featuring systematic, standardized, process-based, systematical and organic linkage from top to bottom has been initially established to provide mechanism guarantee for strengthening the internal control of the Company, preventing and mitigating major risks.

2. Consolidating the foundation and gradually improving the management system. The Board of the Company constantly improves the risk and internal control management system and consolidates the working basis of risk and internal control management, enabling the internal control and risk management work of the Company to be carried out in a standardized and systematic manner and the “three lines of defense” of risk and internal control management operated in an orderly and efficient way. In 2019, the Company developed plans for improving basic systems preventing and resolving major risks, and strengthening the construction of risk management and control mechanisms. The Board of the Company has full control over risks and the construction of internal control systems and embedded risk management in major decision-making process, thus improving the capabilities to identify and control risks.

3. Effectively preventing major risks with bottom-line thinking. The Board of the Company conscientiously implemented the responsibilities of preventing and mitigating risks, and the relevant work requirements of the SASAC, and promoted the effective implementation of the Company's efforts to prevent and resolve major risks. Firstly, the Board promoted comprehensive risk investigation and combing, figured out the overall status of the Company's risks, and clarified the strategic focus and direction of risk management and control, including annual risk assessment, overseas investment project risk assessment, PPP project risk assessment, international operation risk assessment. Secondly, the Board promoted the formulation of major risk prevention and resolution work plans, clarified the organization, refined the objectives and compacted the responsibilities to comprehensively and deeply advance the major risk prevention and resolution work. Thirdly, by multi-faceted measures, multi-point focuses and multi-dimension efforts, the Board took "combined methods" to prevent and mitigate major risks, including continuous dynamic tracking of major risks, carrying out special supervision of major risk prevention and resolution work, etc., thus ensuring the Company's major risks prevention and resolution work is in-depth, pragmatic and detailed with obvious results.

IV. Focusing on market value management to continue to improve the market image

1. Disclosing information in compliance with laws and regulations. The Board of the Company, always insists on the principle of "truth, accuracy, completeness, timeliness and fairness", carefully reviewed the disclosed information through emails, meetings, etc. and fulfilled its information disclosure obligations in accordance with laws and regulations. During the year, the Company published 127 interim reports on the SSE; published 121 announcements in traditional Chinese, 86 announcements in English, i.e. 207 announcements in aggregation, on the Hong Kong Stock Exchange. The Board focused on publishing the announcements in relation to corporate bond interest payment, follow-up rating announcement and the announcement of implementing dividend distribution. The Company published 4 contract announcements, disclosing a contract amount of RMB160.28 billion in total, which accounted for approximately 74.1% of the audited operating income of the Company in 2018. The Company has obtained Grade A rating in the evaluation of information disclosure of listed companies on the SSE for four consecutive years.

2. Actively building a communication platform. The Board of the Company is committed to protecting the interests of all Shareholders, continually enhancing investor relations management and making active responses to the appeals of the Shareholders. The Company established an investor relations management team that includes senior management, executive department and support department. Senior management, which comprised the chairman, president, vice president and the secretary to the Board of the Company, would be responsible for decision-making and planning of major events of investor relations. Executive department is the Board office of the Company, which would be responsible for day-to-day communications with investors, non-transaction road shows, Shareholders' analysis, capital market monitoring and information feedback. Supporting department, which comprised the responsible persons of business departments of the Company and all its subsidiaries, would be responsible for providing the information necessary for investor relations management. The Company established a platform for communication with investors, expanded channels for communication with investors and effectively communicated with investors, improving the Company's image in the capital

market. During the year, the Company organized in total 1 roadshow and 1 reverse roadshow, received in total 32 visits (approximately 129 persons came to the Company for inspection), convened 77 conference calls, arranged 13 rounds of subsidiary inspections, participated in 27 strategy events organized by securities institutions.

3. Improving a market value management mechanism. The Board of Directors of the Company continued to pay attention to the Company's stock price, market value movement and capital market dynamics, taking advantage of the role of capital market for optimising allocation of resources to maximize the Company's intrinsic value and Shareholders' equity. The establishment of a market value management mechanism will help the Company achieve the strategic goal of "two builds, one develop (雙打造一培育)", which in turn would enable the synergistic development of the capital market and the product market, increasing the brand value of the Company. The Company holds market value management meeting every quarter, and domestic and foreign financial public relations enterprises are specially invited to report on the share price, market value performance from the beginning of the year to the end of the quarter, capital markets, media's main concerns in the Company's key issues, etc., and relevant departments of the Company will report on the market value management of their respective departments. Such meetings help to promote the implementation of market value management and continuously improve the Company's capitalization.

In the past year, all the Directors put forward ideas and plans for the Company with due diligence, considered every resolution and gave careful, objective and fair advices. With thorough understanding of the on-site production and operation of the Company and active participation in decision making of the Board, interests of the Company and the shareholders have been safeguarded. As the level of corporate governance of CRRC has been constantly increasing, the Company has been awarded with the following honors in the capital market consecutively: **11 important awards, including Outstanding Contribution Enterprise Award for the 70th Anniversary of the Founding of New China (新中國成立70周年卓越貢獻企業獎) of China Securities Golden Bauhinia (中國證券金紫荊獎) and Gold Prize of Round Table (金圓桌獎) – Corporate Governance Medal of Honour (公司治理勳章) of the 15th Session of the Board of Directors of PRC Listed Companies.**

In 2020, the Board of the Company will focus on strengthening "five awarenesses" and achieving "five improvements". Firstly, the Board will strengthen the sense of responsibility and enhance the ability to perform duties to ensure scientific and efficient decision-making. Secondly, the Board will strengthen the sense of orientation, enhance the overall planning ability, encourage and guide the management to carry out work in a creative way to ensure the steady growth of operating performance. Thirdly, the Board will deepen compliance awareness, improve governance capabilities, and strictly follow various legal procedures to ensure the smooth and effective operation of enterprises. Fourthly, the Board will strengthen self-discipline awareness, improve the level of management and control, and take the initiative to accept market supervision, to ensure open and transparent information disclosure. Fifthly, the Board will strengthen interaction awareness, improve communication efficiency and do a good job in investor management to maintain a good market image.

The Board of CRRC Corporation Limited

Note: All the financial data provided in this report were prepared under the PRC Accounting Standards; and unless stated otherwise, the currency used for book-keeping was Renminbi.

CRRC CORPORATION LIMITED
2019 WORK REPORT OF THE SUPERVISORY COMMITTEE

In 2019, strictly in accordance with the relevant provisions of the Company Law of the PRC and other laws and regulations and the Articles of Association and the Rules of Procedure for the Supervisory Committee, from the interests of all Shareholders, all members of the Supervisory Committee of the Company conducted supervision and examination on the legal compliance of the Company's financial affairs, the implementation of the resolutions of the general meeting, the major decision-making procedures of the Board and the operation and management activities of the Company, and the performance of the duties of Directors and senior management, promoting the Company's sustainable and healthy development. All supervisors seriously performed their duties, actively and effectively carried out the work of the Supervisory Committee for the year 2019.

I. WORK OF THE SUPERVISORY COMMITTEE

In 2019, the Supervisory Committee summoned and convened the meetings of the Supervisory Committee pursuant to the laws and regulations and according to the operation of the Company and organized on-site investigations.

1. Changes of Members of the Supervisory Committee

The Supervisory Committee of the Company currently consists of three members, namely Zhao Hu, the Chairman of the Supervisory Committee, and Chen Zhenhan and Chen Xiaoyi as members. Two of them are Shareholder representative Supervisors and one is employee representative Supervisor. In 2019, the changes of members of the Supervisory Committee of the Company are as follows:

On 29 April, Chen Fangping resigned as the Company's supervisor due to his age;

On 25 June, Chen Zhenhan was elected as the Company's supervisor on the 2018 annual general meeting of the Company;

On 28 October, Qiu Wei resigned as the Company's supervisor due to his age;

On 28 October, Zhao Hu was elected as the Company's employee representative supervisor on the meeting of representatives of employees of the Company;

On 30 October, Wan Jun resigned as the Company's supervisor and Chairman of the Supervisory Committee due to job changes;

On 5 December, Zhao Hu was elected as the Chairman of the Supervisory Committee of the Company at the eleventh meeting of the second session of the Supervisory Committee of the Company;

On 27 December, Chen Xiaoyi was elected as the Company's supervisor on the 2019 First Extraordinary General Meeting of the Company.

2. Meetings of the Supervisory Committee in 2019

During the Reporting Period, the Supervisory Committee held 6 meetings to consider 25 proposals. The meetings were convened in strict accordance with the relevant provisions of the Company Law of the PRC, the Articles of Association and the Rules of Procedure for the Supervisory Committee. Details of the meetings are as follows:

On 16 January, the 6th meeting of the second session of the Supervisory Committee was convened in the form of on-site meeting, at which 2 resolutions, including the Resolution in Relation to the Use of Proceeds to Temporarily Supplement the Working Capital were considered and approved.

On 28 March, the 7th meeting of the second session of the Supervisory Committee was convened in the form of on-site meeting, at which 10 resolutions, including the Resolution in Relation to the 2018 Annual Report of CRRC Corporation Limited, were considered and approved.

On 29 April, the 8th meeting of the second session of the Supervisory Committee was convened in the form of on-site meeting, at which 6 resolutions, including the Resolution in Relation to the 2019 First Quarterly Report of CRRC Corporation Limited, were considered and approved.

On 29 August, the 9th meeting of the second session of the Supervisory Committee was convened in the form of on-site meeting, at which 2 resolutions, including the Resolution in Relation to the 2019 Interim Report of CRRC Corporation Limited, were considered and approved.

On 30 October, the 10th meeting of the second session of the Supervisory Committee was convened in the form of on-site meeting, at which 3 resolutions, including the Resolution in Relation to the 2019 Third Quarterly Report of CRRC Corporation Limited, were considered and approved.

On 5 December, the 11th meeting of the second session of the Supervisory Committee was convened in the form of on-site meeting, at which 2 resolutions, including the Resolution on the Election of the Chairman of the Second Session of the Supervisory Committee of CRRC Corporation Limited, were considered and approved.

3. Attendance of Members of the Supervisory Committee at the Company's Other Meetings

In 2019, members of the Supervisory Committee attended the 2018 annual general meeting and 2019 first extraordinary general meeting, presented as non-voting attendees at 7 Board meetings and 24 office meetings of president convened by the Company in 2019, and attended the Company's annual work meeting and operational management meeting.

In accordance with the Articles of Association, the Supervisory Committee conducted effective supervision on, among others, the convening procedures of the Company's general meeting and the Board meeting, issues and voting procedures. During the voting, a supervisor was sent to supervise the implementation of the resolution of the general meeting by Directors and senior management.

During their participation in the aforesaid meetings, members of the Supervisory Committee communicated with the relevant departments when necessary, investigated and made enquiries on key proposals and offered opinions and recommendations on key issues to ensure that the various tasks are in compliance with the relevant laws and regulations.

4. The Special Research Organized by the Supervisory Committee

In 2019, in accordance with the provisions of the Rules of Procedure for the Supervisory Committee of the Company, the Supervisory Committee's right to know shall be protected, ensuring the supervisors' effective supervision, inspection and evaluation on the Company's financial status and operation and management. Through the in-depth enterprise site investigation, members of the Supervisory Committee were able to further understand the financial operating situation of the enterprises.

II. OPINION OF THE SUPERVISORY COMMITTEE REGARDING COMPLIANCE OF THE COMPANY'S OPERATIONS

The Supervisory Committee supervised over and checked on the legal performance of duties, establishment of the internal control system of the Company as well as its sound and consistent implementation during the reporting period.

The Supervisory Committee is of the following opinion: the Board and the senior management of the Company were able to conduct its operations legally and strictly in compliance with the requirements of the Company Law of the PRC and the Articles of Association as well as other relevant laws, regulations and rules. The Board and the senior management performed their own duties in a faithful and diligent manner and implemented the resolutions and mandates of the general meetings and the Board earnestly. None of them was found to have engaged in any act undermining the interests of the Company or Shareholders, breached the laws and regulations, the Articles of Association and rules and systems.

III. OPINION OF THE SUPERVISORY COMMITTEE REGARDING INSPECTION ON THE COMPANY'S FINANCIAL CONDITIONS

Through attending presentations by the Company's financial representative, reviewing the Company's financial statements, and deliberating on the Company's regular reports and the auditor's audit report as well as conducting field trips for the major investment projects undertaken by the Board during the reporting period, members of the Supervisory Committee conducted inspection and supervision on the Company's financial operations.

The Supervisory Committee is of the following opinion: the Company's financial system is comprehensive and the financial system is sound. The financial report of the Company gave a true, fair and full picture of the financial position and operating results of the Company and its various expenses and disbursements were reasonable. Deloitte Touche Tohmatsu Certified Public Accountants LLP performed an audit on the Company's financial report for 2018 and issued a standard unqualified opinion in its audit report. It was of the opinion that the Company's financial statements were prepared in all material respects in accordance with the requirements of the corporate accounting principles promulgated by the Ministry of Finance of the PRC and presented a fair view of the Company's financial position and cash flow as of 31 December 2018. The Supervisory Committee has reviewed the report.

IV. OPINION OF THE SUPERVISORY COMMITTEE REGARDING THE MANAGEMENT AND USE OF THE FUNDS RAISED BY THE COMPANY

The Supervisory Committee supervised the use of the funds raised during the reporting period, and is of the following opinion: the Company managed and used the funds raised strictly in compliance with the requirements under Measures for the Management of Funds Raised of CRRC Corporation Limited, the actual allocation of the funds raised was in compliance with the stipulations of the PRC's relevant laws and regulations as well as the Articles of Association, and there was no act which undermined the interests of the Company or its Shareholders.

The Supervisory Committee will continue to supervise and inspect the progress regarding the use of the funds raised.

V. OPINION OF THE SUPERVISORY COMMITTEE REGARDING THE ACQUISITION AND DISPOSAL OF ASSETS BY THE COMPANY

During the reporting period, the Company made reasonable pricing decisions and followed procedures in compliance in its asset acquisition or disposal transactions, and there were no circumstances in which the Company's assets were lost or the interests of its Shareholders were undermined.

VI. OPINION OF THE SUPERVISORY COMMITTEE REGARDING THE STATUS OF THE COMPANY'S CONNECTED TRANSACTIONS

The Supervisory Committee conducted supervision over the Company's connected transactions which occurred during the reporting period, and is of the following opinion: in relation to all of the Company's related party transactions, the Company strictly followed the laws and regulations as the Company Law of the PRC, the Securities Law of the PRC, the listing rules of the place where the Company's shares are listed as well as stipulations in the Articles of Association and Management Measures on Connected Transactions of CRRC Corporation Limited, and such connected transactions were entered into upon sufficient discussion and investigation and prudent decision-making by the Board and management of the Company, where pricing was determined in accordance with principles such as

government pricing and fair market pricing, did not violate the principles of openness, fairness and impartiality, and there were no circumstances in which the interests of the Company or the interests of its minority Shareholders were undermined.

VII. OPINION OF THE SUPERVISORY COMMITTEE REGARDING EVALUATION OF THE INTERNAL CONTROL OF THE COMPANY

During the reporting period, upon review of the Assessment Report on Internal Control of CRRC Corporation Limited for 2018, the Supervisory Committee has no objections to the report. Deloitte Touche Tohmatsu CPA LLP audited the internal control of the Company for 2018, and issued an audit report on the internal control of CRRC Corporation Limited for 2018, which believed that the Company maintained effective internal control of financial report in all material respects in accordance with the Basic Practices of Internal Control of Enterprises and the relevant requirements as at 31 December 2018.

In 2020, the Supervisory Committee will continue to diligently perform its duties strictly in accordance with the Company Law of the PRC, the Articles of Association and other relevant requirements, adequately express its opinion, and carefully and independently consider resolutions and cast its vote in order to facilitate the sound and sustainable development of the Company.

The Supervisory Committee of CRRC Corporation Limited

APPENDIX II**DETAILS OF THE PROPOSED AMENDMENTS
TO THE ARTICLES OF ASSOCIATION**

Details of the proposed amendments to the Articles of Association* are set out below:

Before amendment	After amendment
<p>Article 42 Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% per year of the total number of shares held by them during their terms of office. The shares held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service.</p> <p>Any gains from sale of shares in the Company by any Directors, Supervisors and senior management members or shareholders holding 5% or more of the domestic shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six (6) months after sale of the same shall belong to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by buying the remaining shares pursuant to an underwriting arrangement, the six (6) month limitation for selling the said shares shall not apply. If the Board does not act in accordance with the provisions of the above paragraph, shareholders shall be entitled to request the Board to effect the same within thirty (30) days.</p>	<p>Article 42 Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% per year of the total number of shares held by them during their terms of office. The shares held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service.</p> <p>Any gains from sale of shares <u>or other equity securities</u> in the Company by any Directors, Supervisors and senior management members or shareholders holding 5% or more of the domestic shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six (6) months after sale of the same shall belong to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by buying the remaining shares pursuant to an underwriting arrangement, the six (6) month limitation for selling the said shares shall not apply.</p> <p><u>The shares or other equity securities held by Directors, Supervisors, senior management members, and natural person shareholders referred to in the preceding paragraph include the shares or other equity securities held by their spouses, parents, children and those held by using others' accounts.</u></p>

Before amendment	After amendment
<p>If the Board fails to do so within the aforesaid period, the shareholders are entitled to commence proceedings with a people's court directly in their own names for the interests of the Company.</p> <p>Where the Board does not act in accordance with the provisions of the first paragraph, the responsible directors shall assume joint liability.</p>	<p>If the Board does not act in accordance with <u>the provisions of the first paragraph</u>, shareholders shall be entitled to request the Board to effect the same within thirty (30) days. If the Board fails to do so within the aforesaid period, the shareholders are entitled to commence proceedings with a people's court directly in their own names for the interests of the Company.</p> <p>Where the Board does not act in accordance with the provisions of the first paragraph, the responsible Directors shall assume joint liability.</p>
<p>Article 52 Transfers may not be entered in the register of shareholders <u>within thirty (30) days prior to the date of a general meeting or within five (5) days prior to the record date set by the Company for the purpose of distribution of dividends.</u></p> <p>Where the securities regulatory authority of the place where the Company's shares are listed <u>otherwise requires</u>, its regulations shall prevail.</p>	<p>Article 52 Where <u>laws, regulations, departmental rules, regulatory documents</u> and the securities regulatory authority of the place where the Company's shares are listed <u>contain regulations which stipulate the period of closure of the register of shareholders prior to a general meeting or the record date set by the Company for the purpose of distribution of dividends</u>, such regulations shall prevail.</p>
<p>Article 73 <u>A forty-five (45) days' prior written notice for convening the general meeting shall be given to notify shareholders</u> whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. <u>Shareholders who intend to attend the meeting shall serve their written replies to the Company twenty (20) days prior to the date of the meeting</u></p>	<p>Article 73 A <u>twenty (20) days'</u> prior written notice for convening the <u>annual</u> general meeting <u>and a fifteen (15) days' prior written notice for convening the extraordinary general meeting shall be given to notify shareholders</u> whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting.</p> <p><u>Where laws, regulations, and the listing rules of the place where the Company's shares are listed otherwise stringently require in respect of the foregoing matters, such regulations shall prevail.</u></p>

APPENDIX II**DETAILS OF THE PROPOSED AMENDMENTS
TO THE ARTICLES OF ASSOCIATION**

Before amendment	After amendment
<p>Article 75 <u>The Company shall, based on the written replies received twenty (20) days before the date of the general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches not less than one half of the Company's total shares carrying voting rights, the Company may hold the meeting. If not, the Company shall within five (5) days notify the shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after the publication of such notice.</u></p> <p><u>Extraordinary general meetings shall not resolve matters not stated in the notice thereof.</u></p>	<p>Deleted. The number of the following articles shall be renumbered according.</p>

Before amendment	After amendment
<p>Article 78 Unless otherwise required by relevant laws, regulations, listing rules of the place(s) where the Company's shares are listed and the Articles of Association, a notice of general meeting shall be published on the Company's website or dispatched to shareholders (regardless of their voting rights at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic shares, a notice of general meeting may also be made by way of announcement.</p> <p>The announcement referred in the preceding paragraph shall be published <u>within a period of forty-five (45) to fifty (50) days prior to the date of the general meeting</u> in one or more newspapers and journals designated by securities regulatory authorities of the State Council and the regulatory authorities of the place where the Company's shares are listed, as well as the websites of the Company and the stock exchange. Once an announcement is made, all holders of the domestic shares are deemed to have received the relevant notice of the general meeting.</p>	<p>Article 77 Unless otherwise required by relevant laws, regulations, listing rules of the place(s) where the Company's shares are listed and the Articles of Association, a notice of general meeting shall be published on the Company's website or dispatched to shareholders (regardless of their voting rights at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic shares, a notice of general meeting may also be made by way of announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published <u>in accordance with the laws, regulations, and listing rules of the place(s) where the Company's shares are listed</u> in one or more newspapers and journals designated by securities regulatory authorities of the State Council and the regulatory authorities of the place where the Company's shares are listed, as well as the websites of the Company and the stock exchange. Once an announcement is made, all holders of the domestic shares are deemed to have received the relevant notice of the general meeting.</p>

Before amendment	After amendment
<p>Article 111 Shareholders (including proxies) shall exercise their voting rights at a general meeting according to the number of shares carrying voting rights they represent, with one vote for each share.</p> <p>Where any shareholder under the Hong Kong Listing Rules is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution, any votes cast by such shareholders or their proxies in contravention of such requirement or restriction shall not be counted.</p> <p>Shares of the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders present at a general meeting.</p> <p>The Board, independent Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders' voting rights. The solicitation of voting rights shall be conducted on a nil consideration basis with full disclosure of information to the shareholders whose voting rights are being solicited, and no minimum shareholding limitation shall be imposed for soliciting voting rights.</p>	<p>Article 110 Shareholders (including proxies) shall exercise their voting rights at a general meeting according to the number of shares carrying voting rights they represent, with one vote for each share.</p> <p>Where any shareholder under the Hong Kong Listing Rules is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution, any votes cast by such shareholders or their proxies in contravention of such requirement or restriction shall not be counted.</p> <p>Shares of the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders present at a general meeting</p> <p>The Board, independent Directors, <u>shareholders with more than 1% of the voting shares of the Company or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authorities of the State Council may act as the soliciting party, either on their own or by commissioning securities companies and securities service agencies, to publicly request shareholders of listed companies to appoint them to attend general meetings on their behalf, and exercise shareholders' rights such as proposal rights and voting rights on their behalf.</u></p> <p><u>If the shareholders' rights are solicited in accordance with the provisions of the preceding paragraph, the soliciting party shall disclose the solicitation documents.</u> The solicitation of voting rights shall be conducted on a nil consideration basis and no minimum shareholding limitation shall be imposed for soliciting voting rights.</p>

Before amendment	After amendment
<p>Article 113 The list of candidates of Directors and Supervisors shall be submitted to the general meeting for voting in the form of proposal.</p> <p>As to voting for the election of Directors and Supervisors at the general meeting, cumulative voting system <u>can be adopted in accordance with the provisions in the Articles of Association or resolutions to be passed at the general meeting.</u></p> <p>The cumulative voting system as mentioned in the preceding paragraph means that in the election of Directors or Supervisors at the general meeting, each share carries a voting right equivalent to the number of Directors or Supervisors to be elected. A shareholder may concentrate the voting rights on one candidate or separate the voting rights on a number of candidates. The Board shall announce to the shareholders the biographies and basic information of each candidate of Directors or Supervisors.</p> <p>The nomination and election of Directors or Supervisors shall adopt the cumulative voting system, the procedures of which shall be as follows: each share carries a voting right equivalent to the number of Directors or Supervisors to be elected. A shareholder may concentrate the votes to nominate one candidate or separate the votes to nominate a number of candidates. The candidates of Directors or Supervisors shall be determined according to the number of votes and the requirements for Directors or Supervisors in the Articles of Association.</p> <p>In the election, each share of the shareholder carries a voting right equivalent to the number of Directors or Supervisors to be elected. A shareholder has the right to divide the votes equally for each candidate of Directors or Supervisors or concentrate the votes on one or some candidate(s) or <u>elect other person(s).</u> The Directors or Supervisors shall be determined according to the number of votes and the requirements for Directors or Supervisors in the Articles of Association.</p>	<p>Article 112 The list of candidates of Directors and Supervisors shall be submitted to the general meeting for voting in the form of proposal.</p> <p>As to voting for the election of Directors and Supervisors at the general meeting, cumulative voting system <u>shall be adopted if a single shareholder and parties acting in concert with him/her hold equity interests exceeding 30% or above of the total share capital of the Company, and the general meeting proposes to elect more than two (2) Directors and Supervisors.</u></p> <p>The cumulative voting system as mentioned in the preceding paragraph means that in the election of Directors or Supervisors at the general meeting, each share carries a voting right equivalent to the number of Directors or Supervisors to be elected. A shareholder may concentrate the voting rights on one candidate or separate the voting rights on a number of candidates. The Board shall announce to the shareholders the biographies and basic information of each candidate of Directors or Supervisors.</p> <p>The election of Directors or Supervisors shall adopt the cumulative voting system, the procedures of which shall be as follows:</p>

Before amendment	After amendment
	<p>(1) <u>Independent Directors, non-independent Directors and Supervisors shall be elected separately.</u></p> <p>(2) Each share of the shareholder carries <u>a voting right</u> equivalent to the number of Directors or Supervisors to be elected. A shareholder has the right to divide the votes equally for each candidate of Directors or Supervisors or concentrate the votes on one or some candidate(s), <u>provided that the total number of votes exercised by a shareholder shall not exceed the total number of votes entitled to it for such type of candidate.</u></p> <p>(3) <u>The notice of a general meeting shall notify the shareholders that a cumulative voting system will be adopted for the election of Directors or Supervisors. The convenors of the general meeting shall prepare ballots suitable for cumulative voting, and shall give explanations in writing regarding the cumulative voting system, the completion of the ballots and the methods of counting the votes.</u></p> <p>(4) <u>The candidates of Directors or Supervisors shall be determined whether to be elected</u> according to the number of votes and the requirements for Directors or Supervisors in the Articles of Association.</p>

APPENDIX II**DETAILS OF THE PROPOSED AMENDMENTS
TO THE ARTICLES OF ASSOCIATION**

Before amendment	After amendment
<p>Article 136 <u>Written notice of a class meeting convened by the Company shall be dispatched forty-five (45) days prior to the date of the class meeting</u> to all shareholders of such class whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting. <u>Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting.</u></p> <p>If the number of shares carrying voting rights at such meeting held by shareholders who intend to attend such meeting reaches one-half or more of the total number of shares carrying voting rights at such meeting, the Company may hold such class meeting; otherwise, the Company shall further notify the shareholders by way of announcement within five (5) days thereof specifying the matters to be considered and the date and place of the meeting. After such announcement is given, the Company may then hold the class meeting.</p>	<p>Article 135 <u>The period of issuing a written notice of a class meeting convened by the Company shall be the same as the period of issuing a written notice of a non-class meeting to be convened together with such class meeting. The written notice shall be dispatched</u> to all shareholders of such class whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting.</p> <p><u>The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third (1/3) of the issued shares of that class.</u></p>

* *The Articles of Association and its proposed amendments were written in Chinese, without formal English version. As such, any English translation shall be for reference only. In case of any discrepancies, the Chinese version shall prevail.*

APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR GENERAL MEETINGS

Details of the proposed amendments to the Rules of Procedure for General Meetings* are set out as follows:

Before amendment	After amendment
<p>Article 23 For convening the general meeting, the Company <u>shall give a forty-five (45) days' prior written notice to notify shareholders</u> whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting.</p>	<p>Article 23 For convening the <u>annual</u> general meeting, the Company <u>shall give a twenty (20) days' prior written notice and for convening the extraordinary general meeting, the Company shall give a fifteen (15) days' prior written notice to notify shareholders</u> whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting.</p> <p><u>Where laws, regulations, and the listing rules of the place where the Company's shares are listed otherwise stringently require in respect of the foregoing matters, such regulations shall prevail.</u></p>
<p>Article 24 Unless otherwise required by relevant laws, regulations, the Listing Rules of Listing Places for shares of the Company and the Articles of Association, a notice of general meeting shall be published on the Company's website or dispatched to shareholders (regardless of whether they have voting rights at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic shares, a notice of general meeting may also be made by way of announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published <u>within a period of forty-five (45) to fifty (50) days prior to the date of the general meeting</u> in one or more newspapers and journals designated by securities regulatory authorities under the State Council and the regulatory authorities of the place where the Company's shares are listed, as well as the websites of the Company and the stock exchange. Once an announcement is made, all holders of the domestic shares are deemed to have received the relevant notice of the general meeting.</p>	<p>Article 24 Unless otherwise required by relevant laws, regulations, the Listing Rules of Listing Places for shares of the Company and the Articles of Association, a notice of general meeting shall be published on the Company's website or dispatched to shareholders (regardless of whether they have voting rights at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic shares, a notice of general meeting may also be made by way of announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published <u>in accordance with the laws, regulations, and listing rules of the place(s) where the Company's shares are listed</u> in one or more newspapers and journals designated by securities regulatory authorities under the State Council and the regulatory authorities of the place where the Company's shares are listed, as well as the websites of the Company and the stock exchange. Once an announcement is made, all holders of the domestic shares are deemed to have received the relevant notice of the general meeting.</p>

APPENDIX III	DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR GENERAL MEETINGS
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Before amendment	After amendment
<p>Article 25 Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty (20) days prior to the date of the meeting.</p> <p>The Company shall, based on the written replies received twenty (20) days before the date of the general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches not less than one half of the Company's total shares carrying voting rights, the Company may hold the meeting. If not, the Company shall within five (5) days notify the shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after the publication of such notice. Extraordinary general meetings shall not resolve matters not stated in the notice.</p>	Deleted

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
<p>Article 26 A notice of general meeting shall meet the following requirements:</p> <p>(1) it shall be in written form;</p> <p>(2) it shall specify the place, date and time of the meeting;</p> <p>(3) it shall state the matters to be discussed at the meeting;</p> <p>(4) it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions on the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization, the specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and results of the same must be properly explained;</p> <p>(5) if any Directors, Supervisors, Presidents and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Directors, Supervisors, Presidents and other senior management members in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;</p> <p>(6) it shall set out the full text of the special resolutions proposed for approval at the meeting;</p> <p>(7) it shall contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxy or proxies need not be shareholder(s);</p>	<p>Article 25 A notice of general meeting shall meet the following requirements:</p> <p>(1) it shall be in written form;</p> <p>(2) it shall specify the place, date and time of the meeting;</p> <p>(3) it shall state the matters to be discussed at the meeting;</p> <p>(4) it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions on the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization, the specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and results of the same must be properly explained;</p> <p>(5) if any Directors, Supervisors, Presidents and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Directors, Supervisors, Presidents and other senior management members in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;</p> <p>(6) it shall set out the full text of the special resolutions proposed for approval at the meeting;</p> <p>(7) it shall contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxy or proxies need not be shareholder(s);</p>

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
<p>(8) it shall state the date and place for serving the letter of proxy for the meeting;</p> <p>(9) it shall state the record date of the shareholders who are entitled to attend the general meeting;</p> <p>(10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting.</p> <p>The time gap between the record date and the date of the meeting shall be not more than seven (7) working days. Once the record date is settled, it cannot be changed.</p> <p><u>Within thirty (30) days prior to the convening of a general meeting or within five (5) days prior to the record date set by the Company for the purpose of distribution of dividends, transfers shall not be entered in the register of shareholders. If it is otherwise required by the securities regulatory authority of the place where the Company's stock is listed, such requirements and regulations shall prevail.</u></p>	<p>(8) it shall state the date and place for serving the letter of proxy for the meeting;</p> <p>(9) it shall state the record date of the shareholders who are entitled to attend the general meeting;</p> <p>(10) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting.</p> <p>The time gap between the record date and the date of the meeting shall be not more than seven (7) working days. Once the record date is settled, it cannot be changed.</p> <p><u>Where laws, regulations, departmental rules, regulatory documents and the securities regulatory authority of the place where the Company's shares are listed contain regulations which stipulate the period of closure of the register of shareholders prior to a general meeting or the record date set by the Company for the purpose of distribution of dividends, such regulations shall prevail.</u></p>

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
<p>Article 60 The Board, independent Directors and <u>shareholders who meet the relevant requirements</u> are entitled to solicit shareholders' voting rights. The solicitation of voting rights shall be conducted on a nil consideration basis <u>with full disclosure of information to the shareholders whose voting rights are being solicited</u>, and no minimum shareholding limitation shall be imposed for soliciting voting rights.</p>	<p>Article 59 The Board, independent Directors and <u>shareholders with more than 1% of the voting shares of the Company or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authorities of the State Council may act as the soliciting party, either on their own or by commissioning securities companies and securities service agencies, to publicly request shareholders of listed companies to appoint them to attend general meetings on their behalf, and exercise shareholders' rights such as proposal rights and voting rights on their behalf.</u></p> <p><u>If the shareholders' rights are solicited in accordance with the provisions of the preceding paragraph, the soliciting party shall disclose the solicitation documents.</u> The solicitation of voting rights shall be conducted on a nil consideration basis, and no minimum shareholding limitation shall be imposed for soliciting voting rights.</p>

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
<p>Article 61 When voting on the appointment of Directors and Supervisors who are not employee representatives, cumulative voting system can be applied in accordance with the Articles of Association or resolutions of the general meeting.</p> <p>The cumulative voting referred to in the preceding paragraph is as follows:</p> <p>(1) In a cumulative voting, each share of a shareholder shall have votes as same as the number of Directors/Supervisors to be appointed;</p> <p>(2) The shareholders shall be notified of the cumulative voting on the appointment of Director/Supervisor in the notice of the general meeting. The convener shall prepare voting tickets suitable for cumulative voting and provide written illustrations and explanations about the cumulative voting mode, ticket filling, and votes counting;</p> <p>(3) Where voting on the selection of Director/Supervisor candidates is conducted at a general meeting, shareholders may spread to each candidate their votes equivalent to the number of shares held by them, or cast all their votes represented by each share carrying votes equivalent to the number of Director/Supervisor candidates to one Director/Supervisor candidate or spread them on several candidates respectively;</p> <p>(4) Shareholders who cast all their votes represented by each share carrying the votes equivalent to the number of the Director/Supervisor candidates on one Director/Supervisor candidate or spread all their votes on several Director/Supervisor candidates, shall not have voting rights on other Director/Supervisor candidates;</p>	<p>Article 60 When voting on the appointment of Directors and Supervisors who are not employee representatives, cumulative voting system <u>shall be adopted if a single shareholder and parties acting in concert with him/her hold equity interests exceeding 30% or above of the total share capital of the Company, and the general meeting proposes to elect more than two (2) Directors and Supervisors.</u></p> <p>The cumulative voting referred to in the preceding paragraph is as follows:</p> <p>(1) <u>Independent Directors, non-independent Directors and Supervisors shall be elected separately.</u></p> <p style="padding-left: 40px;">(a) <u>In the election of independent Directors, each shareholder present at the meeting is entitled to such number of votes equivalent to the number of shares held by it multiplied by the number of independent Directors to be elected at the general meeting, and such votes can only be used for the candidates of independent Directors of the Company.</u></p> <p style="padding-left: 40px;">(b) <u>In the election of non-independent Directors, each shareholder present at the meeting is entitled to such number of votes equivalent to the number of shares held by it multiplied by the number of non-independent Directors to be elected at the general meeting, and such votes can only be used for the candidates of non-independent Directors of the Company.</u></p>

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
<p>(5) Where the total number of voting rights the shareholder exercised for a Director/ Supervisor candidate or several candidates collectively is greater than the voting rights represented by all shares held by a shareholder, such shareholder's voting shall be deemed as invalid, and the shareholder shall be regarded as abstaining from voting. Where the total number of voting rights the shareholder exercised for a Director/ Supervisor candidate or several candidates collectively is less than the voting rights represented by all shares held by a shareholder, such shareholder's voting shall be valid, and such shareholder shall be deemed to abstain from voting as for the voting rights not exercised;</p>	<p>(c) <u>In the election of Supervisors, each shareholder present at the meeting is entitled to such number of votes equivalent to the number of shares held by it multiplied by the number of Supervisors to be elected at the general meeting, and such votes can only be used for the candidates of Supervisors of the Company.</u></p> <p>(2) In a cumulative voting, each share of a shareholder shall have votes as same as the number of Directors/ Supervisors to be appointed; <u>a shareholder has the right to divide the votes equally for each candidate of Directors or Supervisors or concentrate the votes on one or some candidate(s), provided that the total number of votes exercised by a shareholder shall not exceed the total number of votes entitled to it for such type of candidate;</u></p> <p>(3) The shareholders shall be notified of the cumulative voting on the appointment of Director/Supervisor in the notice of the general meeting. The convener shall prepare voting tickets suitable for cumulative voting and provide written illustrations and explanations about the cumulative voting mode, ticket filling, and votes counting;</p>

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
<p>(6) Where votes in favour of a Director/ Supervisor candidate exceeds a half of the number of shares carrying voting rights held by shareholders attending the general meeting, such Director/ Supervisor shall be an elected Director/Supervisor candidate. If the number of elected Director/ Supervisor candidates is greater than the number of Directors/Supervisors to be appointed, those who win more votes in favour of them shall be appointed as Directors/Supervisors (in case of an equality in the votes among those elected candidates who win the least votes and the appointment of them will be beyond the number of the Directors/Supervisors to be appointed, such elected candidates shall be deemed to be not elected). Where the number of elected Director/ Supervisor candidates is less than the number of Directors/Supervisors to be appointed, a new round of voting on the selection of Directors/ Supervisors shall be conducted among the rest Director/Supervisor candidates till all Directors/ Supervisors are elected and appointed;</p> <p>(7) Where a new round of voting on the selection of Directors/Supervisors is conducted at the general meeting in accordance with Clause (6), the number of cumulative votes of shareholder shall be recounted according to the number of Directors/Supervisors to be appointed in such new round.</p>	<p>(4) Where voting on the selection of Director/ Supervisor candidates is conducted at a general meeting, shareholders may spread to each candidate their votes equivalent to the number of shares held by them, or cast all their votes represented by each share carrying votes equivalent to the number of Director/Supervisor candidates to one Director/Supervisor candidate or spread them on several candidates respectively;</p> <p>(5) Shareholders who cast all their votes represented by each share carrying the votes equivalent to the number of the Director/Supervisor candidates on one Director/Supervisor candidate or spread all their votes on several Director/ Supervisor candidates, shall not have voting rights on other Director/Supervisor candidates;</p> <p>(6) Where the total number of voting rights the shareholder exercised for a Director/ Supervisor candidate or several candidates collectively is greater than the voting rights represented by all shares held by a shareholder, such shareholder's voting shall be deemed as invalid, and the shareholder shall be regarded as abstaining from voting. Where the total number of voting rights the shareholder exercised for a Director/ Supervisor candidate or several candidates collectively is less than the voting rights represented by all shares held by a shareholder, such shareholder's voting shall be valid, and such shareholder shall be deemed to abstain from voting as for the voting rights not exercised;</p>

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
	<p>(7) Where votes in favour of a Director/ Supervisor candidate exceeds a half of the number of shares carrying voting rights held by shareholders attending the general meeting (based on the number of non-cumulative shares), and also exceeds the number of negative votes, such Director/Supervisor shall be an elected Director/ Supervisor candidate. If the number of elected Director/Supervisor candidates is greater than the number of Directors/Supervisors to be appointed, those who win more votes in favour of them shall be appointed as Directors/ Supervisors (in case of an equality in the votes among those elected candidates who win the least votes and the appointment of them will be beyond the number of the Directors/Supervisors to be appointed, such elected candidates shall be deemed to be not elected). Where the number of elected Director/ Supervisor candidates is less than the number of Directors/ Supervisors to be appointed, a new round of voting on the selection of Directors/ Supervisors shall be conducted among the rest Director/Supervisor candidates till all Directors/ Supervisors are elected and appointed;</p> <p>(8) Where a new round of voting on the selection of Directors/Supervisors is conducted at the general meeting in accordance with Clause (6), the number of cumulative votes of shareholder shall be recounted according to the number of Directors/Supervisors to be appointed in such new round.</p>

**APPENDIX III DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES
OF PROCEDURE FOR GENERAL MEETINGS**

Before amendment	After amendment
<p>Article 87 <u>Written notices</u> of a class meeting convened by the Company <u>shall be dispatched forty-five (45) days prior to the date of the class meeting</u> to all shareholders of such class whose names appear on the register of shareholders, specifying the matters to be considered and the date and venue of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty (20) days prior to the date of the meeting.</p> <p><u>If the number of shares carrying voting rights at such meeting held by shareholders who intend to attend such meeting reaches not less than one-half of the total number of shares of a class carrying voting rights at such meeting, the Company may convene such class meeting; if not, the Company shall further notify the shareholders by way of announcement within five (5) days thereof specifying the matters to be considered and the date and venue of the meeting. After such announcement is given, the Company may then convene the class meeting.</u></p>	<p>Article 86 <u>The period of issuing a written notice of</u> a class meeting convened by the Company <u>shall be the same as the period of issuing a written notice of a non-class meeting to be convened together with such class meeting. The written notice shall be dispatched</u> to all shareholders of such class whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting.</p> <p><u>The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third (1/3) of the issued shares of that class.</u></p>

* *The Rules of Procedure for General Meetings and its proposed amendments were written in Chinese, without formal English version. As such, any English translation shall be for reference only. In case of any discrepancies, the Chinese version shall prevail.*

APPENDIX IV DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD

Details of the proposed amendments to the Rules of Procedure for the Board* are set out below:

Before amendment	After amendment
<p>Article 5 The Board is responsible to the general meeting and exercises the following functions and powers:</p> <ol style="list-style-type: none"> (1) to be responsible for convening the general meeting and report its work to the general meeting; (2) to implement the resolutions of general meetings; (3) to decide on the Company's business plans, investment plans and the annual fundraising plan; (4) to formulate the Company's plans on annual financial budgets and final accounts; (5) to formulate the Company's profit distribution plans and plans on making up losses; (6) to formulate the proposal of increase or decrease in the registered capital of the Company, and issue and listing of bonds or other securities of the Company; (7) to formulate plans for substantial acquisition, acquisition of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company; (8) to decide on the Company's investment, asset acquisition or disposal, assets pledge, external guarantees, entrusted wealth management, entrusted loans and connected transactions within the scope authorized by the shareholders' general meeting; 	<p>Article 5 The Board is responsible to the general meeting and exercises the following functions and powers:</p> <ol style="list-style-type: none"> (1) to be responsible for convening the general meeting and report its work to the general meeting; (2) to implement the resolutions of general meetings; (3) to decide on the Company's <u>annual</u> business plans, <u>annual</u> investment plans and the annual fundraising plan; (4) to formulate the Company's plans on annual financial budgets and final accounts; (5) to formulate the Company's profit distribution plans and plans on making up losses; (6) to formulate the proposal of increase or decrease in the registered capital of the Company, and issue and listing of bonds or other securities of the Company; (7) to formulate plans for substantial acquisition, acquisition of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company; (8) to decide on the Company's investment, asset acquisition or disposal, assets pledge, external guarantees, entrusted wealth management, entrusted loans and connected transactions within the scope authorized by the shareholders' general meeting;

**APPENDIX IV DETAILS OF THE PROPOSED AMENDMENTS
TO THE RULES OF PROCEDURE FOR THE BOARD**

Before amendment	After amendment
(9) to appoint or dismiss President and the Secretary to the Board and, based on the nomination by the President, to appoint or dismiss senior management members including Vice Presidents, Chief Financial Officer of the Company and to determine their remunerations, incentives and punishments;	(9) to appoint or dismiss President and the Secretary to the Board and, based on the nomination by the President, to appoint or dismiss senior management members including Vice Presidents, Chief Financial Officer of the Company and to determine their remunerations, incentives and punishments;
(10) to formulate the basic management system of the Company;	(10) to formulate the basic management system of the Company;
(11) to formulate proposals for amending the Articles of Association;	(11) to formulate proposals for amending the Articles of Association;
(12) to decide on the establishment of internal management organizations of the Company; to decide on the establishment or the cancellation of branches of the Company;	(12) to decide on the establishment of internal management organizations of the Company; to decide on the establishment or the cancellation of branches of the Company;
(13) to decide on the establishment, merger, division, reorganization or dissolution of the directly held subsidiaries of the Company;	(13) to decide on the establishment, merger, division, reorganization or dissolution of the directly held subsidiaries of the Company;
(14) to decide on the establishment of special committees under the Board;	(14) to decide on the establishment of special committees under the Board;
(15) to manage information disclosure of the Company;	(15) to manage information disclosure of the Company;
(16) to propose to the general meeting to appoint or replace accounting firm in charge of the audit of the Company;	(16) to propose to the general meeting to appoint or replace accounting firm in charge of the audit of the Company;
(17) to listen to the work report by and inspect the work of the Presidents;	(17) to listen to the work report by and inspect the work of the Presidents;
(18) to formulate the share option schemes of the Company;	(18) to formulate the share option schemes of the Company;
(19) other functions and powers provided by laws, regulations, department rules and the Articles of Association.	(19) other functions and powers provided by laws, regulations, department rules and the Articles of Association.

**APPENDIX IV DETAILS OF THE PROPOSED AMENDMENTS
TO THE RULES OF PROCEDURE FOR THE BOARD**

Before amendment	After amendment
<p>Except that Board resolutions in respect of the matters specified in clauses (6), (7) and (11) of the preceding paragraph shall be passed by not less than two-thirds of the Directors, Board resolutions in respect of the other matters may be passed by one half or more of the Directors.</p> <p>The Board shall seek advice from the Party organization before deciding on significant issues of the Company including, among others, the reform and development direction, primary objectives and targets and key work arrangements. For the appointment of management of the Company by the Board, the Party organization shall consider and provide advice and suggestion on the candidates proposed by the Board or the president, or recommend candidates to the Board or the president.</p>	<p>Except that Board resolutions in respect of the matters specified in clauses (6), (7) and (11) of the preceding paragraph shall be passed by not less than two-thirds of the Directors, Board resolutions in respect of the other matters may be passed by one half or more of the Directors.</p> <p>The Board shall seek advice from the Party organization before deciding on significant issues of the Company including, among others, the reform and development direction, primary objectives and targets and key work arrangements. For the appointment of management of the Company by the Board, the Party organization shall consider and provide advice and suggestion on the candidates proposed by the Board or the president, or recommend candidates to the Board or the president.</p>

* *The Rules of Procedure for the Board and its proposed amendments were written in Chinese, without formal English version. As such, any English translation shall be for reference only. In case of any discrepancies, the Chinese version shall prevail.*