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If you have sold or transferred all your shares in Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司), you should at once hand this supplemental circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Hebei Yichen Industrial Group Corporation Limited* 河北翼辰實業集團股份有限公司

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

(Stock Code: 1596)

SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS DATED 31 AUGUST 2020 IN RELATION TO PROPOSED A SHARE OFFERING AND LISTING AND RELATED MATTERS, REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING, NOTICE OF H SHAREHOLDERS CLASS MEETING AND NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

This supplemental circular should be read in conjunction with the circular of the Company dated 31 August 2020 in relation to, among other things, the EGM to be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 30 October 2020 (originally schedule to be held at 10:30 a.m. on Thursday, 15 October 2020) and the announcements of the Company dated 23 September 2020 and 12 October 2020 in relation to, among others, the postponement of the EGM and the convening of the Class Meetings.

The notice convening the EGM was set out in the First Circular. A revised notice of the EGM dated 15 October 2020, and the notices convening the Class Meetings are set out on pages 248 to 261 of this supplemental circular. Resolutions in connection with the proposed A share offering and listing of the Company and the related matters will be proposed at the EGM (in addition to those set forth in the Original Notice of EGM) and the Class Meetings. The details of the resolutions are set out in this supplemental circular. The updated form of proxy for the EGM (the "Updated Form of Proxy") and the relevant form of proxy for the relevant Class Meeting which contain all of the resolutions to be proposed at the EGM and the Class Meetings respectively are enclosed herewith, and such proxy forms are also published on both the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). The Updated Form of Proxy shall supersede the form of proxy for the EGM enclosed with the First Circular. If you intend to appoint a proxy to attend the EGM and/or the relevant Class Meeting, you are requested to complete, sign and return the enclosed form(s) of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM and/or the relevant Class Meeting (i.e. not later than 10:30 a.m. on Thursday, 29 October 2020 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion, signing and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM and/or the relevant Class Meeting or any adjournment thereof (as the case may be).

References to time and dates in this supplemental circular are to Hong Kong time and dates.

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DEFINITIONS

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

“2020 Interim Dividend”	the interim dividend of RMB0.017 per Share (tax inclusive) for the six months ended 30 June 2020
“A Share(s)”	the ordinary shares with a par value of RMB0.5 each in the share capital of the Company proposed to be allotted and issued by the Company and issued on ChiNext and traded in Renminbi
“A Share Offering” or “A Share Offering and Listing”	the initial public offering by the Company of not more than 158,442,000 A Shares which are to be listed on ChiNext
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Board of Directors”	the board of Directors
“Chairman”	the chairman of the Board of Directors
“ChiNext”	the ChiNext (創業板) of the Shenzhen Stock Exchange
“Class Meetings”	collectively, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting
“Company”	Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司), a joint stock limited liability company incorporated in the PRC whose issued H Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules, and in the context of this supplemental circular, refer to the controlling shareholders of the Company, being Mr. Zhang Haijun (張海軍), Ms. Zhang Junxia (張軍霞), Mr. Zhang Xiaogeng (張小更), Mr. Zhang Xiaosuo (張小鎖), Mr. Zhang Ligang (張立剛), Mr. Wu Jinyu (吳金玉), Mr. Zhang Chao (張超), Mr. Zhang Lijie (張力杰), Mr. Zhang Lifeng (張力峰), Ms. Zhang Yanfeng (張艷峰), Mr. Zhang Libin (張力斌), Mr. Zhang Lihuan (張力歡), Mr. Zhang Ning (張寧), Ms. Zhang Hong (張宏) and Mr. Zhang Ruiqiu (張瑞秋), who, as Domestic Shareholders, have been acting in concert in terms of their exercise of voting rights at general meetings of the Company and entered into a concert party agreement to confirm their acting-in-concert agreement on 12 January 2018, and in aggregate controlled 587,552,774 Domestic Shares, representing approximately 65.44% of the total issued share capital of the Company as at the Latest Practicable Date
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the domestic invested ordinary share(s) in the capital of the Company, with a nominal value of RMB0.5 each, which are subscribed for and paid up in RMB and currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	the holder(s) of the Domestic Share(s)
“Domestic Shareholders Class Meeting”	the class meeting of the Domestic Shareholders to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 30 October 2020 or immediately following the conclusion of the H Shareholders Class Meeting (whichever is the later), the notice of which is set out on pages 258 to 261 of this supplemental circular, for the Domestic Shareholders to consider and, if thought fit, approve the proposed A Share Offering and Listing and the related matters, and any adjournment thereof

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“EGM”	the extraordinary general meeting of the Company to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 30 October 2020 (originally schedule to be held at 10:30 a.m. on Thursday, 15 October 2020), for the Shareholders to consider and, if thought fit, approve the proposed profit distribution plan and interim dividend distribution plan of the Company for the six months ended 30 June 2020 and the grant of the authorisation to the Board of Directors to distribute the 2020 Interim Dividend to the Shareholders, and the proposed A Share Offering and Listing and the related matters
“First Circular”	the circular of the Company dated 31 August 2020
“First Form of Proxy”	the form of proxy for the EGM enclosed with the First Circular
“Global Offering of H Shares”	collectively, the Hong Kong Public Offering and the International Offering, both as defined in the H Share Prospectus
“Group”	collectively, the Company and its subsidiaries for the time being
“H Share Prospectus”	the prospectus of the Company dated 9 December 2016 in connection with the global offering of H Shares
“H Shareholder(s)”	the holder(s) of the H Share(s)
“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 30 October 2020 or immediately following the conclusion of the EGM (whichever is the later), the notice of which is set out on pages 254 to 257 of this supplemental circular, for the H Shareholders to consider and, if thought fit, approve the proposed A Share Offering and Listing and the related matters, and any adjournment thereof

DEFINITIONS

“H Shares”	the overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB0.5 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	person(s) or company(ies) which is(are) not connected person(s) or core connected person(s) (as defined in the Listing Rules) of the Company
“Latest Practicable Date”	13 October 2020, being the latest practicable date prior to the printing of this supplemental circular for the purpose of ascertaining the information contained in this supplemental circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Notice of EGM”	the notice of the EGM dated 31 August 2020 set out in the First Circular
“PRC”	the People’s Republic of China, which for the purpose of this supplemental circular, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Revised Notice of EGM”	the revised notice of the EGM dated 15 October 2020 set out on pages 248 to 253 of this supplemental circular which contains the resolution set forth in the Original Notice of EGM and the additional resolutions to be proposed at the EGM in connection with the proposed A Share Offering and Listing and the related matters, and shall supersede the Original Notice of EGM
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures of General Meetings”	the rules of procedures of the general meetings of the Company, as amended from time to time
“Rules of Procedures of the Board of Directors”	the rules of procedures of the Board of Directors, as amended from time to time

DEFINITIONS

“Rules of Procedures of the Supervisory Committee”	the rules of procedures of the Supervisory Committee, as amended from time to time
“Share(s)”	the ordinary shares of RMB0.5 each in the capital of the Company, comprising Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of the Shares, comprising Domestic Shareholders(s) and H Shareholder(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company comprising the Supervisors
“SZSE” or “Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“Updated Form of Proxy”	the updated form of proxy for the EGM enclosed with this supplemental circular which contains all of the resolutions to be proposed at the EGM, including the resolutions in connection with the 2020 Interim Dividend and the proposed A Share Offering and Listing and the related matters
“%”	per cent

LETTER FROM THE BOARD OF DIRECTORS



Hebei Yichen Industrial Group Corporation Limited* 河北翼辰實業集團股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1596)

Executive Directors:

Mr. Zhang Haijun (Chairman)
Mr. Wu Jinyu
Mr. Zhang Chao
Mr. Zhang Lihuan
Ms. Fan Xiulan

Registered office and headquarters:

No. 1 Yichen North Street
Gaocheng District
Shijiazhuang City
Hebei Province
PRC

Non-executive Director:

Ms. Gu Xiaohui

Principal place of business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Independent non-executive Directors:

Mr. Jip Ki Chi
Mr. Wang Qi
Mr. Zhang Ligu

15 October 2020

To the Shareholders

Dear Sir or Madam

**PROPOSED A SHARE OFFERING AND LISTING AND RELATED MATTERS,
REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING,
NOTICE OF H SHAREHOLDERS CLASS MEETING
AND
NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 23 September 2020 in relation to, among others, the proposed A Share Offering and Listing and the postponement of the EGM and the convening of the Class Meetings, the announcement of the Company dated 30 September 2020 in relation to adjustments to the proposed A Share Offering and Listing plan and the proposals in respect of the related matters, and the announcement of the Company dated 12 October 2020 in relation to further postponement of the EGM and change in date of the Class Meetings to be convened. On 23 September 2020 and 30 September 2020, the Board of Directors considered and approved the resolutions regarding the proposed A Share Offering and Listing and the related matters and certain adjustments thereto.

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According to Article 8.7 of the Articles of Association, when the Company convenes a shareholders' general meeting, the Board of Directors, Supervisory Committee and Shareholders individually or jointly holding 3% or more of Shares shall be entitled to propose motions in writing to the Company. The contents of the motions shall fall within the scope of duties of the Shareholders' general meeting, have definite topics and specific matters for resolution and comply with the relevant requirements of the laws, administrative regulations and the Articles of Association. Shareholders individually or jointly holding 3% or more of the shares of the Company shall be entitled to propose ad hoc motions and submit to the convener in writing 10 days prior to the convening of the Shareholders' general meeting. The convener shall issue a supplemental notice of shareholders' general meeting to other shareholders within two days after the receipt of such proposal and incorporate the motions into the agenda of such meeting. Other than stipulated above, the convener shall not amend any motion stated in the notice of Shareholders' general meeting or add any new motion after the issuance of the notice of Shareholders' general meeting.

Subsequent to the despatch of the First Circular and the Original Notice of EGM, on 13 October 2020, the Board of Directors received a written notice (the “**Notice**”) from Mr. Zhang Haijun (張海軍), a Domestic Shareholder who beneficially owned approximately 14.30% of the total issued share capital of the Company and, together with the other Controlling Shareholders, in aggregate controlled 65.44% of the total issued share capital of the Company as at that date, being the Latest Practicable Date. According to the Notice, Mr. Zhang Haijun (張海軍) proposed that additional resolutions in connection with the proposed A Share Offering and Listing and the related matters as approved by the Board of Directors should be considered by the Shareholders at the EGM. Pursuant to the laws of the PRC and the Articles of Association, such resolutions are subject to approval by the Shareholders at a general meeting by way of special or ordinary resolutions and approval by the H Shareholders and the Domestic Shareholders respectively at class meetings by way of special resolutions. To facilitate the implementation of the proposed A Share Offering and Listing plan and taking into account the requirements under Article 8.7 of the Articles of Association and the relevant laws and regulations, the Board of Directors has resolved to postpone the EGM (as additional time is required to prepare the supplemental circular containing the details of such resolutions) to 10:30 a.m. on Friday, 30 October 2020 and convene the Class Meetings on the same date, and put forward such resolutions for consideration and approval by the Shareholders at the EGM and the Class Meetings.

This supplemental circular should be read in conjunction with the First Circular which sets out the Original Notice of EGM and provides information regarding certain resolutions to be proposed at the EGM. The purpose of this supplemental circular is to set out the Revised Notice of EGM (which shall supersede the Original Notice of EGM), a notice convening the H Shareholders Class Meeting and a notice convening the Domestic Shareholders Class Meeting, and to provide you with further details regarding the resolutions to be proposed at the EGM (in addition to those set forth in the Original Notice of EGM) and the Class Meetings in connection with the proposed A Share Offering and Listing and the related matters.

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II. MATTERS TO BE RESOLVED AT THE EGM, THE H SHAREHOLDERS CLASS MEETING AND THE DOMESTIC SHAREHOLDERS CLASS MEETING

The resolutions (in addition to those set forth in the Original Notice of EGM) to be proposed for the Shareholders' consideration and approval at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting include:

- (1) the resolution on the proposed A Share Offering and Listing;
- (2) the resolution on the grant of authorisation to the Board of Directors and its authorised person(s) to deal with specific matters related to the proposed A Share Offering and Listing at their full discretion;
- (3) the resolution on the investment projects to be financed with the proceeds from the proposed A Share Offering and the relevant feasibility analysis;
- (4) the resolution on the plan for distribution of profits accumulated prior to the proposed A Share Offering and Listing;
- (5) the resolution on Report on Use of Proceeds from Previous Fund Raising Activity;
- (6) the resolution on the Price Stabilisation Plan for the A Shares for the Three Years after Listing;
- (7) the resolution on the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing;
- (8) the resolution on the Company's Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023;
- (9) the resolution on Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures;
- (10) the resolution on relevant undertakings to be given and restrictive measures to be taken by the Company or the directors, supervisors and members of senior management of the Company in connection with the proposed A Share Offering and Listing;
- (11) the resolution on formulation of the Articles of Association of the Company (Draft) applicable after completion of the proposed listing of the A Shares;
- (12) the resolution on amendments to the Rules of Procedures of General Meetings;

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- (13) the resolution on formulation of the Rules of Procedures of General Meetings applicable after completion of the proposed listing of the A Shares;
- (14) the resolution on formulation of the Rules of Procedures of the Board of Directors applicable after completion of the proposed listing of the A Shares;
- (15) the resolution on formulation of the Rules of Procedures of the Supervisory Committee applicable after completion of the proposed listing of the A Shares;
- (16) the resolution on formulation of the Working Rules of the Independent Directors applicable after completion of the proposed listing of the A Shares;
- (17) the resolution on formulation of the External Guarantee Management Policies of the Company applicable after completion of the proposed listing of the A Shares;
- (18) the resolution on formulation of the Regulations on Management of Related Party Transactions (A Shares) of the Company applicable after completion of the proposed listing of the A Shares;
- (19) the resolution on confirmation of the related party transactions of the Group during the reporting periods; and
- (20) the resolution on the engagement of intermediaries in connection with the proposed A Share Offering and Listing.

The resolutions numbered (1) to (11) will be proposed at the EGM by way of special resolutions, and the resolutions numbered (12) to (20) will be proposed at the EGM by way of ordinary resolutions. The resolutions numbered (1) to (15) will be proposed at each of the Class Meetings by way of special resolutions.

If the resolution numbered (1) regarding the proposed A Share Offering and Listing is not passed by the Shareholders at the EGM and/or the Class Meetings, the proposed A Share Offering and Listing will not proceed, and the resolutions numbered (2) to (20) on matters relating to the proposed A Share Offering and Listing will not be put forward for consideration and approval by the Shareholders at the EGM and the Class Meetings. In addition, the proposed A Share Offering and Listing shall be subject to the approval of the CSRC and the Shenzhen Stock Exchange.

LETTER FROM THE BOARD OF DIRECTORS

III. PROPOSED A SHARE OFFERING AND LISTING AND RELATED MATTERS

1. Resolution on the Proposed A Share Offering and Listing

According to the proposed A Share Offering and Listing plan, the Company intends to apply for an initial public offering of A Shares and listing on the ChiNext of the Shenzhen Stock Exchange which shall comprise not more than 158,442,000 A Shares (before the exercise of the over-allotment option) with a par value of RMB0.5 each.

The proposed A Share Offering and Listing will be subject to, among other things, the approval of the Shareholders by way of special resolutions at the EGM and the Class Meetings, and the approval of the CSRC and other relevant regulatory authorities.

Details of the proposed A Share Offering and Listing are as follow:

(1) Class and par value of the Shares to be issued

The Shares to be issued are RMB ordinary Shares (A Shares) with a par value of RMB0.5 each.

(2) Offering size

The Company proposes to issue not more than 158,442,000 A Shares (before the exercise of the over-allotment option), which shall represent not more than 15% of the total enlarged share capital of the Company after completion of the A Share Offering. The actual number of Shares to be issued in the proposed A Share Offering shall be determined by the Board of Directors and its authorised person(s) with the authorisation of the Shareholders at the EGM and the Class Meetings based on the capital needs of the Company and actual situation of the securities market at the time of issue after consultation with the sponsor and/or lead underwriters, according to the requirements of relevant laws and regulations and shall be subject to approval of the securities regulatory authorities and the market conditions. The proposed A Share Offering shall involve issue of new Shares only, with no public sale of Shares held by any existing Shareholder.

Please refer to “IV. Other Information in Relation to the Proposed A Share Offering — 2. Effects of the Proposed A Share Offering on Shareholding Structure of the Company” below for details of the effects of the proposed A Share Offering and Listing on the shareholding structure of the Company. The Company considers that the A Share Offering will not constitute substantial changes to the existing shareholding structure of the Company, and will not cause any material adverse changes to the governance and operation of the Company.

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(3) Target subscribers

The target subscribers are qualified price consultation investors and natural persons, legal persons and other institutional investors who/which are holders of A shares securities accounts on the Shenzhen Stock Exchange and entitled to trade on the ChiNext (except for those prohibited by national laws, administrative regulations, other applicable normative documents and other regulatory requirements applicable to the Company), unless otherwise required by the CSRC or the Shenzhen Stock Exchange.

If any of the above target subscribers of the proposed A Share Offering is a connected person of the Company, the Company will comply with the applicable announcement, reporting and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, none of the connected person(s) of the Company has indicated to the Company that he/she/it intends to participate in the subscription for the A Shares in such a way as to trigger any obligation of the Company to comply with the relevant requirements under the Listing Rules.

(4) Methods of offering

The A Share Offering will be conducted through the following methods:

- (i) offline price consultation placement to investors;
- (ii) fixed-price issue to online subscribers based on market capitalisation; and
- (iii) other methods as approved by the CSRC and the Shenzhen Stock Exchange, which include primarily placing of Shares to strategic investors.

(5) Pricing methodology

The offer price of the proposed A Share Offering will be determined by the Company and the lead underwriters through initial price consultation based on the consultation results, or through other methods as may be approved by the CSRC and the Shenzhen Stock Exchange, after the Company has obtained the registration approval documents.

Based on the results of the initial consultation, the Board will fully consider, among other things, the following factors when determining the offer price: (i) the then operational and financial conditions of the Company; (ii) the valuation of comparable companies; (iii) the then general situation in the A share market; and (iv) the applicable laws and regulations, currently mainly including the Opinions on Further Promoting the Reform of the System for Initial Public Offering of Shares (《關於進一步推進新股發行體制改

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革的意見)), the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》), the Notice on Issues Concerning Pricing in Initial Public Offerings (《關於新股發行定價相關問題的通知》), the Measures for the Administration of Registration of Initial Public Offering of Shares on the ChiNext (Trial) (《創業板首次公開發行股票註冊管理辦法(試行)》), and the Rules for Implementation of Initial Public Offering of Securities and Underwriting on the ChiNext of the Shenzhen Stock Exchange (《深圳證券交易所創業板首次公開發行證券發行與承銷業務實施細則》). The Board considers that the above pricing methodology is in the interests of the Company and the Shareholders as a whole.

Pursuant to the Company Law of the PRC (中華人民共和國公司法), the offer price of the A Shares shall not be lower than the par value of the Shares of the Company, i.e. RMB0.5 per Share. There is no other legal or regulatory requirement stipulating the floor price in the proposed A Share Offering.

According to provision 4 of the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》), in an initial public offering of shares, the share offer price can be fixed through price consultations with offline investors, or through other lawful and practicable means such as direct determination of offer price based on negotiations between the issuer and the lead underwriter(s). Where the public offering involves not more than 20 million shares and no transfer of existing shares, the offer price can be fixed through the direct price determination method. The issuer and the lead underwriter(s) shall disclose the pricing methodology in respect of the share offer in the prospectus and the offer announcement. The issue price of shares issued by a listed company shall comply with the relevant requirements prescribed by the CSRC in respect of issues of shares by a listed company.

According to provision 3 of the Special Regulations on Initial Public Offering of Securities and Underwriting on the ChiNext (創業板首次公開發行證券發行與承銷特別規定)), in an initial public offering of shares, where the offer price is fixed through price consultations with offline investors, the offer price can be fixed after initial price consultations, or through bookbuilding after the offer price range has been determined through initial price consultations. Where the public offering involves not more than 20 million shares and no public sale of shares by any shareholder, the issuer and the lead underwriter(s) can fix the offer price through the direct price determination method. The price-to-earnings ratio corresponding to an offer price fixed through the direct price determination method shall not exceed the average price-to-earnings ratio of other listed issuers in the same industry in the secondary market. In the case of an issuer which has completed or is simultaneously conducting a share offer in a foreign market, the offer price fixed through the direct price determination method shall not exceed the share price of the issuer in the foreign market. Where the issuer has yet to record any profits, the offer price shall be fixed through price consultations with offline investors.

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According to provision 10 of the Rules for Implementation of Initial Public Offering of Securities and Underwriting on the ChiNext of the Shenzhen Stock Exchange (《深圳證券交易所創業板首次公開發行證券發行與承銷業務實施細則》), where the price consultation method is adopted to fix the offer price in an initial public offering of shares, after prices are quoted by the offline investors, the issuer and the lead underwriter(s) shall fix the offer price (or the offer price range) after eliminating the highest prices quoted; for this purpose, the prices eliminated shall correspond to not less than 10% of the shares that all offline investors intend to apply to subscribe for. If the lowest price among the highest quoted prices to be eliminated is the same as the final offer price (or the upper limit of the offer price range), the quotation of such a lowest price need not be eliminated. The target places in respect of quoted prices that have been eliminated shall not be entitled to participate in the offline application for share subscription.

(6) Method of underwriting

The proposed A Share Offering will be underwritten by the lead underwriters by means of standby underwriting.

(7) Use of proceeds

Please refer to the paragraphs headed “III. Proposed A Share Offering and Listing and Related Matters — 3. Resolution on the Investment Projects to Be Financed with the Proceeds from the Proposed A Share Offering and Listing and the Relevant Feasibility Analysis” in the Letter from the Board of Directors in this supplemental circular for details of the proposed use of the net proceeds from the proposed A Share Offering.

(8) Proposed place of listing

The A Shares to be issued under the proposed A Share Offering are to be listed on the ChiNext of the Shenzhen Stock Exchange.

(9) Time of offering and listing

The Company may determine the time of issue of the A Shares under the proposed A Share Offering within 12 months from the date on which the Company receives the decision from the CSRC on approving the registration of the shares to be publicly offered. Upon approval of the Shenzhen Stock Exchange, the Board of Directors may determine the specific date of listing of the A Shares after consultation with the lead underwriters.

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(10) Validity period of the resolution

This resolution shall be valid for 12 months from the date on which it is considered and approved at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting. If the proposed A Share Offering and Listing could not be completed within such a period of time and the Company intends to proceed with the proposed A Share Offering and Listing, the Company shall seek further approval from the Shareholders at a general meeting, a H Shareholders class meeting and a Domestic Shareholders class meeting, respectively, for an extension of the validity period of this resolution.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

2. Resolution on the Grant of Authorisation to the Board of Directors and Its Authorised Person(s) to Deal with Specific Matters Related to the Proposed A Share Offering and Listing at Their Full Discretion

In order to ensure the smooth execution of matters related to the proposed A Share Offering and Listing, a resolution on the grant of authorisation to the Board of Directors and its authorised person(s) to deal with specific matters related to the proposed A Share Offering and Listing at their full discretion will be proposed at the EGM and the Class Meetings. The scope of the authorisation is as follows:

- (1) to execute or amend documents in connection with the proposed A Share Offering and Listing, including but not limited to the letter of intent for offering, the prospectus, sponsor agreement, underwriting agreement, listing agreement, statement and undertaking and various announcements, and to approve the execution of necessary procedures in connection with the application for offering of A Shares as prescribed by the relevant governmental departments and the CSRC;
- (2) to make all necessary adjustments to the specific plan for the proposed Share Offering and Listing in accordance with the resolution on the proposed A Share Offering and Listing as considered approved by at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting and pursuant to the applicable requirements under the national laws, administrative regulations, departmental rules and regulatory documents and as prescribed by the securities regulatory authorities and the actual conditions, and to attend to the implementation of such a plan at full discretion, which shall cover matters including but not limited to the timing of offering, offering size, pricing methodology, offer price, target subscribers and other matters related to the proposed A Share Offering and Listing;

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- (3) to approve the execution of procedures including capital verification, alteration of registered capital and entrusting custody of securities after completion of the proposed A Share Offering and Listing;
- (4) to formulate the specific plan in relation to the use of proceeds from the proposed A Share Offering and to make necessary adjustments according to the requirements of the state and the regulatory authorities (including comments given during the vetting process of the application for the proposed A Share Offering and Listing) and the market conditions, and the actual progress and respective urgency of the investment projects to be financed with the proceeds from the proposed A Share Offering and Listing, within the framework laid down pursuant to the relevant resolutions passed at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting;
- (5) to apply or arrange for approval from, registration with and filing of documents with and to seek the requisite consents from the relevant governmental departments, regulatory authorities, Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司深圳分公司) in connection with the proposed A Share Offering and Listing;
- (6) based on
 - (i) changes in the relevant requirements under the laws, administrative regulations, departmental rules and regulatory documents and as prescribed by the securities regulatory authorities;
 - (ii) the requirements of and recommendations from the relevant governmental departments and regulatory authorities in the PRC or elsewhere; and
 - (iii) the actual conditions of the proposed A Share Offering and Listing as it is implemented,

to make all necessary alterations and amendments to the Articles of Association and other internal management policies of the Company formulated or amended in connection with the proposed A Share Offering and Listing in accordance with the relevant requirements under the laws, administrative regulations, departmental rules and regulatory documents and as prescribed by the securities regulatory authorities and as considered and approved by the Board of Directors and at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting, and to make necessary amendments to the provisions in the Articles of Association in relation to matters such as

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the registered capital and shareholding structure of the Company after completion of the proposed A Share Offering and Listing and attend to the relevant alteration, filing and registration procedures as prescribed by the company registration authority and other relevant governmental authorities;

- (7) to engage relevant intermediaries in connection with the proposed A Share Offering and Listing, determine their service fees and executive the relevant engagement agreements; and
- (8) to attend to other matters related to the proposed A Share Offering and Listing.

Such authorisation shall be valid for 12 months from the date on which it is considered and approved at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting. If the proposed A Share Offering and Listing could not be completed within such a period of time and the Company intends to proceed with the proposed A Share Offering and Listing, the Company shall seek further approval from the Shareholders at a general meeting, a H Shareholders class meeting and a Domestic Shareholders class meeting, respectively, for an extension of the validity period of such authorisation.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

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3. Resolution on the Investment Projects to be Financed with the Proceeds from the Proposed A Share Offering and the Relevant Feasibility Analysis

Based on the Company's needs from the operational and development perspectives, the net proceeds from the proposed A Share Offering (after deduction of the offering expenses incurred) will be invested in the following projects:

No.	Project name	Total investment (RMB million)	Net proceeds proposed to be allocated (RMB million)
1.	Production project for high-speed railway and heavy-haul railway fastening products	144.7	144.7
2.	Technical transformation project for the production lines of urban rail and ordinary railway fastening products	309.8	309.8
3.	Laboratory construction project for the research and development center	99.9	99.9
4.	Production expansion project for railway sleepers	140.0	140.0
Total		694.4	694.4

Before the full amount of the net proceeds is raised, the Company shall finance the above projects with its own funds based on the respective progress of each project. After the net proceeds have been received, the net proceeds will be used for payment of the remaining amounts of the investment costs and replacement of the initial investment. In the event that the net proceeds from the proposed A Share Offering and Listing (after deduction of the offering expenses incurred) are insufficient to meet the funding requirements in connection with the above investment projects, the shortfall will be met with bank borrowings or the Company's own funds. If the net proceeds exceed the investment costs required for the above investment projects, the balance will be applied to supplement the working capital of the Company in its principal business.

The Company will deposit the net proceeds into a special-purpose account designated by the Board of Directors for centralized management and enter into a tri-party custody agreement with the sponsor and the relevant commercial bank. The Company shall strictly follow its internal net proceeds management policies with a view to ensuring effective control over the security of the net proceeds and efficient use of the net proceeds.

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Please refer to Appendix I to this supplemental circular for feasibility analysis of the investment projects to be financed with the proceeds from the proposed A Share Offering.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

4. Resolution on the Plan for Distribution of Profits Accumulated Prior to the Proposed A Share Offering and Listing

Pursuant to the Measures for the Administration of Registration of Initial Public Offering of Shares on the ChiNext (Trial) (《創業板首次公開發行股票註冊管理辦法(試行)》), the Company shall ascertain the distribution plan for profits accumulated prior to the proposed A Share Offering and Listing before submission of application for the proposed A Share Offering and Listing. Taking into account the interests of the existing Shareholders and the new Shareholders and the funding arrangements based on the Company's development plan, it is proposed that all undistributed profits of the Company accumulated prior to the proposed A Share Offering and Listing will be shared among the new Shareholders and the existing Shareholders upon completion of each of the proposed A Share Offering and Listing in proportion to their then respective shareholdings.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

5. Resolution on Report on Use of Proceeds from Previous Fund Raising Activity

Pursuant to the requirements under the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》) and the Provisions on Report of Use of Proceeds from Previous Fund Raising Activity (《關於前次募集資金使用情況報告的規定》) issued by the CSRC and other relevant laws, regulations and regulatory documents, the Company has prepared the Report on Use of Proceeds from Previous Fund Raising Activity after verifying the use of proceeds from the Global Offering of H Shares. An accounting firm with the qualification to conduct securities business has been engaged to verify the Report on Use of Proceeds from Previous Fund Raising Activity and issued a verification report in respect thereof, which states that the accounting firm is of the view that the Report on Use of Proceeds from Previous Fund Raising has truthfully reflected the use of proceeds from the Global Offering of H Shares by the Company up to 30 June 2020.

Please refer to Appendix II to this supplemental circular for the full text of the Report on Use of Proceeds from Previous Fund Raising Activity.

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The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

6. Resolution on the Price Stabilisation Plan for the A Shares for the Three Years after Listing

Pursuant to the Opinions on Further Promoting the Reform of the System for Initial Public Offering of Shares (《關於進一步推進新股發行體制改革的意見》) issued by the CSRC and other relevant requirements, the Company and its controlling shareholders, Directors and senior management has jointly formulated the Price Stabilisation Plan for the A Shares for the Three Years after Listing.

Please refer to Appendix III to this supplemental circular for the full text of the Price Stabilisation Plan for the A Shares for the Three Years after Listing.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

7. Resolution on the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing

Pursuant to the Guidelines on the Supervision and Administration of Listed Companies No. 3 – Cash Dividend Distributions by Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by the CSRC and other relevant regulations and in accordance with the Articles of Association, the Company has formulated the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing. After consideration and approval by the Shareholders at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting, the plan shall come into effect on the date of listing on the ChiNext of the Shenzhen Stock Exchange of the A Shares to be offered in the proposed A Share Offering.

Please refer to Appendix IV to this supplemental circular for the full text of the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

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8. Resolution the Company's Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023

In order to ensure consistency between the Company's business development objectives and principal business and to provide full safeguards for the interests of the Shareholders, including among others, the minority Shareholders, the Board of Directors has, after thorough discussion, formulated the Company's Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023 in accordance with the national industry policy and the requirements under the relevant laws, regulations and regulatory documents.

Please refer to Appendix V to this supplemental circular for the full text of the Company's Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

9. Resolution on Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures

Pursuant to the Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring of the CSRC (《中國證券監督管理委員會關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》), the Company has conducted an analysis of the dilution of immediate return as a result of the proposed A Share Offering and Listing and prepared the Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures.

Please refer to Appendix VI to this supplemental circular for the full text of the Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

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10. Resolution on Relevant Undertakings to Be Given and Restrictive Measures to Be Taken by the Company or the Directors, Supervisors and Members of Senior Management of the Company in Connection with the A Share Offering and Listing

Pursuant to requirements under the Opinions on Further Promoting the Reform of the System for Initial Public Offering of Shares (《關於進一步推進新股發行體制改革的意見》) issued by the CSRC, the Company and the directors, supervisors and members of senior management of the Company propose to give and take a series of undertakings and restrictive measures in connection with the proposed A Share Offering and Listing, including but not limited to undertakings in relation to stabilisation of share price, share repurchase and buy-back, implementation of recovery measures in respect of dilution of immediate return, and restrictive measures on failure to perform relevant public undertakings.

Please refer to Appendix VII to this supplemental circular for the full text of the substantial undertakings to be given and restrictive measures to be taken by the Company or the directors, supervisors and members of senior management of the Company in connection with the proposed A Share Offering and Listing.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

11. Resolution on Formulation of the Articles of Association of the Company (Draft) Applicable after Completion of the Proposed Listing of the A Shares

In preparation for the proposed A Share Offering and Listing, in order to ensure the Company's compliance with the requirements applicable to a listed company in corporate governance and other areas, pursuant to the requirements under the Company Law of the PRC (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant laws, regulations and regulatory documents, based on the Articles of Association that are currently in effect, the Company has formulated the Articles of Association of the Company (Draft) applicable after completion of the proposed A Share Offering and Listing (the "Post-A Share Listing Articles of Association").

To facilitate the implementation of the proposed A Share Offering and Listing, general and unconditional authorisation will be sought from the Shareholders for the chairman of the Board of Directors to make all necessary alterations and amendments to the Post-A Share Listing Articles of Association (including but not limited to any alteration or amendment to the wording, chapters or provisions) in accordance with the relevant laws, regulations and regulatory documents and the requirements and guidance imposed or given by the relevant national governmental departments and regulatory authorities, provided that no prejudice should be caused to the interests of the Shareholders.

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Please refer to Appendix VIII to this supplemental circular for the comparison table setting forth the amendments to be made to the Articles of Association in connection with the formulation of the Post-A Share Listing Articles of Association.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting. Subject to approval by the Shareholders, the Post-A Share Listing Articles of Association will come into effect on the listing date of the A Shares to be offered in the proposed A Share Offering. Prior to completion of the proposed A Share Offering and Listing, the current version of the Articles of Association will remain valid and effective.

12. Resolution on Amendments to the Rules of Procedures of General Meetings

At the extraordinary general meeting, the H Shareholders class meeting and the domestic Shareholders class meeting of the Company held on 18 March 2020, certain amendments to the Articles of Association were considered and approved by the Shareholders. It is proposed that corresponding amendments should be made to the relevant parts of the Rules of Procedures of General Meetings.

Please refer to Appendix IX to this supplemental circular for the comparison table setting forth the amendments to be made to the Rules of Procedures of General Meetings.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at the EGM, and a special resolution at each of the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting.

13. Resolutions on Formulation of the Rules of Procedures of General Meetings, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Working Rules of the Independent Directors Applicable after Completion of the Proposed Listing of the A Shares

In preparation for the proposed A Share Offering and Listing, pursuant to the Company Law of the PRC (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), the corporate governance structure requirements imposed by the securities regulatory authorities in the PRC and elsewhere and the requirements under other relevant laws, regulations and regulatory documents, based on the Rules of Procedures of General Meetings, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Working Rules of the Independent Directors that are currently in effect, the Company has formulated the Rules of Procedures of General Meetings applicable after completion of the proposed A Share Offering and Listing (the “**Post-A Share Listing Rules of Procedures of General Meetings**”), Rules of Procedures of the Board of Directors applicable after completion of the proposed A

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Share Offering and Listing (the “**Post-A Share Listing Rules of Procedures of the Board of Directors**”), Rules of Procedures of the Supervisory Committee applicable after completion of the proposed A Share Offering and Listing (the “**Post-A Share Listing Rules of Procedures of the Supervisory Committee**”) and Working Rules of the Independent Directors applicable after completion of the proposed A Share Offering and Listing (the “**Post-A Share Listing Working Rules of the Independent Directors**”).

To facilitate the implementation of the proposed A Share Offering and Listing, general and unconditional authorisation will be sought from the Shareholders for the chairman of the Board of Directors or the Supervisory Committee (as the case may be) to make all necessary alterations and amendments to the Post-A Share Listing Rules of Procedures of General Meetings, Post-A Share Listing Rules of Procedures of the Board of Directors, Post-A Share Listing Rules of Procedures of the Supervisory Committee and Post-A Share Listing Working Rules of the Independent Directors (including but not limited to any alteration or amendment to the wording, chapters or provisions) in accordance with the relevant laws, regulations and regulatory documents and the requirements imposed and recommendations given by the relevant national governmental departments and regulatory authorities, provided that no prejudice should be caused to the interests of the Shareholders.

Please refer to Appendix X to this supplemental circular for the comparison table setting forth the amendments to be made to the Rules of Procedures of General Meetings, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Working Rules of the Independent Directors in connection with the formulation of the Post-A Share Listing Rules of Procedures of General Meetings, Post-A Share Listing Rules of Procedures of the Board of Directors, Post-A Share Listing Rules of Procedures of the Supervisory Committee and Post-A Share Offering Working Rules of the Independent Directors.

The proposal in relation to each of the relevant documents has been approved by the Board of Directors or the Supervisory Committee (as the case may be). The proposal in relation to the Working Rules of the Independent Directors will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at the EGM. The proposal in relation to each of the rest of the relevant documents will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at the EGM, and a special resolution at each of the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting. Subject to approval by the Shareholders, the Post-A Share Listing Rules of Procedures of General Meetings, Post-A Share Listing Rules of Procedures of the Board of Directors, Post-A Share Listing Rules of Procedures of the Supervisory Committee and Post-A Share Offering Working Rules of the Independent Directors will come into effect on the listing date of the A Shares to be offered in the proposed A Share Offering. Prior to completion of the proposed A Share Offering and Listing, the current versions of the Rules of Procedures of General Meetings, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Working Rules of the Independent Directors will remain valid and effective.

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14. Resolution on Formulation of the External Guarantee Management Policies and Regulations on Management of Related Party Transactions (A Shares) of the Company Applicable after Completion of the Proposed Listing of the A Shares

In order to complete the work required for the proposed A Share Offering and Listing and to ensure the Company's compliance with the requirements applicable to a listed company in corporate governance and other areas, pursuant to the requirements under the Company Law of the PRC (《中華人民共和國公司法》), the Rules Governing the Listing of Shares on ChiNext (2020 Revision) (《深圳證券交易所創業板股票上市規則(2020修訂)》) and other relevant laws, regulations and regulatory documents and the Post-A Share Listing Articles of Association, the Company has formulated the External Guarantee Management Policies and Regulations on Management of Related Party Transactions (A Shares), which will come into effect on the listing date of the A Shares to be offered in the proposed A Share Offering.

To facilitate the implementation of the proposed A Share Offering and Listing, general and unconditional authorisation will be sought from the Shareholders for the chairman of the Board of Directors to make all necessary alterations and amendments to the External Guarantee Management Policies and Regulations on Management of Related Party Transactions (A Shares) (including but not limited to any alteration or amendment to the wording, chapters or provisions) in accordance with the relevant laws, regulations and regulatory documents and the requirements and guidance imposed or given by the relevant national governmental departments and regulatory authorities, provided that no prejudice should be caused to the interests of the Shareholders.

Please refer to Appendix XI to this supplemental circular for the full text of the External Guarantee Management Policies and Regulations on Management of Related Party Transactions (A Shares).

The proposal in relation to each of the relevant documents has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at the EGM.

15. Resolution on Confirmation of the Related Party Transactions of the Group during the Reporting Periods

Due to the actual needs of the Group in its business operations, the Group had been engaged in transactions with certain related parties during the periods from 2017 to 2019 and from January 2020 to June 2020 (the “**Reporting Periods**”). In connection with the application for the proposed A Share Offering and Listing, the related party transactions of the Group shall be strictly formalised under the applicable requirements.

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Please refer to Appendix XII to this supplemental circular for the particulars of the related party transactions of the Group during the Reporting Periods.

The Company has reviewed the related party transactions of the Group during the Reporting Periods and considers that all such transactions were conducted in an equal, voluntary, fair and reasonable manner in all material respects at prices that were fair and reasonable, and the relevant decision-making authorisation and procedures were in compliance with applicable laws, without any prejudice caused to the interests of the Company or the Shareholders or transfer of interests to the Company or its related parties.

The proposal has been approved by the Board of Directors. The Directors who are, or are related to, the parties to the related party transactions (including Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao and Mr. Zhang Lihuan) have abstained from voting on the relevant resolution at the meeting of the Board of Directors in accordance with the requirements under the Articles of Association. The proposal will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at the EGM.

The Company confirms that, the above related party transactions conducted during the Reporting Periods, other than the supply of steel beams and provision of processing services in respect of steel billets by Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.* (石家莊市藁城區隆基企業管理有限公司) to the Group during the term from 1 August 2015 to 31 December 2019 as disclosed in the H Share Prospectus and the announcements of the Company dated 28 August 2018 and 30 December 2019, did not constitute non-fully exempt connected transactions or continuing connected transactions of the Group as defined in Chapter 14A of the Listing Rules.

16. Resolution on the Engagement of Intermediaries in Connection with the Proposed A Share Offering and Listing

In connection with the application for the proposed A Share Offering and Listing, according to the relevant requirements, the Company proposes to engage Kaiyuan Securities Co., Ltd. (開源證券股份有限公司) as the sponsor and lead underwriter, China International Capital Corporation Limited (中國國際金融股份有限公司) as the joint lead underwriter, Pan-China Certified Public Accountant LLP (天健會計師事務所(特殊普通合夥)) as the financial audit firm and internal control audit firm, and Jia Yuan Law Offices (北京市嘉源律師事務所) as the legal advisers in connection with the proposed A Share Offering and Listing. In addition, the Company will engage other intermediaries where necessary according to its actual needs in the course of the proposed A Share Offering and Listing.

* For identification purpose only

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Authorisation will be sought from the Shareholders for the chairman of the Board of Directors to engage intermediaries and to terminate the engagement of the relevant intermediaries pursuant to the corresponding agreements according to the progress of the proposed A Share Offering and Listing and the requirements under the relevant laws, regulations and regulatory documents.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at the EGM.

IV. OTHER INFORMATION IN RELATION TO THE PROPOSED A SHARE OFFERING AND LISTING

1. Reasons for and Benefits of the Proposed A Share Offering and Listing

The Company has consulted professional parties and relevant regulatory authorities in respect of the eligibility of the Company for and the benefits and risks associated with the proposed A Share Offering and Listing, and conducted research and analysis on the feasibility of the proposal.

The Directors consider that the proposed A Share Offering and Listing will be conducive to the long-term development of the Group in that it will provide the Group with further options to satisfy its funding requirements and expedite the Group's entry into a new stage of development with enhanced corporate image and strengthened market position, and thus facilitate the business development of the Group and sustainable growth in the Group's revenue and returns to the shareholders of the Company. The Directors are therefore of the view that the proposed A Share Offering and Listing is in the interests of the Company and the Shareholders as a whole.

2. Effects of the Proposed A Share Offering on the Shareholding Structure of the Company

The 673,380,000 existing Domestic Shares in issue will be converted into A Shares on the date of completion of the proposed A Share Offering. For reference and illustration purposes only, assuming that all 158,442,000 A Shares under the proposed A Share Offering are approved and issued, and none of the subscribers is a connected person of the Company, and there are no changes in the share capital of the Company prior to completion of the proposed A Share Offering, the

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shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the proposed A Share Offering shall be as follows:

	As at the Latest Practicable Date		Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is not exercised at all)		Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is exercised in full) (Note 3)	
	Approximate percentage of the Company's Number of Shares	issued share capital	Approximate percentage of the Company's Number of Shares	issued share capital	Approximate percentage of the Company's Number of Shares	issued share capital
Domestic Shares (Note 1)						
• Domestic Shares held by the non-public Shareholders, i.e. core connected persons of the Company (Note 2)	588,475,906	65.54%	-	-	-	-
• Domestic Shares held by the public	84,904,094	9.46%	-	-	-	-
	<u>673,380,000</u>	<u>75.00%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
A Shares (Note 1)						
• A Shares to be converted from Domestic Shares in issue held by the non-public Shareholders, i.e. core connected persons (Note 2)	-	-	588,475,906	55.71%	588,475,906	54.49%
• A Shares to be converted from the Domestic Shares in issue held by the public	-	-	84,904,094	8.04%	84,904,094	7.86%
• A Shares to be issued under the proposed A Share Offering, which will be held by the public	-	-	158,442,000	15.00%	182,208,300	16.87%
	<u>-</u>	<u>-</u>	<u>831,822,000</u>	<u>78.75%</u>	<u>855,588,300</u>	<u>79.22%</u>
H Shares						
• H Shares held by the public	224,460,000	25.00%	224,460,000	21.25%	224,460,000	20.78%
Total	<u>897,840,000</u>	<u>100.00%</u>	<u>1,056,282,000</u>	<u>100.00%</u>	<u>1,080,048,300</u>	<u>100.00%</u>

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Notes:

- (1) All of the issued Domestic Shares will be converted into A Shares upon completion of the proposed A Share Offering.
- (2) The core connected persons of the Company include (i) the Controlling Shareholders, i.e. Mr. Zhang Haijun (張海軍), Ms. Zhang Junxia (張軍霞), Mr. Zhang Xiaogeng (張小更), Mr. Zhang Xiaosuo (張小鎖), Mr. Zhang Ligang (張立剛), Mr. Wu Jinyu (吳金玉), Mr. Zhang Chao (張超), Mr. Zhang Lijie (張力杰), Mr. Zhang Lifeng (張力峰), Ms. Zhang Yanfeng (張艷峰), Mr. Zhang Libin (張力斌), Mr. Zhang Lihuan (張力歡), Mr. Zhang Ning (張寧), Ms. Zhang Hong (張宏) and Mr. Zhang Ruiqiu (張瑞秋), who, as Domestic Shareholders, have been acting in concert in terms of their exercise of voting rights at general meetings of the Company and entered into a concert party agreement to confirm their acting-in-concert agreement on 12 January 2018, and in aggregate controlled 587,552,774 Domestic Shares, representing approximately 65.44% of the total issued share capital of the Company as at the Latest Practicable Date; Mr. Zhang Haijun (張海軍), Mr. Wu Jinyu (吳金玉), Mr. Zhang Chao (張超) and Mr. Zhang Lihuan (張力歡) are also executive Directors, and Mr. Zhang Lifeng (張力峰) is also the general manager of the Company; and (ii) Ms. Fan Xiulan (樊秀蘭), an executive Director who held 923,132 Domestic Shares, representing approximately 0.10% of the total issued share capital of the Company as at the Latest Practicable Date.
- (3) Under the relevant laws and regulations and pursuant to the permission of the regulatory authorities, the Company and the lead underwriters can adopt the over-allotment option. The number of A Shares to be issued by exercising the over-allotment option shall not exceed 15% of the total number of A Shares under the proposed A Share Offering.

As at the Latest Practicable Date, based on the publicly available information and to the best of the knowledge of the Directors, approximately 34.46% of the total issued Shares (including H Shares representing 25.00% of the issued Shares) were held by the public, which satisfies the requirements under rules 8.08(1) and 13.32(1) of the Listing Rules.

Assuming that all 158,442,000 A Shares under the proposed A Share Offering are approved and issued, and none of the subscribers is a connected person of the Company, and there are no changes in the share capital of the Company prior to completion of the proposed A Share Offering, the public float percentage of the Company (comprising both A Shares and H Shares) immediately after completion of the proposed A Share Offering will be approximately 44.29% (assuming the over-allotment option is not exercised at all, and including H Shares representing 21.25% of the issued Shares) or 45.51% (assuming the over-allotment option is exercised in full, and including H Shares representing 20.78% of the issued Shares), which will continue to satisfy the requirements under rules 8.08(1) and 13.32(1) of the Listing Rules. The Company undertakes that it will continue to comply with the public float requirements under the Listing Rules throughout the application process and after completion of the proposed A Share Offering.

3. Fund raising activities in the past twelve months

The Company has not conducted any fund raising activity involving the issue of equity securities during the period of twelve months preceding the Latest Practicable Date.

LETTER FROM THE BOARD OF DIRECTORS

V. EGM, CLASS MEETINGS AND PROXY ARRANGEMENTS

1. EGM

Reference is made to the announcements of the Company dated 23 September 2020 and 12 October 2020 in relation to, among others, the postponement of the EGM.

The EGM (originally schedule to be held on Thursday, 15 October 2020 at 10:30 a.m.) has been postponed as additional time is required to prepare this supplemental circular containing the details of additional resolutions in connection with the proposed A Share Offering and Listing and the related matters, and will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Friday, 30 October 2020 at 10:30 a.m. The Revised Notice of EGM is set out on pages 248 to 253 of this supplemental circular. The Revised Notice of EGM contains the resolution set forth in the Original Notice of EGM and the additional resolutions to be proposed at the EGM in connection with the proposed A Share Offering and Listing and the related matters which shall supersede the Original Notice of EGM.

The First Form of Proxy was enclosed with the First Circular despatched to the Shareholders on 31 August 2020 and has also been published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). Since the First Form of Proxy does not contain the additional resolutions to be proposed at the EGM in connection with the proposed A Share Offering and Listing and the related matters as set out in the Revised Notice of EGM, the Company has prepared the Updated Form of Proxy which is enclosed and despatched to the Shareholders together with this supplemental circular and published on the websites of the Stock Exchange and the Company.

Each Shareholder who intends to appoint a proxy to attend the EGM is requested to complete, sign and return the enclosed Updated Form of Proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the meeting (i.e. not later than 10:30 a.m. on Thursday, 29 October 2020 (Hong Kong time)) or any adjournment thereof (as the case may be) (the “**Closing Time**”).

Shareholders who have lodged the First Form of Proxy with the Company should note the following arrangements:

- (i) each Updated Form of Proxy deposited at the Secretariat of the Board at the Company’s principal place of business in the PRC (in the case of a holder of Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (in the case of a holder of H Shares) by the Closing Time shall be treated as a valid form of proxy and shall revoke and supersede the First Form of Proxy

LETTER FROM THE BOARD OF DIRECTORS

previously deposited by the same Shareholder if correctly completed, signed and returned in accordance with the instructions printed thereon; and

- (ii) if no Updated Form of Proxy is deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (in the case of a holder of Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (in the case of a holder of H Shares) by the Closing Time, the First Form of Proxy will be treated as a valid form of proxy if correctly completed, signed and returned in accordance with the instructions printed thereon. Each proxy so appointed by the Shareholders will be entitled to vote according to the instructions given on the First Form of Proxy and to vote at his/her discretion or to abstain from voting on any additional resolution properly put to the EGM, including the resolutions in connection with the proposed A Share Offering and Listing and the related matters as set out in the Revised Notice of EGM.

Completion, signing and return of the First Form of Proxy and/or the Updated Form of Proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof.

2. Class Meetings

The H Shareholders Class Meeting will be held at 10:30 a.m. on Friday, 30 October 2020 or immediately following the conclusion of the EGM (whichever is the later), and the Domestic Shareholders Class Meeting will be held at 10:30 a.m. on Friday, 30 October 2020 or immediately following the conclusion of the H Shareholders Class Meeting (whichever is the later), both at the same venue as the EGM, i.e. the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC, for the H Shareholders and the Domestic Shareholders to approve the resolutions in connection with the proposed A Share Offering and Listing and the related matters respectively. Notices of Class Meetings are set out on pages 254 to 261 of this supplemental circular.

Forms of proxy for use at the Class Meetings are enclosed herewith and also published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). If you intend to appoint a proxy to attend the relevant Class Meeting, you are requested to complete, sign and return the relevant form of proxy enclosed in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the relevant Class Meeting (i.e. at or before 10:30 a.m. on Thursday, 29 October 2020 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion, signing and return of the relevant form of proxy will not preclude you from attending and voting in person at the relevant Class Meeting or any adjournment thereof (as the case may be). For H Shareholders, the form of proxy should be returned to the Company's H share registrar, Computershare Hong Kong Investor Services Limited. For Domestic Shareholders, the form of proxy should be returned to the Secretariat of the Board at the Company's principal place of business in the PRC.

LETTER FROM THE BOARD OF DIRECTORS

3. Voting at the EGM and Class Meetings

Pursuant to relevant requirements of the Listing Rules, voting at the EGM and the Class Meetings will be taken by poll. The announcements of poll results of the meetings will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>).

The Controlling Shareholders (certain members of which are, or are related to, the parties to the related party transactions to be considered at the EGM) shall abstain from voting on the resolution on confirmation of the related party transactions of the Group during the Reporting Periods at the EGM. The Controlling Shareholders comprise Mr. Zhang Haijun (張海軍), Ms. Zhang Junxia (張軍霞), Mr. Zhang Xiaogeng (張小更), Mr. Zhang Xiaosuo (張小鎖), Mr. Zhang Ligang (張立剛), Mr. Wu Jinyu (吳金玉), Mr. Zhang Chao (張超), Mr. Zhang Lijie (張力杰), Mr. Zhang Lifeng (張力峰), Ms. Zhang Yanfeng (張艷峰), Mr. Zhang Libin (張力斌), Mr. Zhang Lihuan (張力歡), Mr. Zhang Ning (張寧), Ms. Zhang Hong (張宏) and Mr. Zhang Ruiqiu (張瑞秋), who, as Domestic Shareholders, have been acting in concert in terms of their exercise of voting rights at general meetings of the Company and entered into a concert party agreement to confirm their acting-in-concert agreement on 12 January 2018. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, the Controlling Shareholders in aggregate controlled 587,552,774 Domestic Shares, representing approximately 65.44% of the total issued share capital of the Company as at the Latest Practicable Date, and the voting rights in respect thereof.

Save as aforesaid, to the best of the knowledge, information and belief of the Directors, none of the Shareholders will be required to abstain from voting on any of the resolutions at any of the EGM, H Shareholders Class Meeting and Domestic Shareholders Class Meetings according to the requirements under the Articles of Association.

4. Closure of Register of Members

As disclosed in the interim results announcement for the six months ended 30 June 2020 of the Company dated 28 August 2020 and the First Circular, in order to determine the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Monday, 14 September 2020. In the light of the postponement of the EGM and the convening of the Class Meetings, the ending date of the period of closure of the register of members of the Company has been postponed, and such a period has been extended to Friday, 30 October 2020. Accordingly, no transfer of Shares has been registered from Monday, 14 September 2020 onwards, and such arrangements will remain in place until Friday, 30 October 2020 (both days inclusive). H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company on Monday, 14 September 2020 (Hong Kong time) are entitled to attend the EGM and the H Shareholders Class Meeting or the Domestic Shareholders Class Meeting (as the case may be).

LETTER FROM THE BOARD OF DIRECTORS

5. Arrangements Regarding Consideration of the Proposed Resolutions at the EGM and the Class Meetings

If the resolution numbered (1) regarding the proposed A Share Offering and Listing is not passed by the Shareholders at the EGM and/or the Class Meetings, the proposed A Share Offering and Listing will not proceed, and the resolutions numbered (2) to (20) on matters relating to the proposed A Share Offering and Listing will not be put forward for consideration and approval by the Shareholders at the EGM and the Class Meetings. In addition, the proposed A Share Offering and Listing shall be subject to the approval of the CSRC and the Shenzhen Stock Exchange.

Upon the passing of the resolution numbered (1), each of the resolutions numbered (2) to (20) will be put forward for consideration and approval by the Shareholders at the EGM and the Class Meetings. In the case of one or more of such resolutions being voted down by the Shareholders at the EGM and/or the Class Meetings (where applicable), the Company will proceed with the proposed A Share Offering and Listing plan, including, among others, the making of the applications to the relevant regulatory authorities for the proposed A Share Offering and Listing; in the meantime, the Company shall make all necessary revisions to the relevant proposal(s) taking into account, among others, the views expressed by the Shareholders at the meetings and convene further general meeting(s) and, where necessary, class meetings for the Shareholders to consider and, if thought fit, approve the revised proposal(s) after the same have been approved by the Board of Directors or the Supervisory Committee (as the case may be), so as to ensure that the requisite Shareholders' approval could be obtained in due course. The Company shall adjust the work plan in respect of the proposed A Share Offering and Listing as appropriate accordingly.

VI. RECOMMENDATIONS

The Board of Directors considers that the proposed A Share Offer and Listing is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board of Directors recommends the Shareholders to vote in favour of the resolutions in connection with the proposed A Share Offering and Listing and the related matters to be proposed at the EGM and the Class Meetings.

VII. RESPONSIBILITY STATEMENT

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

LETTER FROM THE BOARD OF DIRECTORS

VIII. MISCELLANEOUS

The Chinese text of this supplemental circular shall prevail over the English text for the purpose of interpretation in case of any inconsistency.

Yours faithfully,
For and on behalf of the Board
Hebei Yichen Industrial Group Corporation Limited*
Zhang Haijun
Chairman

<p>APPENDIX I FEASIBILITY ANALYSIS OF THE INVESTMENT PROJECTS TO BE FINANCED WITH THE PROCEEDS FROM THE A SHARE OFFERING</p>
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Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

Hebei Yichen Industrial Group Corporation Limited* (hereinafter referred to as the “**Company**”) formulated the following Investment Projects to Be Financed with the Proceeds from the Initial Public Offering of A Shares and the Relevant Feasibility Analysis of Hebei Yichen Industrial Group Corporation Limited in accordance with the offering plan on the initial public offering and listing of A Shares (hereinafter referred to as the “**Offering**”), the requirements of relevant laws and regulations and normative documents as well as the actual situation of the Company.

I. OVERVIEW OF PROJECTS TO BE FINANCED WITH THE PROCEEDS

The proceeds (after deduction of the offering expenses) are proposed to be utilized in the following projects:

No.	Project name	Proceeds proposed to be utilized (RMB0'000)
1	Production project for high-speed railway and heavy-haul railway fastening products	14,467
2	Laboratory construction project for the research and development center	9,985
3	Technical transformation project for the production lines of urban rail and ordinary railway fastening products	30,981
4	Production expansion project for railway sleepers	14,003
Total		69,436

Proceeds proposed to be utilized in the above projects do not exceed RMB694.36 million. If the actual net proceeds from the offering of A Shares exceed the amount of proceeds to be utilized in the aforesaid projects, the balance will be put to reasonable use after corresponding legal procedures are performed in accordance with relevant laws and regulations and normative documents. If the actual net proceeds fall below the amount of proceeds to be utilized in the abovementioned projects, the shortfall will be met with the Company’s own funds or bank borrowings.

Before proceeds are raised from the offering of A Shares, the Company may finance the above use of proceeds with its own funds and bank borrowings based on the respective progress of each project. After the proceeds are raised, the Company will use such proceeds to replace its own funds invested in the corresponding projects/or repay previous bank borrowings.

* For identification purpose only

<div>APPENDIX I</div> <div>FEASIBILITY ANALYSIS OF THE INVESTMENT PROJECTS TO BE FINANCED WITH THE PROCEEDS FROM THE A SHARE OFFERING</div>

II. DETAILS OF PROJECTS TO BE FINANCED WITH THE PROCEEDS

(I) Production project for high-speed railway and heavy-haul railway fastening products

1. *Project profile*

The project is located in the Company's new factory workshop on the east side of the planned Zhenxing Street and the north side of the planned Lianzhou Road in Gaocheng Economic Development Zone, Shijiazhuang City, Hebei Province (河北省石家莊市藁城經濟開發區規劃振興街東側、規劃廉州路北側). By refurbishing the factory and introducing one spike production line, one elastic strip production line and other auxiliary equipment, the Company works to produce such products as high-speed railway fastening system and heavy-haul railway fastening system.

The project is expected to occupy one building of factory workshops with a GFA of approximately 36,144 square meters (based on a plot ratio of 2). The project will have a construction period of 12 months, with a designed annual capacity of 761,000 high-speed railway fastening systems and 384,200 heavy-haul railway fastening systems, totaling 1,145,200 systems.

The project will be invested and constructed by Hebei Yichen Industrial Group Corporation Limited.

2. *Estimated timeframe for the development of the project*

It is expected that the project will commence in April 2021 following completion of the proposed A Share Offering and Listing and the construction period will be 12 months.

3. *Necessity for investing in the project*

(1) *The need to respond to the call of national policy*

In August 2020, China State Railway Group issued the Outline of the Railway Leading Plan for Building a Transportation Power in the New Era (《新時代交通強國鐵路先行規劃綱要》), which proposed that China would realize the internal and external connectivity of its railway network by 2035, enabling smooth connection of regions via multiple roads, highly efficient connection among provincial capitals, rapid access to prefecture-level cities, basic coverage of counties, smooth connection of hubs, intelligent upgrade of network facilities and abundant capacity of effective supply. The national railway network measures approximately 200,000 kilometers (including around 70,000 kilometers of high-speed railways), providing cities with a population of more than 200,000 with railway coverage and high-speed rail links to cities with a population of over 500,000.

<div>APPENDIX I</div> <div>FEASIBILITY ANALYSIS OF THE INVESTMENT PROJECTS TO BE FINANCED WITH THE PROCEEDS FROM THE A SHARE OFFERING</div>

As an important component in the railway construction process, railway fastening products are indispensable in strengthening modern railway construction in China. In order to respond to the call of national policies and provide components for China's railway construction, the Company will carry out the construction of the production project for fastening products, improve the production capacity of railway fastening products, and contribute to the construction of China's railway transportation.

(2) *The need to improve production efficiency and enhance the Company's profitability*

Through the implementation of the project, the Company improves and upgrades production methods and processes, improves the production capacity and performance of products, and meets the needs of modern railway construction. The project also aims to expand production scale to meet the market demand for accelerating the construction of the railway transportation network in China, and to continuously enhance the Company's leading competitiveness and profitability in the industry.

4. *Comprehensive evaluation of the project*

The project will benefit from China's current national policy of accelerating the construction of railway transportation network, further improve the Company's production capacity of high-speed railway and heavy-haul railway fastening system products, better meet the market demand for the above products, and provide good investment returns and economic benefits for the Company.

(II) **Technical transformation project for the production lines of urban rail and ordinary railway fastening products**

1. *Project profile*

The project is located in the existing factory workshop of the Company at No.1, Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province. It is estimated that the workshop to be used will cover a GFA of approximately 33,000 square meters. The project mainly manufactures such products as elastic strips, spikes, plate castings and segment bolts, with a designed annual production capacity of 19.2 million elastic strips, 27 million spikes, 40,000 tonnes of plate castings and 2.4 million segment bolts.

The project will be invested and constructed by Hebei Yichen Industrial Group Corporation Limited.

<div>APPENDIX I</div> <div>FEASIBILITY ANALYSIS OF THE INVESTMENT PROJECTS TO BE FINANCED WITH THE PROCEEDS FROM THE A SHARE OFFERING</div>

2. *Estimated timeframe for the development of the project*

It is expected that the project will commence in April 2021 following completion of the proposed A Share Offering and Listing and the construction period will be 18 months.

3. *Necessity for investing in the project*

With the continuous development of China's railway technology and the increasing market demand for urban rail transit and ordinary railway construction, railway fastening products will also face the challenges of stricter requirements and higher standards in the future. Through the construction of the project, a large number of advanced equipment will be introduced to replace their obsolete counterpart, with improved craftsmanship to produce fastening products with higher performance and better quality, so as to adapt to the development trend of modern railway transportation.

4. *Comprehensive evaluation of the project*

The implementation of the project will allow the Company to further boost the production efficiency and automation of its production lines of elastic strips, spikes, plate castings and segment bolts, lower production cost per unit, improve product quality and the comprehensive competitiveness of the Company, and provide good investment returns and economic benefits for the Company.

(III) Laboratory construction project for the research and development center

1. *Project profile*

The project is located in the newly built research and development building of the Company on the east side of the planned Zhenxing Street and the north side of the planned Lianzhou Road in Gaocheng Economic Development Zone, Shijiazhuang City, Hebei Province. Through lab refurbishment, the Company has introduced a series of advanced research and development equipment and instruments from home and abroad, as well as corresponding technical research and development personnel. The project covers a gross floor area of approximately 15,469 square meters.

Upon completion, the project will provide a series of high-standard laboratories for foundry and elastic strip workshops, customers, the Group's companies, polymer products, salt spray, fatigue, intensity, spectroscopy and metallography.

The project will be invested and constructed by Hebei Yichen Industrial Group Corporation Limited.

<div>APPENDIX I</div> <div>FEASIBILITY ANALYSIS OF THE INVESTMENT PROJECTS TO BE FINANCED WITH THE PROCEEDS FROM THE A SHARE OFFERING</div>

2. *Estimated timeframe for the development of the project*

It is expected that the project will commence in April 2021 following completion of the proposed A Share Offering and Listing and the construction period will be 24 months.

3. *Necessity for investing in the project*

(1) *The need to enhance independent research and development and innovation capability*

The construction and implementation of the project will help to further enhance the Company's research and development strength and independent innovation capability in the field of railway fastening products, thereby equipping itself with the core technology for high-speed rail, heavy-haul rail and urban rail transit that adapts to the times and technological development, and enhancing the Company's core competitiveness in the field of railway fastening products.

(2) *The need to improve research and development system and develop new process and technology*

Through the construction of this project, the Company will establish various laboratories for intensity, metallography, salt spray, fatigue, polymer, etc., offering all-rounded testing and research and development on the performance of each part and component of railway fastening systems, coupled with continuous development of new process and technology to improve the performance and quality of products, so as to adapt to the trend of the continuous upgrade of railway technology.

4. *Comprehensive evaluation of the project*

The project will develop into the Company's bases for new technology reserves, mass production testing, as well as internalization and innovation of introduced technology. Upon completion, the project will boast international research and development and testing capacity. It will provide and grow an compatible and efficient technological innovation platform for businesses in respect of the improvement of product design and process technology, equipment development and application as well as environmental protection, enabling continuous optimization and innovation of production and technology, better product quality and higher customer recognition, and ultimately effective enhancement of the comprehensive competitiveness of businesses.

(IV) Production expansion project for railway sleepers

1. *Project profile*

The project is located on the vacant land in the existing factory area of Xingtai Juneng Railway Electrical Equipment Co. LTD on the north side of Nanyuan Road, Neiqiu Industrial Park, Xingtai City, Hebei Province (河北省邢臺市內丘工業園區南園路北側). The Company works to expand its production capacity of railway sleeper products, by constructing new production workshops and office buildings and introducing a production line of sleeper production equipment and a series of other auxiliary equipment. The project has a planned GFA of approximately 10,000 square meters, with a designed annual capacity of 500,000 sleepers, 300,000 short sleepers and 1,000 switch sleepers, totaling 801,000 items.

The project will be invested and constructed by Hebei Yichen Industrial Group Corporation Limited and Hebei Mingju Corporate Management Company Limited (河北明炬企業管理有限公司) on the basis of their respective shareholding percentages.

2. *Estimated timeframe for the development of the project*

It is expected that the project will commence in April 2021 following completion of the proposed A Share Offering and Listing and the construction period will be 24 months.

3. *Necessity for investing in the project*

(1) The need to achieve the Company's strategic development goals

The Company's strategic development goal is to "establish a scientific outlook on development, adhere to the innovation-driven development strategy, steadily contribute to China's railway development, maintain integrity, and create a time-honored Yichen".

Through the implementation of the project, the Company works to improve and upgrade the production method and process of railway sleepers, enhance the production capacity and performance of sleeper products, meet the needs of modern railway construction, and strive to achieve the supply of all components for China's railway construction, thereby expanding its market share and realizing its strategic development goals.

(2) *The need to address the inadequate production capacity*

Under the background of accelerating railway construction in China, the demand for railway sleepers remains high. The sleeper orders of Xingtai Juneng are increasing year by year. This has been imposing more pressure on its production capacity, leaving the existing production capacity unable to meet the demand of orders and greatly restraining the development of Xingtai Juneng.

4. *Comprehensive evaluation of the project*

The implementation of the project will solve the problem of insufficient production capacity of railway sleeper products of the Company, improve the quality and performance of sleeper products and meet the needs of modern railway construction. It is also beneficial for the Company in improving its overall production and technological research and development, and continuously enhancing its leading competitiveness and profitability in the industry.

(V) Liquidity Replenishment

1. *Necessity for liquidity replenishment*

- (1) In recent years, with the continuous development of the Company's business, capital expenditure has continued to rise. 2019 saw a decline in both the Company's net cash flow from operating activities and investment activities as compared with the previous year. In order to alleviate financial risks and improve asset structure, it is necessary for the Company to replenish liquidity with equity financing.
- (2) The continuous increase in the wages of employees by the Company from 2017 to 2019, coupled with the investment in the construction of new plants, resulted in continuous increases in capital expenditure and the urgent need for a large amount of liquidity to meet business development. Replenishing part of the liquidity with equity financing will help the Company to improve capital strength and achieve business development goals.
- (3) In recent years, the Company's current assets such as accounts receivable have consumed a larger amount of liquidity. This liquidity replenishment will meet the needs of the Company in business expansion and structural optimization and benefit its long-term business development.

2. *Impact of liquidity replenishment on financial position*

Replenishing liquidity with the proceeds from the offering will meet the Company's increasing capital demand due to the expansion of business scale and structural optimization, lay a solid foundation for the realization of the future profit growth goals and business development goals, reduce its financial risks and improve its capital strength.

Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

The Company is reporting on its use of proceeds from previous fund raising activity as of 30 June 2020 as follows:

I. INFORMATION ON COLLECTION AND PLACEMENT OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY

(I) Amount of Proceeds from Previous Fund Raising Activity and Time of Receipt

As approved by Zheng Jian Xu Ke [2016] No.119 (證監許可[2016]119號文) issued by the China Securities Regulatory Commission, the Company issued 22,446,000 and 202,014,000 overseas listed foreign invested shares (H Shares) by ways of Hong Kong Public Offering and International Offering, respectively, through its lead underwriter, BOCOM International Securities Limited, at an issue price of HKD3.00 per share, with total proceeds amounting to HKD673,380,000. The proceeds, deducting underwriting and sponsor fees of HKD25,414,100, amounted to HKD647,965,900, which was remitted to the Company's account (No. 02753293259175) with Bank of Communications Co., Ltd., Hong Kong Branch on 21 December 2016, of which, HKD580,863,600 was remitted by BOCOM International Securities Limited, the lead underwriter of International Placing, and HKD67,102,300 from the public offering by Bank of Communications (Nominee) Company Limited under the Hong Kong Public Offering. The net value of such proceeds were equivalent to RMB579,780,500 based on the exchange rate on the date of capital entry of the State Administration of Foreign Exchange. In addition, after deducting additional external expenses of 21,591,900 which are directly attributable to the issuance of equity securities, such as fees for online issuance, prospectus printing, reporting accountant, attorney, evaluation and etc., net proceeds raised by the Company amounted to 558,188,600. Receipt of the abovementioned proceeds was verified by Ruihua Certified Public Accountants (Special General Partnership), which issued its Capital Verification Report (Ruihua Verification [2017] No. 13040004 (瑞華驗字[2017]13040004號)).

(II) Placement of Proceeds from Previous Fund Raising Activity in Bank Account

The proceeds from previous fund raising activity by the Company deposited in the domestic bank account as of 30 June 2020 amounted to RMB72,878,600.

II. USE OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY

Please refer to Appendix 1 to this Report for details of the use of proceeds from previous fund raising activity through public offering of H Shares.

III. CHANGES TO PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY

There was no change to the investment projects in relation to the proceeds from previous fund raising activity through public offering of H Shares.

IV. DETAILS AND REASONS ON INCONSISTENCY BETWEEN TOTAL AMOUNT OF ACTUAL INVESTMENT AND COMMITMENT OF PROJECTS IN RELATION TO PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY

There was no inconsistency between the total amount of actual investment and commitment of the investment projects in relation to the proceeds from previous fund raising activity through public offering of H Shares.

V. DETAILS OF EXTERNAL TRANSFER OR REPLACEMENT OF INVESTMENT PROJECTS IN RELATION TO PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY

There was no external transfer or replacement of investment projects in relation to the proceeds from previous fund raising activity through public offering of H Shares.

VI. DETAILS OF BENEFITS REALIZED BY PROJECTS INVESTED WITH PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY**(I) Table of Comparison for Benefits Realized by Projects Invested with Proceeds from Previous Fund Raising Activity**

Please refer to Appendix 2 to this Report for details of the benefits realized by the projects invested with the proceeds from previous fund raising activity through public offering of H Shares.

(II) Explanation on Benefits Realized by Projects Invested with Proceeds from Previous Fund Raising Activity which cannot be Individually Accounted for

Projects in relation to purchase of raw materials, R&D and testing of new products, deposits for project bids, working capital and upgrade of information automated systems cannot be individually accounted for due to their purpose of comprehensively improving the Company's benefits.

(III) Explanation on Accrued Gains Realized by Projects Invested with Proceeds from Previous Fund Raising Activity with less than 20% (Inclusive) or above of Committed Gains

Not applicable.

VII. DETAILS OF OPERATION OF FUNDS FROM PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY FOR SHARE SUBSCRIPTION

There was no asset in relation to share subscription from the proceeds from previous fund raising activity through public offering of H Shares.

VIII. UTILIZATION OF IDLE PROCEEDS

There was no utilization of idle proceeds for other purposes.

IX. BALANCE OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY AND UTILIZATION OF THE BALANCE

The unutilized amount of the proceeds from previous fund raising activity through public offering of H Shares by the Company is RMB72,878,600, accounting for 13.06% of the total amount of the proceeds from previous fund raising activity. The balance of the proceeds will be used for acquisition of domestic and foreign projects. As no suitable investment projects have been identified, the proceeds are expected to be fully utilized before 30 June 2021.

X. EXPLANATION ON OTHER INCONSISTENCY

Below sets out the differences between the Company's actual use of the proceeds from previous fund raising activity and the relevant disclosure in the Company's annual reports from 2017 to 2019, which are identified based on item-by-item comparison:

Unit: in RMB ten thousand

Committed investment project	Investment amount	2017 annual report	Actual use in 2017	Difference	Reason
Expansion of production capacity, investment in fixed assets	17,303.85	13,862.20	13,192.90	(669.30)	As disclosed in the periodic reports for respective years and other information disclosure documents, the net proceeds amounted to RMB579,780,500. The Company's actual net proceeds were reduced to RMB558,188,600, net of the additional external expenses of RMB21,591,900 which are directly related to equity securities issuance such as online issuance fee, prospectus printing fee, reporting accountant fee, legal fee and assessment fee. The actual net proceeds were reallocated to respective investment projects according to the original distribution proportions, with corrections made to the actual use by respective investment projects in 2017.
Domestic and foreign acquisitions	8,372.83	-	-	-	
Purchase of raw materials	8,372.83	8,580.21	8,256.35	(323.86)	
R&D and testing of new products	8,372.82	8,186.98	7,863.11	(323.87)	
Deposits for project bids	5,581.89	5,797.80	5,581.89	(215.91)	
Working capital	5,581.89	5,797.77	5,581.89	(215.88)	
Upgrade of information automated systems	<u>2,232.75</u>	<u>846.10</u>	<u>759.66</u>	<u>(86.44)</u>	
Total	<u>55,818.86</u>	<u>43,071.06</u>	<u>41,235.80</u>	<u>(1,835.26)</u>	

Except for the above differences, there is no inconsistency between the Company's actual use of the proceeds from previous fund raising activity and the disclosure in the Company's other periodic reports for respective years and other information disclosure documents.

- Appendices:
1. Table of Comparison for Use of Proceeds from Previous Fund Raising Activity
 2. Table of Comparison for Benefits Realized by Projects Invested with Proceeds from Previous Fund Raising Activity

APPENDIX 1

TABLE OF COMPARISON FOR USE OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY
As of 30 June 2020

Prepared by: Hebei Yichen Industrial Group Corporation Limited*

Unit: in RMB ten thousand

Total raised funds: 55,818.86

Accumulated amount of the raised funds used: 48,531.00

Total amount of the raised funds used in different purposes: 0.00

Total amount of the raised funds used in each year:

2017: 41,235.80

2018: 5,201.24

2019: 2,093.96

January-June 2020: 0.00

No.	Investment Projects	Total investment with the raised funds			Accumulated amount of the raised funds invested as of the closing date			The date on which the project is expected to be ready for use (or completion degree of the project as of the closing date)
		Committed investment amount before fund raising	Committed investment amount after fund raising	Actual amount invested	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual amount invested	
1	Committed investment project Expansion of production capacity, investment in fixed assets	17,303.85	17,303.85	17,303.85	17,303.85	17,303.85	17,303.85	100.00%
2	Actual investment project Expansion of production capacity, investment in fixed assets	8,372.83	8,372.83	1,084.97	8,372.83	8,372.83	1,084.97	12.96%
3	Domestic and overseas acquisitions	8,372.83	8,372.83	8,372.83	8,372.83	8,372.83	8,372.83	100.00%
4	Purchase of raw materials	8,372.82	8,372.82	8,372.82	8,372.82	8,372.82	8,372.82	100.00%
5	R&D and testing of new products	5,581.89	5,581.89	5,581.89	5,581.89	5,581.89	5,581.89	100.00%
6	Working capital	5,581.89	5,581.89	5,581.89	5,581.89	5,581.89	5,581.89	100.00%
7	Deposits for project bids	2,232.75	2,232.75	2,232.75	2,232.75	2,232.75	2,232.75	100.00%
	Upgrade of information automated systems							

* For identification purpose only

APPENDIX 2

**TABLE OF COMPARISON FOR BENEFITS REALIZED BY PROJECTS INVESTED
WITH PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY**
As of 30 June 2020

Prepared by: Hebei Yichen Industrial Group Corporation Limited*

Unit: in RMB ten thousand

No.	Project name	Actual investment project	Accumulated capacity utilization rate of investment project as of the closing date	Committed benefits	Actual benefits of the last three years and one period			Accumulated benefits realized as of the closing date	Whether the expected benefits are achieved or not
					2017	2018	2019	January to June 2020	
1	Expansion of production capacity, investment in fixed assets (note 1)		N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Domestic and overseas acquisitions (note 2)		N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Purchase of raw materials		N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	R&D and testing of new products		N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Deposits for project bids		N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Working capital		N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Upgrade of information automated systems		N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note 1: According to the feasibility research report on this project, the project has a three-year construction period and was still in progress as of 30 June 2020.

Note 2: Project capacity utilization rate is inapplicable as the Company acquired 87.5% equity interest in Xingtai Juneng Railway Electrical Equipment Co. LTD for the proceeds from previous fund raising activities and funds during 2019.

APPENDIX III PRICE STABILISATION PLAN FOR THE A SHARES FOR THE THREE YEARS AFTER LISTING
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Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司, hereinafter referred to as the “**Company**”) proposed to apply for the initial public offering and listing of A Shares on the ChiNext of the Shenzhen Stock Exchange. In order to protect the interests of minority Shareholders and investors, the Company hereby formulates the following preliminary plan on stabilizing its Share price within three years after the listing:

I. SHARE PRICE STABILIZATION MEASURES

1. Conditions to start Share price stabilization measures

The closing prices of the Company’s Shares for 20 consecutive trading days are lower than the audited net asset per Share of the Company in the most recent year (the abovementioned closing prices of Shares shall be adjusted accordingly if such closing prices of Shares are not comparable to the audited net asset per Share of the Company in the most recent year due to ex-rights or ex-dividend).

2. Methods and order of the Share price stabilization measures

The Share price stabilization measures include: (1) the Company repurchases its Shares; (2) the Company’s controlling Shareholders increase their holding of the Company’s Shares; (3) Directors (excluding independent Directors, the same below) and senior management increase their holding of Shares of the Company. It should be taken into consideration that any option of such methods will not (1) cause the Company to fail to meet statutory listing conditions; (2) force controlling Shareholders to perform tender offer obligation.

The implementation order of the Share price stabilization measures is as follows:

- (1) The first option is share repurchase by the Company. Nevertheless, when share repurchase by the Company would cause the Company to fail to meet statutory listing conditions, the first option would be increase in holding of the Company’s Shares by controlling Shareholders;
- (2) The second option is increase in holding of the Company’s Shares by controlling Shareholders. It will be initiated when any of the following occurs:
 - ① The Company fails to implement share repurchase or the proposals on share repurchase are not approved by the general

* For identification purpose only

meeting of the Company, and increase in holding of Shares of the Company by controlling Shareholders will not cause the Company to fail to meet statutory listing conditions or trigger controlling Shareholders' tender offer obligation; or

- ② Despite implementing the share repurchase plan, the Company fails to meet the condition that the closing prices for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year.
- (3) The third option is increase in holding of Shares of the Company by Directors and senior management. The conditions to start such option are as follows: upon the completion of implementing the plan to increase holding of Shares of the Company by controlling Shareholders, the Company's Shares still fail to meet the condition that the closing prices for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year, and increase in holding of Shares of the Company by Directors and senior management will not cause the Company to fail to meet statutory listing conditions or trigger tender offer obligation of Directors and senior management.

The Company is obliged to take compulsory measures to stabilize the Share price only once in an accounting year.

3. Procedures for the implementation of share repurchase by the Company

Where the conditions that trigger Share price stabilization measures are satisfied, the Company will hold a meeting of the Board of Directors within 10 trading days to resolve on the implementation of share repurchase according to law, submit such resolution to the general meeting for approval, and perform corresponding announcement procedures. The Company will hold a general meeting within 30 days from the date of issuance of the resolution by the Board of Directors, to review the proposal on the implementation of share repurchase. The implementation of share repurchase shall be resolved on the general meeting of the Company and be passed by more than two-thirds of voting right of the Shareholders present at the meeting. When the general meeting of the Company approves the resolution on the implementation of share repurchase, the Company will perform corresponding obligations of announcement, filing and notifying creditors in accordance with law. Under the legal conditions, the repurchase shall be implemented in accordance with the price range and time limit as specified in the approved resolution on the implementation of share repurchase.

The capital for the Company to repurchase Shares shall be its own capital and other funds that comply with relevant provisions, and the repurchase price of Shares shall not exceed the audited net asset per Share for the most recent accounting year. Shares shall be repurchased by way of centralized tender transaction, offer or other means recognized by the securities regulatory authorities.

APPENDIX III PRICE STABILISATION PLAN FOR THE A SHARES FOR THE THREE YEARS AFTER LISTING
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The total repurchase capital used for stabilization of Share price within an accounting year shall not exceed 50% of the audited net profit attributable to the Shareholders of the parent for the most recent accounting year. Should the cap be exceeded, such measures to stabilize Share price would no longer implemented for the rest of the year. However, if the circumstances continue to occur in the following year that require Share price stabilization measures, the Company will continue to implement the preliminary plan of Share price stabilization in line with the above principles.

The Company will implement the share repurchase plan within 6 months from the date that the resolution is made at the general meeting, unless:

- (1) the closing prices of Shares of the Company for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year;
- (2) continuing to repurchase Shares of the Company will cause the failure of the Company to meet statutory listing conditions.

After the completion or termination of the implementation of a single share repurchase, such repurchased Shares of the Company shall be transferred or cancelled in accordance with relevant provisions.

4. Procedures for implementing the increase in holding of Shares of the Company by controlling Shareholders

(1) Initiating procedures

- ① The Company has not implemented the share repurchase plan

When the conditions that trigger measures for stabilizing the Share price are satisfied, and provided that the Company is unable to implement share repurchase or the proposal of share repurchase is not approved by the general meeting of the Company and that the increase in holding of the Company's Shares by controlling Shareholders will not cause the Company to fail to meet statutory listing conditions or trigger the tender offer obligation of controlling Shareholders, the controlling Shareholders of the Company will submit their plan for the increase in holding of the Company's Shares after the conditions that trigger measures for stabilizing the Share price are satisfied or within 30 days from the date when the general meeting of the Company resolves not to implement the share repurchase plan, with an announcement to be made by the Company.

APPENDIX III	PRICE STABILISATION PLAN FOR THE A SHARES FOR THE THREE YEARS AFTER LISTING
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- ② The Company has implemented the share repurchase plan

When the Company has implemented the share repurchase plan but failed to meet the condition that the closing prices of the Company's Shares for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year, the controlling Shareholders of the Company will submit their plan for the increase in holding of the Company's Shares within 30 days from the date when the Company finishes implementing or terminates its share repurchase plan, with an announcement to be made by the Company.

- (2) *The plan for the increase in holding of the Company's Shares by controlling Shareholders*

Upon fulfilling the obligations of making corresponding announcement and subject to statutory conditions, controlling Shareholders shall increase their holding of Shares in accordance with the price range and time limit as specified in the plan.

The amount of increased Shares held by controlling Shareholders shall not exceed the aggregated amount of dividend and remuneration received from the Company in the preceding year. The price of the increased Shares shall not exceed the Company's audited net asset per Share in the most recent accounting year. The Company shall not provide financial support to the controlling Shareholder for the increase of shareholding of the Company.

Controlling Shareholders will implement the plan to increase their holding of the Company's Shares within 6 months from the date of the announcement of the plan to increase in holding of Shares, unless:

- ① the closing prices of Shares of the Company for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year;
- ② continuing to increase holding of Shares will cause the failure of the Company to meet statutory listing conditions;
- ③ continuing to increase holding of Shares will require controlling Shareholders to perform their tender offer obligation and controlling Shareholders have no plan to implement a tender offer.

5. Procedures for Directors and senior management to increase holding of the Company's Shares

Upon the completion of implementing the plan to increase holding of the Company's Shares by controlling Shareholders (which still fails to meet the condition that the closing prices of Shares of the Company for 3 consecutive days are higher than the audited net asset per Share of the Company in the most recent year), when increase in holding of the Company's Shares by Directors and senior management will not cause the Company to fail to meet statutory listing conditions or trigger the tender offer obligation of Directors and senior management, Directors and senior management will increase their holding of the Company's Shares within 90 days after the completion of implementing the plan to increase holding of the Company's Shares by controlling Shareholders, with the capital used for increasing shareholding not to exceed the total amount of remuneration received from the Company in the preceding year and the price of the increased Shares not to exceed the audited net asset per Share in the most recent accounting year. Such matters as the specific amount of additional shareholding will be announced in advance.

Increase in holding of the Company's Shares by Directors and senior management will be terminated when one of the following conditions is satisfied:

- (1) the closing prices of the Company's Shares for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year;
- (2) continuing to increase holding of Shares will cause the Company to fail to meet statutory listing conditions;
- (3) continuing to increase holding of Shares will require the performance of tender offer obligations and there is no plan to implement a tender offer.

II. RELEVANT RESTRICTIONS

1. If the Company fails to perform the aforementioned repurchase obligation, it shall make compensations for the relevant losses to investors according to law.
2. If a controlling Shareholder fails to perform the aforementioned obligation of increase in shareholding, he or she shall cease to receive Shareholders' dividend from the Company within 5 business days from the date when violation of relevant commitment occurs, while his or her shareholding in the Company shall not be transferred until the corresponding measures to increase shareholding are taken and duly completed in accordance with the commitment.

APPENDIX III	PRICE STABILISATION PLAN FOR THE A SHARES FOR THE THREE YEARS AFTER LISTING
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3. If the Company's Directors or senior management fail(s) to perform the aforementioned obligation of increase in shareholding, he or she shall cease to receive compensation or allowance from the issuer within 5 business days from the date when violation of relevant commitment occurs, while his or her issuer shares held shall not be transferred until the corresponding measures to increase shareholding are taken and duly completed in accordance with the commitment. If he or she fails to perform his or her obligation of increase in shareholding for two consecutive times during his or her tenure, controlling Shareholders or the Board of Directors shall seek the general meeting's approval to replace the relevant Director, and the Broad of Directors of the Company shall propose to dismiss the relevant senior management member until his or her obligation of increase in shareholding is performed.
4. If the Company, controlling Shareholders, Directors and senior management are unable to perform their obligations of increase in shareholding or repurchase within a certain period due to the provisions on minimum shareholding ratio of public shareholders under the listing rules of the place where the Company's Shares are listed and other securities regulatory regulations, relevant responsible parties may be exempted from the aforementioned punishment, but shall actively take other measures to stabilize the Share price.

Any amendment to the preliminary plan shall be reviewed and approved at the general meeting, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting, and passed by more than two-thirds of the voting rights of the Shareholders present at the meetings.

* *For identification purpose only*

Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

To improve and regulate the dividend mechanism of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (hereinafter referred to as the “**Company**”), enhance the transparency and operability of dividend distribution decision making and ensure the reasonable return on investment of Shareholders and other rights, in accordance with the Decisions on Amendments to Certain Provisions on Cash Dividend Distributions by Listed Companies (《關於修改上市公司現金分紅若干規定的決定》), the Notice on Further Implementation of Matters Relevant to Cash Dividend Distributions by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》), the Guidelines on the Supervision and Administration of Listed Companies No. 3 — Cash Dividend Distributions by Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by China Securities Regulatory Commission and the requirements of other laws, administrative regulations and regulatory documents and the Articles of Association of Hebei Yichen Industrial Group Corporation Limited* (hereinafter referred to as the “**Articles of Association**”) and taking into account the actual situation of the Company, the Company has formulated the plan as follows:

Article I Factors Considered in Formulating the Dividend Distribution Plan

The Company will focus on its long-term and sustainable development. Taking into overall consideration on factors such as the Company’s actual situation and development goals, Shareholders’ wills, cost of social capital and external financing environment, and giving full consideration to the Company’s current and future profit scale, cash flow position, stage of development, project investment capital needs, bank credit and debt financing environment, and fully considering and listening to the requirements and wills of Shareholders (especially minority Shareholders), the Company has established a sustained, stable and scientific distribution plan and mechanism for investors.

Article II Principles on Formulation of the Dividend Distribution Plan

- (i) The Company attaches importance to providing returns for investors;
- (ii) Maintain a sustainable and steady profit distribution policy and at the same time take into consideration the Company’s long-term interest, general interest of all the Shareholders and the sustainable development of the Company;
- (iii) The Company gives priority to cash dividends as its profit distribution manner.

* For identification purpose only

Article III Three-year Dividend Distribution Plan After the Listing

1. **Form of profit distribution:** The Company distributes dividends in cash or Shares or in a way integrating cash and Shares. If meeting conditions for cash dividends, the Company shall distribute profits in cash dividends.
2. **Interval of profit distribution:** The Company, in principle, adopts an annual profit distribution policy. The Board of Directors of the Company may propose an interim profit distribution plan according to profitability, cash flow and capital demand plan, which shall be implemented upon consideration and approval by the EGM.

3. **Specific conditions for the Company to distribute cash dividends:**

Except in special circumstances, the Company shall first distribute dividends in cash when the Company makes a profit and the accumulated undistributed profit is positive in the current year. Special circumstances are:

- (1) negative net operating cash flow in the current year;
 - (2) any major external investment or capital expenditure plan (excluding fund-raising project) of the Company in the coming 12 months. Major investment plan or capital expenditure refers to the circumstance in which the Company's accumulated capital expenditure for intended external investment, asset acquisition or equipment procurement reaches or exceeds 20% of the audited net assets in the most recent accounting year;
 - (3) other circumstances which the Board of Directors believes to be not suitable for distributing cash dividends.
4. **Specific conditions for the Company to distribute scrip dividends:** Where the Company's operation is in a sound condition, that the Board of Directors considers that the Share price of the Company does not reflect its share capital size and distributing scrip dividends will be favorable to all the Shareholders of the Company as a whole, provided that the above conditions of cash dividends are satisfied, the Company may propose distribution of scrip dividends.
5. **Differentiated cash dividend policy:** The Board of Directors of the Company shall distinguish the following circumstances after taking into account various factors including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and stipulate differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

- (1) Where the Company is at the mature stage of development and has no substantial capital expenditure arrangement, the ratio of cash dividends shall be at least 80% in this profit distribution;
- (2) Where the Company is at the mature stage of development and has a substantial capital expenditure arrangement, the ratio of cash dividends shall be at least 40% in this profit distribution;
- (3) Where the Company is at the growing stage and has a substantial capital expenditure arrangement, the ratio of cash dividends shall be at least 20% in this profit distribution;
- (4) Where it is difficult to identify the development stage of the Company but there is a substantial capital expenditure arrangement, dividend distribution may be dealt with in accordance with the preceding provisions.

6. Procedures for review of the profit distribution of the Company:

- (1) The profit distribution plan of the Company shall be formulated by the management according to the actual profitability, cash flow position and future business plan of the Company before being submitted to the Board of Directors of the Company for consideration. The Board of Directors shall thoroughly discuss the rationality of the profit distribution plan and Independent non-executive Directors should give specific opinion. The profit distribution plan should be submitted to the general meeting for Shareholders' consideration after being deliberated and approved by the Board of Directors;
- (2) When determining specific cash dividend distribution plan of the Company, the Board of Directors shall carefully study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making in respect of the cash dividend distribution of the Company. Independent non-executive Directors shall give specific opinion. Independent non-executive Directors may seek the opinion of the minority Shareholders, devise a dividend distribution plan accordingly and submit the same directly to the Board of Directors for consideration;

- (3) Prior to the consideration of the profit distribution plan by its general meeting, the Company shall actively communicate and exchange ideas through multiple channels with Shareholders (especially minority Shareholders), attentively obtain the opinion and requests of the minority Shareholders. In addition to obtaining the opinion of Shareholders at the general meeting, the Company shall communicate and exchange ideas through multiple means such as Shareholders' hotline, investor relationship exchange platform with Shareholders (especially minority Shareholders), give timely response to the issues that concern them and make Internet voting accessible to the Shareholders at the general meeting;
- (4) Where the Company has no cash dividend distribution plan under the special circumstances as stated above, the Board of Directors shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit of the Company and the estimated investment return, submit the same to the general meeting for Shareholders' consideration after the Independent non-executive Directors have expressed their opinions thereon, and disclose the same through the designated medium of the Company.

7. Adjustment to the profit distribution policy:

The Company shall rigorously implement the profit distribution policy stipulated in the Articles and the specific profit distribution plan deliberated and approved by the general meeting. Where there is a change in the external business environment of the Company, which has a significant impact on its production and operation, or where there are relatively significant changes in the Company's operational position, which requires the Company to adjust its profit distribution policy according to the Articles, the Company may adjust its profit distribution policy.

The Board of Directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasoning for such adjustment, and form a written report thereon. The proposal in relation to the adjustment of profit distribution policy shall be considered by the Board of Directors of the Company, Independent non-executive Directors should give specific opinions, and the same shall be submitted to the general meeting for consideration and approved by more than two-thirds of the votes of Shareholders attending the general meeting.

- 8. Following a resolution on the profit distribution plan by the general meeting of the Company, the Board of Directors of the Company should complete the distribution of dividend (or Shares) within two months after the general meeting.

Article IV Future Dividend Distribution Plan Formulation Cycle and Procedures for Consideration

The Board of Directors of the Company shall reconsider the dividend return plan at least once every three years, based on the profit distribution policy formulated or revised by the general meeting. The Board of Directors shall make proper and necessary revision to the profit distribution policy that is being implemented by the Company according to the opinions of Shareholders (especially minority Shareholders), Independent Directors and Board of Supervisors, to determine the Shareholders' return plan for the period and ensure that the adjusted Shareholders' return plan will not breach the requirements of profit distribution policy. The implementation of the plan is subject to the approval by the general meeting of the Company.

Combining specific operating information and an overall analysis of factors including development strategy of enterprises, social capital costs and external financing environment, giving full consideration to the current and future profit scale, cash flow position, stage of development, project investment capital needs and bank credit of the Company, balancing the long-term and short-term interests of Shareholders, as well as taking into account the opinions from Shareholders (especially minority Shareholders), Independent Directors and Board of Supervisors, the Board of Directors of the Company formulated an annual or interim dividend plan and it will be implemented after the approval by the general meeting of the Company.

Article V This plan shall take effect after it is considered and adopted at the general meeting, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting of the Company and shall be implemented following the initial public offering and listing of RMB ordinary A Shares of the Company.

Article VI Any amendments to this plan are subject to the consideration and approval by the general meeting and shall be approved by more than two-thirds of the votes of Shareholders attending the general meeting.

APPENDIX V	COMPANY'S MEDIUM-AND-LONG TERM STRATEGIC DEVELOPMENT PLAN AND DEVELOPMENT PLAN FOR THE THREE YEARS ENDING 31 DECEMBER 2023
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Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

**MEDIUM-AND-LONG TERM STRATEGIC DEVELOPMENT PLAN AND
DEVELOPMENT PLAN FOR THE COMING THREE YEARS OF
HEBEI YICHEN INDUSTRIAL GROUP CORPORATION LIMITED***

I. DEVELOPMENT STRATEGY

1. Implement the talent introduction strategy. After careful analysis of the existing talent structure by the Company's management, the Company intends to develop an implementation plan for corporate talents cultivation according to future development needs and based on existing product lines and industry development trends. It will change the concept of employment, establish a talent incentive mechanism, vigorously strengthen the introduction and cultivation of talent, alleviate and eliminate the Company's bottlenecks for development.
2. Continue to adhere to the innovation-driven development strategy. Following the strategy of scientific and technological innovation that focused on independent research and development and supplemented by joint development with scientific research institutes, the Company will continue to raise its input in scientific research by increasing funds year on year. It will further strengthen the philosophy of respecting knowledge, respecting scientific researchers and respecting scientific research results by introducing excellent scientific research talents, so as to deepen and broaden its cooperation with well-known scientific research institutions.
3. Implement standardized management strategy of the Company. According to the development changes of the industry and the current situation of the Company, necessary adjustments and enhancements will be made to the Company's institutional structure by emphasizing the important position of marketing and production management in the institutional structure, to make it more beneficial for the Company's market-oriented operation. By constantly strengthening and improving the construction of the Company's management system, the level of standardized management of the Company will be further improved.
4. Continue to advance the capital operation strategy. Given the successful listing of H Shares and A Shares, the Company will be able to absorb more social capital and resources by way of capital cooperation, including M&A and reorganization, and hence expand the Company's capability, improve its ability to resist risks and enhance its reputation. Standardized, transparent

* For identification purpose only

APPENDIX V	COMPANY'S MEDIUM-AND-LONG TERM STRATEGIC DEVELOPMENT PLAN AND DEVELOPMENT PLAN FOR THE THREE YEARS ENDING 31 DECEMBER 2023
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and open capital operation will drive the Company to consciously accept public supervision, maximizing the value of the Company and the benefits of staff.

II. DEVELOPMENT PLAN FOR THE COMING THREE YEARS

In 2021, the Company plans to put the new factories into production and operation and establish an advanced, efficient and scientific production management system to improve product quality and production efficiency; accomplish the preparation of the Innovation Center of Rail Fastening System Technology in Hebei Province to realize the completion and operation of the Company's technology research and development center. It will actively promote the solid wire project and environmental-friendly and energy-saving transformation project of railway accessory molding lines; strengthen the Company's website construction, establish brand awareness, and bring more market opportunities and information for the Company's development through publicity and promotion, and expand the Company's reputation and influence in the industry.

In 2022, the Company plans to complete the solid cored wire project and the construction of environmental and energy-saving transformation of railway accessory casting molding lines, actively explore the solid cored wire market and the railway accessory casting market, and promote the projects to achieve good economic and social benefits.

In 2023, the Company plans to initially achieve the goal of talent team building, cultivate and introduce high-quality management talents, and form a team of technical personnel with rich experience and strong expertise; complete the construction of the Company's standardized management system, continue to optimize and improve the Company's standardized management level, and establish an efficient, scientific and modern enterprise management system.

III. ASSUMPTIONS UNDER WHICH THE ABOVE PLANS ARE BASED

1. The Company has made a successful Share issuance, the raised funds are received in time, and the projects invested with raised funds are successfully completed on schedule;
2. The country's macroeconomic development is stable, and there are no major adverse changes in laws and regulations, industry policies and standards related to the industry in which the Company operates;
3. The industry in which the Company operates continues to develop steadily, with no significant changes in the supply of raw materials and product sales, and market prices maintain stable;

APPENDIX V	COMPANY'S MEDIUM-AND-LONG TERM STRATEGIC DEVELOPMENT PLAN AND DEVELOPMENT PLAN FOR THE THREE YEARS ENDING 31 DECEMBER 2023
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4. The Company has no major difficulties in the R&D and manufacturing of new technologies and new products. Industrialization and marketization have been achieved smoothly, and there is no major substitute for the new technologies and new products developed by the Company in the short term;
5. There are no other unforeseen factors that will have a significant adverse impact on the Company's operation and development.

IV. POSSIBLE MAIN DIFFICULTIES DURING THE IMPLEMENTATION PROCESS AND SOLUTIONS

The main difficulties that the Company may face during the implementation of its development strategy are the introduction of talents and the stability of the talent team. In order to introduce talents, cultivate talents and retain talents, the Company will formulate a comprehensive long-term implementation plan for talent training: (1) recruit talents to meet the Company's long-term talent needs through school recruitment, headhunting, etc.; (2) strengthen the training for existing talents based on the positions, and formulate long-term training plans for employees to continuously improve their own professional skills; (3) establish corporate talent incentive mechanism, and establish and improve various management, rewards and punishment systems to improve the employees' initiative and motivation and the Company's operating efficiency.

Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

Hebei Yichen Industrial Group Corporation Limited* (the “**Company**”) proposes to apply for an initial public offering of A Share and listing on the ChiNext (創業板) of the Shenzhen Stock Exchange (the “**Offering and Listing**”). After the Offering and Listing, the total share capital and net assets of the Company would increase significantly, but since it will take some time to execute the fund-raising and investment projects and bring benefits, it cannot generate revenue and profit to the Company immediately. Therefore, within a short period of time upon the completion of the Offering and Listing, there is a risk that earnings per share will be diluted due to sharp increase in the size of share capital and net asset. To protect the interest of small and medium investors and pursuant to the requirements stipulated in Opinions of the General Office of the State Council on Further Strengthening the Protection of Legal Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110號)) and Announcement (2015) No. 31 of the China Securities Regulatory Commission—Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (《中國證券監督管理委員會公告(2015) 31號 關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》), the following measures were formulated to effectively prevent from the risk of dilution of immediate returns and to enhance future return capacity, set as follows.

(1) ACCELERATE THE COMMENCEMENT OF CONSTRUCTION OF FUND-RAISING AND INVESTMENT PROJECTS, STRENGTHEN THE SUPERVISION OF FUND-RAISING AND INVESTMENT PROJECTS, AND ENSURE THE REASONABLE AND LEGAL USE OF PROCEEDS RAISED

The proceeds raised from the Offering will be mostly applied to the principal business of the Company, which is in line with the future development strategy of the Company. The Company has sufficiently studied and discussed on the fund-raising and investment project, and will, after the proceeds are received, accelerate the commencement of investment and construction of the fund-raising and investment project by fully deploying resources from all aspects, so as to timely and efficiently complete the construction of the fund-raising and investment project and realize the expected benefits as soon as possible.

To standardize the management and use of the proceeds raised and ensure that proceeds raised from the Offering are specifically applied to the fund-raising and investment projects, the Company has established the Fund Raising Management System in accordance with the provisions and requirements of the laws and regulations, including the Company Law, Securities Law and the Rules Governing the Listing of Shares on ChiNext of the Shenzhen Stock Exchange (2020 Revision)

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(《深圳證券交易所創業板股票上市規則(2020年修訂)》), and in line with the actual conditions of the Company. Such system clearly stipulates that the Company shall maintain a special account for depositing and keeping the proceeds raised to facilitate the management, use and supervision of the proceeds raised and ensure they are used for the specific purpose.

(2) IMPROVE THE PROFIT DISTRIBUTION POLICY AND STRENGTHEN THE INVESTOR RETURN MECHANISM

The scientific, sustainable, stable and transparent dividend policy and monitoring mechanism of the Company allows it to return investors positively and effectively. According to the requirements of the Notice on Further Implementation of Matters Relevant to Cash Dividend Distributions by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and the Guidelines on the Supervision and Administration of Listed Companies No. 3 — Cash Dividend Distributions by Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by the China Securities Regulatory Commission, the Company formulated and improved relevant provisions on the profit distribution in the Articles of Association, which clarifies the matters concerning profit distribution of the Company, particularly the specific conditions, proportions, forms of distribution and conditions for the cash dividends and the conditions for distribution of scrip dividends. It also improved the decision-making procedures and mechanisms for the profit distribution of the Company as well as the principles for adjusting the profit distribution policy, and strengthened the mechanism for protecting the rights and interests of small and medium investors. Subsequent to the public offering of shares, the Company will strictly implement the cash dividend system and the shareholders' dividend return planning in accordance with relevant laws and regulations so as to protect the interests of the investors.

(3) IMPROVE CORPORATE GOVERNANCE AND ENHANCE THE INTRODUCTION OF TALENT TO PROVIDE INSTITUTIONAL AND HUMAN RESOURCES GUARANTEE FOR CORPORATE DEVELOPMENT

The Company will strictly comply with the requirements of the Company Law, Securities Law and Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and other relevant laws, regulations and normative documents, and continuously improve the governance structure of the Company to ensure that shareholders can fully exercise their rights, that the Board of Directors can exercise its powers and make scientific, prompt and prudent decisions in accordance with the provisions of laws, regulations and the Articles of Association, that independent directors can conscientiously perform their duties to safeguard the interests of the Company as a whole, especially the legal interests of small and medium shareholders, and that the supervisory committee can independently and effectively exercise its supervisory and inspection powers over directors, senior management and the Company's financial affairs, so as to provide institutional guarantee for the corporate development.

Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

MEASURES AND UNDERTAKINGS TO STABILISE THE COMPANY'S SHARE PRICE

Note: To be given by the Company in favour of the subscribers in the proposed A Share Offering pursuant to the requirements of the CSRC.

Given that Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司, hereinafter referred to as the “**Company**”) proposes to apply for the initial public offering and listing of ordinary shares in RMB on the ChiNext of the Shenzhen Stock Exchange (hereinafter referred to as the “**Listing**”), the Company has formulated the Preliminary Plan on Stabilizing the Company's Share Price Within Three Years After the Listing by Hebei Yichen Industrial Group Corporation Limited (《河北翼辰實業集團股份有限公司上市後三年內穩定公司股價的預案》) in order to stabilize the Company's Share price after the Listing and undertakes to strictly execute the abovementioned preliminary plan.

I. PRELIMINARY PLAN ON STABILIZING THE COMPANY'S SHARE PRICE WITHIN THREE YEARS AFTER THE LISTING

1. Conditions to Start the Share Price Stabilization Measures

The closing prices of the Company's Shares for 20 consecutive trading days are lower than the audited net asset per Share of the Company in the most recent year (the abovementioned closing prices of Shares shall be adjusted accordingly if such closing prices of Shares are not comparable to the audited net asset per Share of the Company in the most recent year due to ex-rights or ex-dividend).

2. Methods and Order of the Share Price Stabilization Measures

The Share price stabilization measures include: (1) the Company repurchases its Shares; (2) the Company's controlling Shareholders increase their holdings in the Company's Shares; (3) the Directors (excluding independent Directors, the same below) and the senior management increase their holdings in the Shares of the Company. It should be taken into consideration that any option of such methods will not (1) cause the Company to fail to meet the statutory listing conditions; (2) force the controlling Shareholders to perform tender offer obligation.

The implementation order of the Share price stabilization measures is as follows:

- (1) The first option is share repurchase by the Company. Nevertheless, when Share repurchase by the Company would cause the Company to

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fail to meet the statutory listing conditions, the first option would be the increase of holdings in the Company's Shares by controlling Shareholders;

- (2) The second option is the increase of holdings in the Company's Shares by controlling Shareholders. It will be initiated when any of the following occurs:
 - ① The Company fails to implement share repurchase or the proposals on share repurchase are not approved by the general meeting of the Company, and increase of holdings in the Shares of the Company by the controlling Shareholders will not cause the Company to fail to meet the statutory listing conditions or trigger the controlling Shareholders' tender offer obligation; or
 - ② Despite implementing the share repurchase plan, the Company fails to meet the condition that the closing prices for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year.
- (3) The third option is the increase of holdings in the Shares of the Company by Directors and senior management. The conditions to start such option are as follows: upon the completion of implementing the plan to increase holding of Shares of the Company by controlling Shareholders, the Company's Shares still fail to meet the condition that the closing prices for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year, and the increase of holdings in the Shares of the Company by Directors and senior management will not cause the Company to fail to meet the statutory listing conditions or trigger tender offer obligation of the Directors and senior management.

The Company is obliged to take compulsory measures to stabilize the Share price only once in an accounting year.

3. Procedures for the Implementation of Share Repurchase by the Company

Where the conditions that trigger Share price stabilization measures are satisfied, the Company will hold a meeting of the Board of Directors within 10 trading days to resolve on the implementation of share repurchase according to law, submit such resolution to the general meeting for approval, and perform corresponding announcement procedures. The Company will hold a general meeting within 30 days from the date of publication of the resolution by the Board of Directors, to review the proposal on the implementation of share repurchase. The implementation of share repurchase shall be resolved on the general meeting of the Company and be passed by more than two-thirds of voting right of the Shareholders present at the meeting. After the general meeting of the Company approves the resolution on the implementation of share repurchase, the Company will perform corresponding obligations of announcement, filing and notifying creditors in

accordance with law. Under the legal conditions, the repurchase shall be implemented in accordance with the price range and time limit as specified in the approved resolution on the implementation of share repurchase.

The capital for the Company to repurchase Shares shall be its own capital and other funds that comply with relevant provisions, and the repurchase price of Shares shall not exceed the audited net asset per Share for the most recent accounting year. Shares shall be repurchased by way of centralized tender transaction, offer or other means recognized by the securities regulatory authorities.

The total repurchase capital used for stabilization of Share price within an accounting year shall not exceed 50% of the audited net profit attributable to the Shareholders of the parent for the most recent accounting year. Should the abovementioned cap be exceeded, such measures to stabilize Share price would no longer be implemented for that year. However, if the circumstances continue to occur in the following year that require Share price stabilization measures, the Company will continue to implement the preliminary plan of Share price stabilization in line with the above principles.

The Company will implement the share repurchase plan within 6 months from the date that the resolution is made at the general meeting, unless:

- (1) the closing prices of Shares of the Company for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year;
- (2) continuing to repurchase Shares of the Company will cause the failure of the Company to meet the statutory listing conditions.

After the completion or termination of the implementation of a single share repurchase, such repurchased Shares of the Company shall be transferred or cancelled in accordance with relevant provisions.

4. Procedures to Implement the Increase of Holdings in the Shares of the Company by Controlling Shareholders

(1) *Initiating procedures*

① *The Company has not implemented the share repurchase plan*

When the conditions that trigger measures for stabilizing the Share price are satisfied, and provided that the Company is unable to implement share repurchase or the proposal of share repurchase is not approved by the general meeting of the Company and that the increase of holdings in the Company's Shares by controlling Shareholders will not cause the Company to fail to meet the statutory listing conditions or

trigger the tender offer obligation of controlling Shareholders, the controlling Shareholders of the Company will submit their plan for the increase of holdings in the Company's Shares after the conditions that trigger measures for stabilizing the Share price are satisfied or within 30 days from the date when the general meeting of the Company resolves not to implement the share repurchase plan, with an announcement to be made by the Company.

② *The Company has implemented the share repurchase plan*

When the Company has implemented the share repurchase plan but failed to meet the condition that the closing prices of the Company's Shares for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year, the controlling Shareholders of the Company will submit their plan for the increase in holding of the Company's Shares within 30 days from the date when the Company has completely implemented or terminated its share repurchase plan, with an announcement to be made by the Company.

(2) *The plan for the increase of holdings in the Company's Shares by controlling Shareholders*

Upon fulfilling the obligations of making corresponding announcement and subject to statutory conditions, the controlling Shareholders shall increase their holdings in the Shares in accordance with the price range and time limit as specified in the plan.

The amount of increased Shares held by the controlling Shareholders shall not exceed the aggregated amount of dividend and remuneration received from the Company in the preceding year. The price of the increased Shares shall not exceed the Company's audited net asset per Share in the most recent accounting year. The Company shall not provide financial support to the controlling Shareholder for the increase in the shareholdings of the Company.

Controlling Shareholders will implement the plan to increase their holdings in the Shares of the Company within 6 months from the date of the announcement of the plan to increase the holdings in the Shares, unless:

- ① the closing prices of Shares of the Company for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year;
- ② continuing to increase the holding in the Shares will cause the failure of the Company to meet the statutory listing conditions;

- ③ continuing to increase the holding in the Shares will require controlling Shareholders to perform their tender offer obligation and controlling Shareholders have no plan to implement a tender offer.

5. Procedures for Directors and Senior Management to Increase the Holdings in the Shares of the Company

Upon the completion of implementing the plan to increase the holdings in the Shares of the Company by the controlling Shareholders, but it still fails to meet the condition that the closing prices of Shares of the Company for 3 consecutive days are higher than the audited net asset per Share of the Company in the most recent year, when the increase of holdings in the Shares of the Company by the Directors and senior management will not cause the Company to fail to meet the statutory listing conditions or trigger the tender offer obligation of Directors and senior management, the Directors and senior management will increase their holdings in the Shares of the Company within 90 days after the completion of implementing the plan to increase the holdings in the Shares of the Company by controlling Shareholders, with the capital used to increase the shareholdings not exceeding the total amount of remuneration received from the Company in the preceding year and the price of the increased Shares not exceeding the audited net asset per Share in the most recent accounting year. Such matters as the specific amount of additional shareholding will be announced in advance.

Increase of the holdings in the Shares of the Company by Directors and senior management will be terminated when one of the following conditions is satisfied:

- (1) the closing prices of the Shares of the Company for 3 consecutive trading days are higher than the audited net asset per Share of the Company in the most recent year;
- (2) continuing to increase the holdings in the Shares will cause the Company to fail to meet statutory listing conditions;
- (3) continuing to increase the holdings in the Shares will require the performance of tender offer obligations and there is no plan to implement a tender offer.

II. UNDERTAKINGS OF THE COMPANY

To stabilize the Share price of the Company upon Listing, the Company undertakes that:

If the Share prices of the Company for 20 consecutive trading days are less than the net asset per Share after three years from Listing of the Company, the Company shall strictly follow the relevant procedures to start the Share price stabilization measures through repurchasing the Shares of the Company as stipulated under the Preliminary Plan on Stabilizing the Company's Share Price Within Three Years After the Listing by Hebei Yichen Industrial Group Corporation Limited (《河北翼辰實業集團股份有限公司上市後三年內穩定公司股價的預案》). If the Company fails to perform relevant measures, investors shall be compensated for the relevant losses according to laws.

UNDERTAKINGS ON SHARES REPURCHASE AND BUY-BACK

Note: To be given by the Company in favour of the subscribers in the proposed A Share Offering pursuant to the requirements of the CSRC.

Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司, hereinafter referred to as the “**Company**”) proposes to file an application for initial public offering and listing on the ChiNext of the Shenzhen Stock Exchange (hereinafter referred to as the “**Offering and Listing**”). In accordance with the provisions of relevant laws, regulations and regulatory documents, the Company wishes to make the following undertakings:

I. CONDITIONS TO START SHARE REPURCHASE AND BUY-BACK MEASURES

After the completion of the Offering and Listing, if there are any false representations, misleading statements or material omissions in the content as set out in the listing documents of the Offering and Listing which constitute a material and substantial impact on judging whether the Company has complied with the conditions of the Offering and Listing as stipulated by the law, or if there is any fraudulent offering and registration that is incompliant with the conditions of Offering and Listing, the Company will repurchase and buy-back the shares under the Offering and Listing as held by investors and the lock-up shares transferred according to law.

II. PROCEDURES TO START SHARE REPURCHASE AND BUY-BACK MEASURES

1. If the aforementioned circumstances occur during the period in which the new shares under this public offer have been completely issued but are not yet listed for trading, the Company will return the funds raised from the Offering and Listing to the investors who have paid the subscription monies according to the offer price plus bank deposit interest for the same period within five working days from the date the aforementioned circumstances occur.
2. If the aforementioned circumstances occur after the new shares under this public offer has been listed and traded, the Company will start measures in relation to share repurchase and buy-back to repurchase and buy-back the shares under the Offering and Listing and the lock-up shares transferred, within five trading days after the competent authorities such as the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) or the People’s Court have made a final decision or effective judgment on the existence of the above-mentioned facts against the issuer. The specific plan will be reviewed at the board meeting or the general meeting in accordance with the requirements such as the applicable law, regulations, regulatory documents and the articles of association of the Company, subject to the other

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internal approval procedures and external approval procedures of the Company. The price shall not be lower than the offer price of the Company shares plus the interest on current bank deposits for the relevant period between the issue and the repurchase and buy-back of shares. In case of ex-rights or ex-dividend such as bonus, dividends, bonus shares, capital converted from capital reserve, and rights issue by the Company, the aforementioned price will be adjusted accordingly.

3. When the Company is involved in share repurchase and buy-back in the future, the Company shall comply with the relevant requirements from securities regulatory authorities such as the CSRC and the Shenzhen Stock Exchange simultaneously.

III. BINDING MEASURES

1. The Company shall strictly perform the corresponding undertakings on share repurchase and buy-back measures made during the Offering.
2. The Company has voluntarily accepted the supervision from securities regulatory authorities such as the CSRC and the Shenzhen Stock Exchange regarding the formulation and implementation of the share repurchase and buy-back plan, and has undertaken the legal liabilities. If the Company fails to adopt the above specific measures in respect of share repurchase and buy-back at the time the conditions to start the share repurchase and buy-back measures are satisfied, the Company undertakes to accept the following binding measures:
 - (1) Publicly explaining the specific reasons for the failure to perform, inability to perform the undertakings or inability to perform those undertakings as scheduled in the media as specified by the CSRC, and make supplemental undertakings or alternative undertakings in order to safeguard the interests of the investors as much as possible.
 - (2) The Company will make compensation in accordance with the ways and amounts as determined by the securities regulatory authorities or judicial authorities for the loss of the investors caused by its failure to perform the undertakings.

**MEASURES AND UNDERTAKINGS IN CONNECTION WITH
THE RECOVERY OF DILUTED IMMEDIATE RETURN
OF HEBEI YICHEN INDUSTRIAL GROUP CORPORATION LIMITED***

Note: To be given by the Company in favour of the subscribers in the proposed A Share Offering pursuant to the requirements of the CSRC.

In view of the fact that Hebei Yichen Industrial Group Corporation Limited (the “**Company**”) proposes to apply for an initial public offering of RMB ordinary shares and listing on the ChiNext (創業板) of the Shenzhen Stock Exchange (the “**Offering**” or “**Listing**”), the Company’s total share capital and owner’s equity attributable to the Company will increase significantly after the Listing. Thus, the Company’s earnings per share and weighted average return on net asset may decrease, and the shareholders’ immediate return of the Company may be diluted.

In order to reduce the impact of dilution of the immediate return due to the Offering, the Company proposes to adopt relevant measures to enhance its overall strength, increase future earnings, and achieve sustainable development, so as to recover the return. In particular, the Company undertakes to take the following measures:

**(1) ACCELERATE THE COMMENCEMENT OF CONSTRUCTION OF
FUND-RAISING AND INVESTMENT PROJECTS, STRENGTHEN THE
SUPERVISION OF FUND-RAISING AND INVESTMENT PROJECTS, AND
ENSURE THE REASONABLE AND LEGAL USE OF PROCEEDS RAISED**

The proceeds raised from the Offering will be mostly applied to the principal business of the Company, which is in line with the future development strategy of the Company. The Company has sufficiently studied and discussed on the fund-raising and investment project, and will, after the proceeds are received, accelerate the commencement of investment and construction of the fund-raising and investment project by fully deploying resources from all aspects, so as to timely and efficiently complete the construction of the fund-raising and investment project and realize the expected benefits as soon as possible.

To standardize the management and use of the proceeds raised and ensure that proceeds raised from the Offering are specifically applied to the fund-raising and investment projects, the Company has established the Fund Raising Management System in accordance with the provisions and requirements of the laws and regulations, including the Company Law, Securities Law and Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange (2020 Revision) (《深圳證券交易所創業板股票上市規則(2020年修訂)》), and in line with the actual conditions of the Company. Such system clearly stipulates that the Company shall maintain a special account for depositing and keeping the proceeds raised to facilitate the management, use and supervision of the proceeds raised and ensure they are used for the specific purpose.

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(2) IMPROVE THE PROFIT DISTRIBUTION POLICY AND STRENGTHEN THE INVESTOR RETURN MECHANISM

The scientific, sustainable, stable and transparent dividend policy and monitoring mechanism of the Company allows it to return investors positively and effectively. According to the requirements of the Notice on Further Implementation of Matters Relevant to Cash Dividend Distributions by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and the Guidelines on the Supervision and Administration of Listed Companies No. 3 — Cash Dividend Distributions by Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by the China Securities Regulatory Commission, the Company formulated and improved relevant provisions on the profit distribution in the Articles of Association, which clarifies the matters concerning profit distribution of the Company, particularly the specific conditions, proportions, forms of distribution and conditions for the cash dividends and the conditions for distribution of scrip dividends. It also improved the decision-making procedures and mechanisms for the profit distribution of the Company as well as the principles for adjusting the profit distribution policy, and strengthened the mechanism for protecting the rights and interests of small and medium investors. Subsequent to the public offering of shares, the Company will strictly implement the cash dividend system and the shareholders' dividend distribution plan in accordance with relevant laws and regulations so as to protect the interests of the investors.

(3) IMPROVE CORPORATE GOVERNANCE AND ENHANCE THE INTRODUCTION OF TALENT TO PROVIDE INSTITUTIONAL AND HUMAN RESOURCES GUARANTEE FOR CORPORATE DEVELOPMENT

The Company will strictly comply with the requirements of the Company Law, Securities Law and Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and other relevant laws, regulations and normative documents, and continuously improve the governance structure of the Company to ensure that shareholders can fully exercise their rights, that the Board of Directors can exercise its powers and make scientific, prompt and prudent decisions in accordance with the provisions of laws, regulations and the Articles of Association, that independent directors can conscientiously perform their duties to safeguard the interests of the Company as a whole, especially the legal interests of small and medium shareholders, and that the supervisory committee can independently and effectively exercise its supervisory and inspection powers over directors, senior management and the Company's financial affairs, so as to provide institutional guarantee for the corporate development.

The Company shall proactively adopt the measures for recovering diluted immediate return. In case of breach of undertakings, the Company will assume the corresponding legal responsibilities. The implementation of the above return recovering measures is conducive to enhancing the Company's continued profitability and recovering the diluted immediate return. Since, as a matter of fact, the risk factors faced by the Company during its operations still exist, there is no guarantee for the future profit of the Company as a result of the implementation of the above measures.

**UNDERTAKING ON THE RESTRICTIVE MEASURES UPON
NON-PERFORMANCE OF UNDERTAKINGS**

Note: To be given by each of the directors, supervisors and members of the senior management of the Company in favour of the subscribers in the proposed A Share Offering pursuant to the requirements of the CSRC.

As a director/supervisor/member of senior management of Hebei Yichen Industrial Group Corporation Limited* (hereinafter referred to as "the Company"), in order to expressly define the restrictive measures upon non-performance of the undertakings made by the Company in the initial public offering of A Shares and the listing on the Shenzhen Stock Exchange and to protect the interests of the Company and other investors, pursuant to the relevant regulatory requirements, I solemnly undertake the followings for the performance of undertakings as disclosed by me in the prospectus of the Company:

1. If the relevant undertakings made by me publicly in the prospectus of the Company contain restrictive measures, such measures shall prevail. I agree to take those restrictive measures as stipulated in the undertakings should I breach them.
2. In addition to the restrictive measures mentioned in the undertakings already made, I shall observe the following restrictive measures,
 - (1) If I fail to perform the public undertakings by reason of factors other than force majeure, I shall propose new undertakings, accept the following restrictive measures and agree to submit such supplemental undertakings or alternative undertakings in the general meeting for consideration until new undertakings are entirely performed or relevant remedial measures are completely taken. Unpaid directors may adjust the following measures based on the actual circumstances:
 - 1) I agree that the Company exclude me from the subject of share incentives or amend the exercise list of the share incentive scheme which is being implemented;
 - 2) Depending on the seriousness of the non-performance of undertakings, the Company may take punitive measures against me, including performance bonus reduction, salary reduction, demotion, suspension from duty and dismissal;

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- 3) The salary and allowance I received from the Company and the profit distribution which I am entitled to for the current year and the years after shall be served as the guarantee of the public undertakings, and the Company has the right to withhold such salary, allowance and cash dividend payable to me until I perform the undertakings.
- (2) If I fail to perform items as stipulated in public undertakings by reason of force majeure, I shall propose supplemental undertakings or alternative undertakings (such undertakings shall be subject to relevant approval procedures under the requirements in laws, regulations and articles of association) and accept the aforesaid restrictive measures until supplementary undertakings or alternative undertakings are entirely performed or the corresponding remedial measures are completely taken.

I hereby make the above commitments.

Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

Original Article	Amended Article (Draft)
<p>Article 1.1 Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as the “Company”), the legitimate rights and interests of shareholders and creditors, the organization and activities regulating the Company, is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), and other relevant laws and administrative regulations of the State.</p> <p>The Company was established by way of promotion by generally converting 河北翼辰實業集團有限公司 into a joint stock limited company. Upon registration with Shijiazhuang Municipal Administration for Industry & Commerce on 26 November 2015, the Company has obtained the Business Licence for Company. The credibility code of the Company is: 91130100107907438Y.</p> <p>Promoters of the Company are: Zhang Haijun (張海軍), Zhang Suoqun (張鎖群), Zhang Xiaogeng (張小更), Zhang Junxia (張軍霞), Zhang Xiaosuo (張小鎖), Zhang Ligang (張立剛), Wu Jinyu (吳金玉), Fan Tiejun (樊鐵軍), Liu Xiwen (劉喜文), Ma Li</p>	<p>Article 1.1 <u>In order to protect</u> the legitimate rights and interests of Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as the “Company”), the legitimate rights and interests of shareholders and creditors, and to regulate the organization and activities regulating of the Company, is a joint stock limited company established in accordance with other relevant laws and administrative regulations of the State, <u>these Articles have been formulated in accordance with</u> the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), <u>the Securities Law of the People’s Republic of China (the “Securities Law”),</u> the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), <u>the Mandatory Provisions of the Articles of Association of Overseas Listed Companies (hereinafter referred to as the “Mandatory Provisions”), the Guidelines for the Articles of Association of Listed Companies (hereinafter referred to as the “AOA Guidelines”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the</u></p>

Original Article	Amended Article (Draft)
<p>(馬利), Ma Hailu (馬海錄), Wu Yonggang (吳永崗), Zhang Shuangge (張雙格), Zhao Liqiang (趙利強), Zhang Ruiqiu (張瑞秋), Zhang Fengxuan (張風選), Zhang Hong (張宏), Zhang Lifeng (張力峰), Zhang Libin (張力斌), Zhang Lijie (張力杰), Zhang Lihuan (張力歡), Zhang Chao (張超), Zhang Ning (張寧), Zhang Yanfeng (張艷峰), Zhang Qinghua (張慶華), Gao Weifeng (高衛峰), Liu Huizhen (劉惠珍), Liu Jihong (劉繼紅), Fan Xiulan (樊秀蘭).</p>	<p><u>“Listing Rules of Hong Kong Stock Exchange”), the Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange (hereinafter referred to as the “ChiNext Listing Rules”) and other relevant requirements</u>laws and administrative regulations.</p>
<p>—</p>	<p><u>Article 1.2 Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as the “Company”), with the legitimate rights and interests of shareholders and creditors as well as the organization and activities regulating the Company, is a joint stock limited company established in accordance with the Company Law, the Special Provisions, and other relevant laws and administrative regulations of the State.</u></p> <p><u>The Company was established by way of promotion by generally converting 河北翼辰實業集團有限公司 into a joint stock limited company. Upon registration with Shijiazhuang Municipal Administration for Industry & Commerce on 26 November 2015, the Company has obtained the Business Licence for Company. The credibility code of the Company is: 91130100107907438Y.</u></p>

Original Article	Amended Article (Draft)
	<p><u>Promoters of the Company are: Zhang Haijun (張海軍), Zhang Suoqun (張鎖群), Zhang Xiaogeng (張小更), Zhang Junxia (張軍霞), Zhang Xiaosuo (張小鎖), Zhang Ligang (張立剛), Wu Jinyu (吳金玉), Fan Tiejun (樊鐵軍), Liu Xiwen (劉喜文), Ma Li (馬利), Ma Hailu (馬海錄), Wu Yonggang (吳永崗), Zhang Shuangge (張雙格), Zhao Liqiang (趙利強), Zhang Ruiqiu (張瑞秋), Zhang Fengxuan (張風選), Zhang Hong (張宏), Zhang Lifeng (張力峰), Zhang Libin (張力斌), Zhang Lijie (張力杰), Zhang Lihuan (張力歡), Zhang Chao (張超), Zhang Ning (張寧), Zhang Yanfeng (張艷峰), Zhang Qinghua (張慶華), Gao Weifeng (高衛峰), Liu Huizhen (劉惠珍), Liu Jihong (劉繼紅) and Fan Xiulan (樊秀蘭).</u></p>
<p>Article 1.6 These Articles came into effect on the date on which the Company's overseas-listed foreign shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"). The original Articles of Association of the Company shall lapse automatically on the date on which these Articles come into effect.</p> <p>From the date upon which these Articles come into effect, these Articles shall become a legally binding document regulating the organization and activities of the Company, and the rights and obligations between the Company and its shareholders, and among its shareholders.</p>	<p>Article 1.7 These Articles came into effect on the date on which overseas-listed foreign shares were listed on The Stock Exchange of Hong Kong Limited <u>of the initial public offering, listing and trading of the Company's A shares on the ChiNext of Shenzhen Stock</u> Exchange (hereinafter referred to as the "Hong Kong Stock Exchange" <u>"SZSE"</u>). The original Articles of Association of the Company shall lapse automatically on the date on which these Articles come into effect.</p> <p>From the date upon which these Articles come into effect, these Articles shall become a legally binding document regulating the organization and activities of the Company, and the rights and obligations between the Company and its shareholders, and among its shareholders.</p>

Original Article	Amended Article (Draft)
<p>Article 1.7 These Articles shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members, who shall be entitled to assert their rights regarding the Company's affairs in accordance with these Articles.</p> <p>A shareholder may take legal action against the Company pursuant to these Articles; the Company may take legal action against any shareholder pursuant to these Articles; a shareholder may take legal action against any shareholder pursuant to these Articles; a shareholder may take legal action against the directors, supervisors, general manager and other senior management members of the Company pursuant to these Articles.</p> <p>The legal action referred to in the preceding paragraph include court proceedings and arbitration proceedings.</p>	<p>Article 1.8 These Articles shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members, who shall be entitled to assert their rights regarding the Company's affairs in accordance with these Articles.</p> <p>A shareholder may take legal action against the Company pursuant to these Articles; the Company may take legal action against any shareholder, <u>director, supervisor, general manager and other senior management member</u> pursuant to these Articles; a shareholder may take legal action against any shareholder pursuant to these Articles; <u>a shareholder may take legal action against the Company pursuant to these Articles</u>; a shareholder may take legal action against the directors, supervisors, general manager and other senior management members of the Company pursuant to these Articles.</p> <p>The legal action referred to in the preceding paragraph includes court proceedings and arbitration proceedings.</p>

Original Article	Amended Article (Draft)
<p>Article 2.2 The business scope of the Company is: manufacturing and sale of railway engineering equipment, embedded ducts and parts, pipe section bolts and parts of pipe section bolts, railroad sleepers, switch sleepers, short sleepers, supporting blocks, track plates, variable rods, water and boil proof plywood, water stops, geogrids, geotextiles, rubber plates, transportation train parts and components, rubber boot cover, nylon baffle seats and rubber (excluding items for medical use), nylon, plastic products (excluding items for medical use), railway guardrails, railings, multi-function modular shelving and wire steel products, solid wire, gas shielded and self-shielded series of flux cored wire products, welding equipment, steels, metal and electronic products, welding equipment sets and parts, welding machines, electrical engineering and electrification parts, electrical cable ducts, earth terminals and base terminal cables, electrified railway catenary steel poles-H-shaped poles; operating the export of the self-manufactured products and technology of the Company and import of raw and auxiliary materials, machines and equipment, spare parts and technology required by the Company, save for commodities and technology which must only be imported and exported by specific companies designated by the state and commodities and technology whose import and export are prohibited by the state; casting of railway parts. (Projects which require prior approvals under the laws must be undertaken only after the approvals have been granted by the relevant government authorities)</p> <p>The business scope of the Company shall include such items as the company registration authority may approve.</p>	<p>Article 2.2 The business scope of the Company is: manufacturing and sale of railway engineering equipment, embedded ducts and parts, pipe section bolts and parts of pipe section bolts, railroad sleepers, switch sleepers, short sleepers, supporting blocks, track plates, variable rods, water and boil proof plywood, water stops, geogrids, geotextiles, rubber plates, transportation train parts and components, rubber boot cover, nylon baffle seats and rubber (excluding items for medical use), nylon, plastic products (excluding items for medical use), railway guardrails, railings, multi-function modular shelving and wire steel products, solid wire, gas shielded and self-shielded series of flux cored wire products, welding equipment, steels, metal and electronic products, welding equipment sets and parts, welding machines, electrical engineering and electrification parts, electrical cable ducts, earth terminals and base terminal cables, electrified railway catenary steel poles-H-shaped poles; operating the export of the self-manufactured products and technology of the Company and import of raw and auxiliary materials, machines and equipment, spare parts and technology required by the Company, save for commodities and technology which must only be imported and exported by specific companies designated by the state and commodities and technology whose import and export are prohibited by the state; casting of railway parts. (Projects which require prior approvals under the laws must be undertaken only after the approvals have been granted by the relevant government authorities)</p> <p>The business scope of the Company shall include such items as the company registration authority may approve.</p>

Original Article	Amended Article (Draft)
<p>Article 3.4 Shares that the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas-listed foreign shares.</p> <p>Both holders of domestic shares and holders of overseas-listed foreign shares are holders of ordinary shares, and have the same rights and obligations.</p> <p>Foreign shares issued by the Company that are listed in Hong Kong shall be referred to as H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.</p>	<p>Article 3.4 Shares that the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas-listed foreign shares.</p> <p>Both holders of domestic shares and holders of overseas-listed foreign shares are holders of ordinary shares, and have the same rights and obligations.</p> <p>Foreign shares issued by the Company that are listed in Hong Kong shall be referred to as H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars. <u>Domestic listed shares of the Company that are listed on SZSE are referred to as “A shares”. A shares are shares which have been approved for listing on SZSE with par value denominated in Renminbi and are subscribed for and traded in Renminbi.</u></p>
=	<p><u>Article 3.5 Domestic shares issued by the Company are centrally deposited at the China Securities Depository and Clearing Company Limited. Overseas-listed foreign shares issued by the Company in Hong Kong are mainly in the custody of securities clearing and settlement companies in Hong Kong or held by shareholders under their own names.</u></p>

Original Article

Article 3.6 The Company has been authorized by the securities regulatory authorities of China to issue no more than 224,460,000 H shares, with a par value of RMB0.5 each. If over-allotment options are exercised, the Company can issue no more than 258,129,000 H shares, with a par value of RMB0.5 each.

Upon the completion of the above issuance, if no over-allotment options are exercised, the shareholding structure of the Company shall be as follows: there shall be totally 897,840,000 issued ordinary shares, of which 673,380,000 shares shall be held by the promoters and 224,460,000 shares shall be held by holders of H shares, both with a par value of RMB0.5 each. The shareholding structure of the Company is detailed as below:

Name of shareholder	Number of shares	Shareholding (%)
Zhang Haijun (張海軍)	133,598,592	14.88
Zhang Suoqun (張鎖群)	25,588,440	2.85
Zhang Junxia (張軍霞)	87,270,048	9.72
Zhang Xiaogeng (張小更)	86,866,020	9.68
Zhang Xiaosuo (張小鎖)	87,068,034	9.70
Zhang Ligang (張立剛)	27,608,580	3.08
Wu Jinyu (吳金玉)	29,561,382	3.29
Fan Tiejun (樊鐵軍)	2,828,196	0.32
Liu Xiwen (劉喜文)	5,050,350	0.56
Ma Li (馬利)	2,424,168	0.27
Ma Hailu (馬海錄)	4,848,336	0.54
Wu Yonggang (吳永崗)	5,050,350	0.56
Zhang Shuangge (張雙格)	1,279,422	0.14
Zhao Liqiang (趙利強)	3,164,886	0.35
Zhang Ruiqiu (張瑞秋)	2,356,830	0.26
Zhang Fengxuan (張風選)	5,050,350	0.56

Amended Article (Draft)

Article 3.7 The Company has been authorized by the securities regulatory authorities of China to issue no more than 224,460,000 H shares, with a par value of RMB0.5 each. If over-allotment options are exercised, the Company can issue no more than 258,129,000 H shares, with a par value of RMB0.5 each.

Upon the completion of the above issuance, ~~if no over-allotment options are exercised~~, the shareholding structure of the Company shall be as follows: there shall be totally 897,840,000 issued ordinary shares, of which 673,380,000 shares shall be held by the promoters and 224,460,000 shares shall be held by holders of H shares, both with a par value of RMB0.5 each. The shareholding structure of the Company is detailed as below:

Name of shareholder	Number of shares	Shareholding (%)
Zhang Haijun (張海軍)	133,598,592	14.88
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Zhang Shuangge (張雙格)	1,279,422	0.14
Zhao Liqiang (趙利強)	3,164,886	0.35
Zhang Ruiqiu (張瑞秋)	2,356,830	0.26

APPENDIX VIII

COMPARISON TABLE OF AMENDMENTS TO
ARTICLES OF ASSOCIATION

Original Article			Amended Article (Draft)		
Zhang Hong (張宏)	17,507,880	1.95	Zhang Fengxuan (張風選)	5,050,350	0.56
Zhang Lifeng (張力峰)	19,123,992	2.13	Zhang Hong (張宏)	17,507,880	1.95
Zhang Libin (張力斌)	17,507,880	1.95	Zhang Lifeng (張力峰)	19,123,992	2.13
Zhang Lijie (張力杰)	19,123,992	2.13	Zhang Libin (張力斌)	17,507,880	1.95
Zhang Lihuan (張力歡)	17,507,880	1.95	Zhang Lijie (張力杰)	19,123,992	2.13
Zhang Chao (張超)	19,123,992	2.13	Zhang Lihuan (張力歡)	17,507,880	1.95
Zhang Ning (張寧)	17,507,880	1.95	Zhang Chao (張超)	19,123,992	2.13
Zhang Yanfeng (張艷峰)	19,123,992	2.13	Zhang Ning (張寧)	17,507,880	1.95
Zhang Qinghua (張慶華)	1,885,464	0.21	Zhang Yanfeng (張艷峰)	19,123,992	2.13
Gao Weifeng (高衛峰)	942,732	0.11	Zhang Qinghua (張慶華)	1,885,464	0.21
Liu Huizhen (劉惠珍)	6,733,800	0.75	Gao Weifeng (高衛峰)	942,732	0.11
Liu Jihong (劉繼紅)	6,733,800	0.75	Liu Huizhen (劉惠珍)	6,733,800	0.75
Fan Xiulan (樊秀蘭)	942,732	0.11	Liu Jihong (劉繼紅)	6,733,800	0.75
H shareholders	224,460,000	25	Fan Xiulan (樊秀蘭)	942,732	0.11
Total	897,840,000	100	H shareholders	224,460,000	25
			Total	897,840,000	100

Original Article	Amended Article (Draft)																																																																											
<p>Upon the completion of the above issuance, if over-allotment options are exercised in full, the shareholding structure of the Company shall be as follows: there shall be totally 931,509,000 issued ordinary shares, of which 673,380,000 shares shall be held by the promoters and 258,129,000 shares shall be held by holders of H shares, both with a par value of RMB0.5 each. The shareholding structure of the Company is detailed as below:</p>	<p><u>Upon review and approval by SZSE and submission to CSRC on the implementation of issuance and registration procedures,</u> the Company <u>will make initial public offering of [●] ordinary shares, all of which will be A shares, to the public and list the shares on SZSE at [time of listing].</u></p>																																																																											
<table><tr><th>Name of shareholder</th><th>Number of shares</th><th>Shareholding (%)</th></tr><tr><td>Zhang Haijun (張海軍)</td><td>133,598,592</td><td>14.34%</td></tr><tr><td>Zhang Suoqun (張鎖群)</td><td>25,588,440</td><td>2.75%</td></tr><tr><td>Zhang Xiaogeng (張小更)</td><td>86,866,020</td><td>9.33%</td></tr><tr><td>Zhang Junxia (張軍霞)</td><td>87,270,048</td><td>9.37%</td></tr><tr><td>Zhang Xiaosuo (張小鎖)</td><td>87,068,034</td><td>9.35%</td></tr><tr><td>Zhang Ligang (張立剛)</td><td>27,608,580</td><td>2.96%</td></tr><tr><td>Wu Jinyu (吳金玉)</td><td>29,561,382</td><td>3.17%</td></tr><tr><td>Fan Tiejun (樊鐵軍)</td><td>2,828,196</td><td>0.30%</td></tr><tr><td>Liu Xiwen (劉喜文)</td><td>5,050,350</td><td>0.54%</td></tr><tr><td>Ma Li (馬利)</td><td>2,424,168</td><td>0.26%</td></tr><tr><td>Ma Hailu (馬海錄)</td><td>4,848,336</td><td>0.52%</td></tr><tr><td>Wu Yonggang (吳永崗)</td><td>5,050,350</td><td>0.54%</td></tr><tr><td>Zhang Xiaogeng (張雙格)</td><td>1,279,422</td><td>0.14%</td></tr></table>	Name of shareholder	Number of shares	Shareholding (%)	Zhang Haijun (張海軍)	133,598,592	14.34%	Zhang Suoqun (張鎖群)	25,588,440	2.75%	Zhang Xiaogeng (張小更)	86,866,020	9.33%	Zhang Junxia (張軍霞)	87,270,048	9.37%	Zhang Xiaosuo (張小鎖)	87,068,034	9.35%	Zhang Ligang (張立剛)	27,608,580	2.96%	Wu Jinyu (吳金玉)	29,561,382	3.17%	Fan Tiejun (樊鐵軍)	2,828,196	0.30%	Liu Xiwen (劉喜文)	5,050,350	0.54%	Ma Li (馬利)	2,424,168	0.26%	Ma Hailu (馬海錄)	4,848,336	0.52%	Wu Yonggang (吳永崗)	5,050,350	0.54%	Zhang Xiaogeng (張雙格)	1,279,422	0.14%	<table><tr><th>Name-of-shareholder</th><th>Number of shares</th><th>Shareholding-(%)</th></tr><tr><td>Zhang-Haijun (張海軍)</td><td>133,598,592</td><td>14.34%</td></tr><tr><td>Zhang Suoqun (張鎖群)</td><td>25,588,440</td><td>2.75%</td></tr><tr><td>Zhang Xiaogeng (張小更)</td><td>86,866,020</td><td>9.33%</td></tr><tr><td>Zhang Junxia (張軍霞)</td><td>87,270,048</td><td>9.37%</td></tr><tr><td>Zhang Xiaosuo (張小鎖)</td><td>87,068,034</td><td>9.35%</td></tr><tr><td>Zhang Ligang (張立剛)</td><td>27,608,580</td><td>2.96%</td></tr><tr><td>Wu Jinyu (吳金玉)</td><td>29,561,382</td><td>3.17%</td></tr><tr><td>Fan Tiejun (樊鐵軍)</td><td>2,828,196</td><td>0.30%</td></tr><tr><td>Liu Xiwen (劉喜文)</td><td>5,050,350</td><td>0.54%</td></tr><tr><td>Ma Li (馬利)</td><td>2,424,168</td><td>0.26%</td></tr></table>	Name-of-shareholder	Number of shares	Shareholding-(%)	Zhang-Haijun (張海軍)	133,598,592	14.34%	Zhang Suoqun (張鎖群)	25,588,440	2.75%	Zhang Xiaogeng (張小更)	86,866,020	9.33%	Zhang Junxia (張軍霞)	87,270,048	9.37%	Zhang Xiaosuo (張小鎖)	87,068,034	9.35%	Zhang Ligang (張立剛)	27,608,580	2.96%	Wu Jinyu (吳金玉)	29,561,382	3.17%	Fan Tiejun (樊鐵軍)	2,828,196	0.30%	Liu Xiwen (劉喜文)	5,050,350	0.54%	Ma Li (馬利)	2,424,168	0.26%
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Original Article			Amended Article (Draft)		
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Zhang Ruiqiu (張瑞秋)	2,356,830	0.25%	Wu Yonggang (吳永崗)	5,050,350	0.54%
Zhang Fengxuan (張風選)	5,050,350	0.54%	Zhang Shuangge (張雙格)	1,279,422	0.14%
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Zhang Lihuan (張力歡)	17,507,880	1.88%	Zhang Lifeng (張力峰)	19,123,992	2.05%
Zhang Chao (張超)	19,123,992	2.05%	Zhang Libin (張力斌)	17,507,880	1.88%
Zhang Ning (張寧)	17,507,880	1.88%	Zhang Lijie (張力杰)	19,123,992	2.05%

Original Article			Amended Article (Draft)		
Zhang Yanfeng (張艷峰)	19,123,992	2.05%	Zhang Lihuan (張力歡)	17,507,880	1.88%
Zhang Qinghua (張慶華)	1,885,464	0.20%	Zhang Chao (張超)	19,123,992	2.05%
Gao Weifeng (高衛峰)	942,732	0.10%	Zhang Ning (張寧)	17,507,880	1.88%
Liu Huizhen (劉惠珍)	6,733,800	0.72%	Zhang Yanfeng (張艷峰)	19,123,992	2.05%
Liu Jihong (劉繼紅)	6,733,800	0.72%	Zhang Qinghua (張慶華)	1,885,464	0.20%
Fan Xiulan (樊秀蘭)	942,732	0.10%	Gao Weifeng (高衛峰)	942,732	0.10%
H shareholders	258,129,000	27.71%	Liu Huizhen (劉惠珍)	6,733,800	0.72%
Total	931,509,000	100%	Liu Jihong (劉繼紅)	6,733,800	0.72%
			Fan Xiulan (樊秀蘭)	942,732	0.10%
			H shareholders	258,129,000	27.71%
			Total	931,509,000	100%

Original Article	Amended Article (Draft)
<p>Article 3.9 Upon the completion of the H share issuance referred to in Article 3.6 above, if no over-allotment option is exercised, the registered capital of the Company shall increase to RMB448,920,000; if over-allotment options are exercised in full, the registered capital of the Company shall be RMB465,754,500.</p>	<p>Article 3.10 Upon the completion of the H share issuance referred to in Article 3.6 above, if no over-allotment option is exercised, the registered capital of the Company shall increase to RMB448,920,000; if over-allotment options are exercised in full, the registered capital of the Company shall be RMB465,754,500.</p> <p><u>Upon the completion of the abovementioned A share issuance, if the over-allotment option is not exercised at all, the registered capital of the Company will be RMB528,141,000; if the over-allotment option is exercised in full, the registered capital of the Company shall be RMB540,024,150. The change of registered capital of the Company shall be registered with the industrial and commercial administration department of the Company.</u></p>

Original Article	Amended Article (Draft)
<p>Article 3.12 Shares of the Company held by its promoters shall not be transferable within one year from the date of its establishment. Shares of the Company in issue prior to its public offering of shares shall not be transferable within one year from the date its shares are listed on the stock exchange for trading.</p> <p>The directors, supervisors and senior management members of the Company shall declare to the Company their shareholdings in the Company and inform any changes in their shareholdings. During their terms of office, shares being transferred every year must not exceed 25% of their aggregate shareholdings. No transfer of their shareholdings shall be made within one year from the date the Company's shares were listed for trading. No transfer of their shareholdings shall be made within six months after they ceased to hold their respective offices.</p>	<p>Article 3.13 Shares of the Company held by its promoters shall not be transferable within one year from the date of its establishment. Shares of the Company in issue prior to its public offering of shares shall not be transferable within one year from the date its shares are listed on the stock exchange for trading.</p> <p>The directors, supervisors and senior management members of the Company shall declare to the Company their shareholdings in the Company and inform any changes in their shareholdings. During their terms of office, shares being transferred every year must not exceed 25% of their aggregate shareholdings. No transfer of their shareholdings shall be made within one year from the date the Company's shares were listed for trading. No transfer of their shareholdings shall be made within six months after they ceased to hold their respective offices.</p> <p><u>If this transfer restriction involves H shares, the Listing Rules of Hong Kong Stock Exchange and relevant applicable laws and regulations shall be observed.</u></p>

Original Article	Amended Article (Draft)
–	<p data-bbox="815 287 1359 1066"><u>Article 3.14 Where the Company's directors, supervisors, senior management members and shareholders holding more than 5% of the Company's shares sell their shares within 6 months after acquiring them, or acquire them again within 6 months after selling them, the proceeds thus obtained shall be owned by the Company, and the board of directors of the Company shall recover the proceeds from them. If this transfer restriction involves H shares, the Listing Rules of Hong Kong Stock Exchange and relevant applicable laws and regulations shall be observed. However, where a securities company holds more than 5% of shares due to its purchase of the remaining shares pursuant to underwriting after selling shares, the time limit for selling the shares is not subject to 6 months.</u></p> <p data-bbox="815 1112 1359 1555"><u>If the board of directors of the Company fails to comply with the provisions in the preceding paragraph, the shareholders shall be entitled to request the board of directors to perform the same within 30 days. If the board of directors of the Company fails to perform within the above time limit, the shareholders shall be entitled to directly bring a lawsuit to the people's court in their own name for the benefit of the Company.</u></p> <p data-bbox="815 1602 1359 1781"><u>If the board of directors of the Company fails to comply with the provisions in the first paragraph, the responsible directors shall assume joint liabilities according to law.</u></p>

Original Article	Amended Article (Draft)
<p>Article 4.3 The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules and these Articles, acquire its shares under the following circumstances:</p> <p>(i) Reduction of the Company's registered capital;</p> <p>(ii) Merger with another company which holds the shares of the Company;</p> <p>(iii) Granting of shares as incentive compensation to the staff of the Company;</p> <p>(iv) Request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company.</p> <p>Other than the above, the Company shall not deal in its shares.</p>	<p>Article 4.3 The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules and these Articles, acquire its shares under the following circumstances:</p> <p>(i) Reduction of the Company's registered capital;</p> <p>(ii) Merger with another company which holds the shares of the Company;</p> <p>(iii) Granting of shares <u>under the employee option scheme or as share incentives</u>;</p> <p>(iv) Request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company.</p> <p>(v) <u>Using shares to convert corporate bonds issued by the Company that can be converted into shares</u>;</p> <p>(vi) <u>Protecting the value of the Company and shareholders' interests when necessary</u>;</p> <p>(vii) <u>Other circumstances required by the laws and administrative regulations and approved by the approval departments authorized by the State Council.</u></p> <p>Other than the above, the Company shall not deal in its shares.</p> <p><u>Where the Company repurchases its own shares, it shall comply with the information disclosure and other obligations in accordance with the Company Law and the listing rules of the place of listing and other applicable laws and regulations.</u></p>

Original Article	Amended Article (Draft)
<p>Article 4.4 The Company may acquire its shares in one of the following ways:</p> <ul style="list-style-type: none"> (i) Making a pro rata general offer of repurchase to all its shareholders; (ii) Repurchasing through public trading on a stock exchange; (iii) Repurchasing shares by an off-market agreement outside a stock exchange; (iv) Any other ways permitted by the securities regulatory authorities of China. 	<p>Article 4.4 The Company may acquire its shares in one of the following ways:</p> <ul style="list-style-type: none"> (i) Making a pro rata general offer of repurchase to all its shareholders; (ii) Repurchasing through public trading on a stock exchange; (iii) Repurchasing shares by an off-market agreement outside a stock exchange; (iv) Any other ways permitted by the securities regulatory authorities of China. <p><u>Where the Company acquires its own shares due to the circumstances required in sub-paragraphs (iii), (v) and (vi) of first paragraph of Article 4.3 of these Articles, the repurchase shall be conducted through open and centralized transactions.</u></p>

Original Article	Amended Article (Draft)
<p>Article 4.6 Share repurchases made by the Company by reason of those mentioned in sub-paragraphs (i) to (iii) of Article 4.3 hereof shall be approved by the shareholders' general meeting. Shares repurchased by the Company pursuant to Article 4.3 hereof under sub-paragraph (i) of Article 4.3 hereof shall be cancelled within 10 days from the date of acquisition; the shares repurchased under sub-paragraphs (ii) and (iv) of Article 4.3 hereof shall be transferred or cancelled within 6 months.</p> <p>The shares acquired by the Company in accordance with sub-paragraph (iii) of Article 4.3 hereof shall not exceed 5% of the Company's issued shares. The acquisition shall be made out of the profits after taxation of the Company, and the shares acquired shall be transferred to the staff within one year.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>	<p>Article 4.6 Share repurchases made by the Company by reason of those mentioned in sub-paragraph (i) to (iii) and (ii) of Article 4.3 hereof shall be approved by the shareholders' general meeting. Shares repurchased by <u>reason of those mentioned in sub-paragraphs (iii), (v) and (vi)</u> of Article 4.3 hereof shall be approved by board meetings attended by more than two thirds of directors. Shares of the Company repurchased by the Company pursuant to Article 4.3 hereof under sub-paragraph (i) of Article 4.3 hereof shall be cancelled within 10 days from the date of acquisition; the shares repurchased under sub-paragraphs (ii) and (iv) of Article 4.3 hereof shall be transferred or cancelled within 6 months.</p> <p><u>The number of aggregate</u> shares of the Company held by the Company under sub-paragraphs (iii), (v) and (vi) shall not exceed 10% of the Company's issued shares and shall be transferred or cancelled within three years.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>

Original Article	Amended Article (Draft)
<p>Article 6.8 All paid-up H shares that are listed in Hong Kong are freely transferable pursuant to these Articles. However, the board of directors may refuse to recognize any instrument of transfer without the need to provide any reason, unless:</p> <p>(i) A fee as prescribed in the Listing Rules has been paid to the Company to register the transfer documents and other documents relating to or affecting the title to any shares;</p> <p>(ii) The instrument of transfer only involves the H shares listed in Hong Kong;</p> <p>(iii) The stamp duty payable on the instrument of transfer has been paid;</p> <p>(iv) The relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the right to transfer such shares shall be provided;</p> <p>(v) If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;</p> <p>(vi) The Company does not have any lien over the relevant shares.</p>	<p>Article 6.8 All paid-up H shares that are listed in Hong Kong are freely transferable pursuant to these Articles. However, the board of directors may refuse to recognize any instrument of transfer without the need to provide any reason, unless:</p> <p>(i) A fee as prescribed in the Listing Rules of <u>Hong Kong Stock Exchange</u> has been paid to the Company to register the transfer documents and other documents relating to or affecting the title to any shares;</p> <p>(ii) The instrument of transfer only involves the H shares listed in Hong Kong;</p> <p>(iii) The stamp duty payable on the instrument of transfer has been paid;</p> <p>(iv) The relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the right to transfer such shares shall be provided;</p> <p>(v) If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;</p> <p>(vi) The Company does not have any lien over the relevant shares.</p>

Original Article	Amended Article (Draft)
<p>The Company's H shares that are listed in Hong Kong shall be transferred by way of written transfer instrument in usual or ordinary form, or any format acceptable to the board of directors. Such transfer instrument may be signed by hand, or in the event that the transferor or transferee is a recognized clearing house (hereinafter referred to as "Recognized Clearing House") as defined under the Securities and Futures Ordinance of Hong Kong or those of its agent, a transfer instrument may be signed in a machine-printed form. All transfer instruments shall be placed in the legal address of the Company or other places as designated by the board of directors from time to time.</p>	<p>The Company's H shares that are listed in Hong Kong shall be transferred by way of written transfer instrument in usual or ordinary form, or any format acceptable to the board of directors. Such transfer instrument may be signed by hand, or in the event that the transferor or transferee is a recognized clearing house (hereinafter referred to as "Recognized Clearing House") as defined under the Securities and Futures Ordinance of Hong Kong or those of its agent, a transfer instrument may be signed in a machine-printed form. All transfer instruments shall be placed in the legal address of the Company or other places as designated by the board of directors from time to time.</p>

Original Article	Amended Article (Draft)
<p>Article 6.9 No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends.</p>	<p>Article 6.9 No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends.</p> <p><u>However, where there are provisions in respect of the period to suspend the registration of share transfer prior to the convening of shareholders' general meetings or the record date set by the Company for the purpose of distribution of dividends otherwise required by laws, administrative regulations, departmental rules, normative documents and requirements of relevant stock exchanges or regulatory authorities of the places where the Company's shares are listed, such provisions shall prevail.</u></p>
<p>Article 6.10 Where the Company convenes a shareholders' general meeting, distributes dividends, liquidates, or carries out other activities that require the determination of shareholdings, the board of directors shall set a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who appear in the register of shareholders shall be deemed as the shareholders of the Company.</p>	<p>Article 6.10 Where the Company convenes a shareholders' general meeting, distributes dividends, liquidates, or carries out other activities that require the determination of shareholdings, the board of directors <u>or the convener of the shareholders' general meeting</u> shall set a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who appear in the register of shareholders shall be deemed as the shareholders of the Company.</p>

Original Article	Amended Article (Draft)
<p>Article 7.3 Holders of ordinary shares of the Company shall have the following rights:</p> <ul style="list-style-type: none"> (i) The right to receive dividends and other distributions in proportion to the number of shares held; (ii) The right to request, convene, chair, attend and exercise the corresponding voting rights in person or appoint a proxy to attend and exercise the corresponding voting rights on their behalf at shareholders' general meetings in accordance with the laws; (iii) The right to supervise the Company's business operations, and to put forward proposals and raise enquiries; (iv) The right to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations and these Articles; (v) The right to obtain the relevant information in accordance with these Articles, including: <ul style="list-style-type: none"> 1. A copy of the Articles of Association upon payment of a fee equivalent to the costs; 	<p>Article 7.3 Holders of ordinary shares of the Company shall have the following rights:</p> <ul style="list-style-type: none"> (i) The right to receive dividends and other distributions in proportion to the number of shares held; (ii) The right to request, convene, chair, attend and exercise the corresponding voting rights in person or appoint a proxy to attend and exercise the corresponding voting rights on their behalf at shareholders' general meetings in accordance with the laws; (iii) The right to supervise the Company's business operations, and to put forward proposals and raise enquiries; (iv) The right to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations and these Articles; (v) The right to obtain the relevant information in accordance with these Articles, including: <ul style="list-style-type: none"> 1. A copy of the Articles of Association upon payment of a fee equivalent to the costs;

Original Article	Amended Article (Draft)
<p>2. The right to inspect and copy upon payment of a reasonable fee:</p> <p>(1) A copy of the register of all classes of shareholders;</p> <p>(2) Personal particulars of directors, supervisors, general manager and other senior management members of the Company, including:</p> <p>(A) present and former name and alias;</p> <p>(B) principal address (residence);</p> <p>(C) nationality;</p> <p>(D) primary and all other part-time occupations and duties;</p> <p>(E) identification documents and their relevant numbers.</p> <p>(3) The state of the share capital of the Company;</p>	<p>2. <u>The right to inspect free of charge and copy upon payment of a reasonable fee:</u>The right to inspect and copy upon payment of a reasonable fee:</p> <p>(1) A copy of the register of all classes of shareholders;</p> <p>(2) Personal particulars of directors, supervisors, general manager and other senior management members of the Company, including:</p> <p>(A) present and former name and alias;</p> <p>(B) principal address (residence);</p> <p>(C) nationality;</p> <p>(D) primary and all other part-time occupations and duties;</p> <p>(E) identification documents and their relevant numbers.</p> <p>(3) The state of the share capital of the Company;</p>

Original Article	Amended Article (Draft)
<p>(4) Reports showing the aggregate nominal value, quantity, highest and lowest prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate expenses paid by the Company for such purpose;</p> <p>(5) Minutes of the shareholders' general meetings;</p> <p>(6) The Company's latest audited financial statements and the reports of directors, auditors and supervisors;</p> <p>(7) Special resolutions of the Company;</p> <p>(8) A copy of the latest annual return which have been filed with the State Administration for Industry & Commerce of the PRC or other competent authority.</p>	<p>(4) Reports showing the aggregate nominal value, quantity, highest and lowest prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate expenses paid by the Company for such purpose;</p> <p>(5) Minutes of the shareholders' general meetings;</p> <p>(6) The Company's latest audited financial statements and the reports of directors, auditors and supervisors;</p> <p>(7) Special resolutions of the Company;</p> <p>(8) A copy of the latest annual return which has been filed with the State Administration for Industry & Commerce of the PRC or other competent authority.</p>

Original Article	Amended Article (Draft)
<p>The Company shall place the documents referred to in the above sub-paragraphs (1) to (8) at the Company's Hong Kong address as required by the Listing Rules for inspection by the public and holders of H shares free of charge (the documents referred to in sub-paragraph (5) is for shareholders' review only);</p> <p>(vi) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;</p> <p>(vii) With respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(viii) Any other rights conferred by laws, administrative regulations and these Articles.</p>	<p>The Company shall place the documents referred to in the above sub-paragraphs (1) to (8) at the Company's Hong Kong address as required by the Listing Rules of <u>Hong Kong Stock Exchange</u> for inspection by the public and holders of H shares free of charge (the documents referred to in sub-paragraph (5) is for shareholders' review only);</p> <p>(vi) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;</p> <p>(vii) With respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(viii) Any other rights conferred by laws, administrative regulations and these Articles.</p>
–	<p><u>Article 7.4 Where shareholders request to inspect relevant information referred to in Article 7.3 or request for documents, they shall provide the written documents proving the class and number of shares of the Company held by them. The Company shall provide the information as required by the shareholders after their identity is verified.</u></p>

Original Article	Amended Article (Draft)
–	<p><u>Article 7.5 If content of the resolution of the shareholders' general meeting and the board meeting of the Company violates laws and administrative regulations, the shareholders are entitled to request the people's court to declare it invalid.</u></p> <p><u>If the convening procedure and voting method of the shareholders' general meeting and the board meeting violate laws, administrative regulations or these Articles, or the content of the resolution violates these Articles, the shareholders are entitled to request the people's court to revoke the resolution within 60 days from the date of the resolution.</u></p>

Original Article	Amended Article (Draft)
–	<p><u>Article 7.6 Where directors or senior management members violate the provisions of laws, administrative regulations or these Articles when performing their duties and cause losses to the Company, shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall be entitled to request the supervisory committee to bring a lawsuit to the people's court; where the supervisory committee violates the provisions of laws, administrative regulations or these Articles when performing its duties and cause losses to the Company, shareholders may request the board of directors in writing to bring a lawsuit to the people's court.</u></p> <p><u>Where the supervisory committee or the board of directors refuses to file a lawsuit after receiving the written request of the shareholders referred to in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving such request, or in an urgent circumstance where the interests of the Company will be irreparably damaged if the supervisory committee or the board of directors does not file a lawsuit immediately after receiving such request, the shareholders referred to in the preceding paragraph shall be entitled to directly bring a lawsuit to the people's court in their own name for the benefit of the Company.</u></p>

Original Article	Amended Article (Draft)
	<p><u>Where other parties infringe upon the legitimate rights and interests of the Company and cause losses to it, the shareholders referred to in the first paragraph of this Article may bring a lawsuit to the people's court in accordance with the preceding two paragraphs.</u></p> <p><u>Where directors or senior management members violate the provisions of laws, administrative regulations or these Articles and damage the interests of shareholders, the shareholders may bring a lawsuit to the people's court.</u></p>
–	<p><u>Article 7.8 Where shareholders with more than 5% of voting rights of the Company pledge their shares, they shall make a written report to the Company on the day when such fact occurs.</u></p>

Original Article	Amended Article (Draft)
<p>Article 7.5 In addition to the obligations imposed by laws, administrative regulations or listing rules of the stock exchange upon which the Company's shares are listed, a controlling shareholder shall not exercise his voting rights in respect to the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:</p> <p>(i) To relieve a director or supervisor of his duty to act honestly in the best interests of the Company;</p> <p>(ii) To approve the directors or supervisors (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favourable to the Company;</p> <p>(iii) To approve the directors or supervisors (for their own account or for the account of other parties) to deprive another shareholder of his individual interest, including but not limited to any allocation right and voting right, but excluding any corporate restructuring proposal made at the shareholders' general meeting in accordance with these Articles.</p>	<p>Article 7.9 <u>The controlling shareholders and de facto controller of the Company shall not damage the interests of the Company by taking advantage of their connected relationship. Those who violate the regulations and cause losses to the Company shall be liable for compensation.</u></p> <p><u>The controlling shareholders and de facto controllers of the Company have fiduciary duty to the Company and its public shareholders. The controlling shareholders shall strictly exercise the rights of the investor in accordance with the laws. The controlling shareholders shall not damage the legitimate rights and interests of the Company and the public shareholders by means of profit distribution, asset reorganization, foreign investment, fund occupation, loan guarantee, etc., and shall not damage the interests of the Company and the public shareholders by utilizing its controlling position.</u></p>

Original Article	Amended Article (Draft)
	<p>In addition to the obligations imposed by laws, administrative regulations or listing rules of the stock exchange upon which the Company's shares are listed, a controlling shareholder shall not exercise his voting rights in respect to the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:</p> <ul style="list-style-type: none"> (i) To relieve a director or supervisor of his duty to act honestly in the best interests of the Company; (ii) To approve the directors or supervisors (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favourable to the Company; (iii) To approve the directors or supervisors (for their own account or for the account of other parties) to deprive another shareholder of his individual interest, including but not limited to any allocation right and voting right, but excluding any corporate restructuring proposal made at the shareholders' general meeting in accordance with these Articles.

Original Article	Amended Article (Draft)
<p>Article 8.2 The shareholders' general meeting shall have the following functions and powers:</p> <ul style="list-style-type: none"> (i) To decide the Company's operational directions and investment plans; (ii) To elect and replace directors and to determine matters relating to the remuneration of the directors; (iii) To elect and replace supervisors who are not staff representatives and to determine matters relating to the remuneration of the supervisors; (iv) To consider and approve the reports of the board of directors; (v) To consider and approve the reports of the supervisory committee; (vi) To consider and approve the Company's annual financial budgets and final accounts; (vii) To consider and approve the Company's profit distribution plan and plan for recovery of losses; (viii) To make resolutions on increase or reduction of the Company's registered capital; (ix) To make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company; 	<p>Article 8.2 The shareholders' general meeting shall have the following functions and powers:</p> <ul style="list-style-type: none"> (i) To decide the Company's operational directions and investment plans; (ii) To elect and replace directors and to determine matters relating to the remuneration of the directors; (iii) To elect and replace supervisors who are not staff representatives and to determine matters relating to the remuneration of the supervisors; (iv) To consider and approve the reports of the board of directors; (v) To consider and approve the reports of the supervisory committee; (vi) To consider and approve the Company's annual financial budgets and final accounts; (vii) To consider and approve the Company's profit distribution plan and plan for recovery of losses; (viii) To make resolutions on increase or reduction of the Company's registered capital; (ix) To make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;

Original Article	Amended Article (Draft)
(x) To make resolutions on the issue of corporate bonds by the Company;	(x) To make resolutions on the issue of corporate bonds by the Company;
(xi) To make resolutions on the appointment, dismissal or non-reappointment of the accounting firms of the Company;	(xi) To make resolutions on the appointment, dismissal or non-reappointment of the accounting firms of the Company;
(xii) To amend these Articles;	(xii) To amend these Articles;
(xiii) To consider the motions put forward by shareholders individually or jointly holding 3% or more of the Company;	(xiii) To consider the motions put forward by shareholders individually or jointly holding 3% or more of the Company;
(xiv) To consider the matters in relation to purchase or disposal of material assets by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;	(xiv) To consider the matters in relation to purchase or disposal of material assets by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;
(xv) To consider the share incentive plan;	(xv) To consider the share incentive plan;
(xvi) To consider and approve the changes of the use of proceeds;	(xvi) To consider and approve the changes of the use of proceeds;
(xvii) To make resolutions on the guarantees stated in Article 8.3 hereof;	(xvii) To make resolutions on the guarantees stated in Article 8.3 hereof;
(xviii) To consider other matters which are required to be determined at the shareholders' general meeting as required by laws, administrative regulations, departmental rules, the Listing Rules or these Articles.	(xviii) To consider other matters which are required to be determined at the shareholders' general meeting as required by laws, administrative regulations, departmental rules, <u>the listing rules of the place of listing</u> or these Articles.

Original Article	Amended Article (Draft)
<p>Article 8.3 The provision of the following external guarantees by the Company shall be considered and approved by the shareholders' general meeting:</p> <p>(i) any guarantee which is provided after the total amount of external guarantee provided by the Company and its controlled subsidiaries has reached 50% or more of the Company's latest audited net assets;</p> <p>(ii) any guarantee which is provided after the total amount of external guarantee provided by the Company has reached 30% or more of the Company's latest audited total assets;</p> <p>(iii) guarantee which is provided to a target with an asset to liability ratio of over 70%;</p>	<p>Article 8.3 The provision of the following external guarantees by the Company shall be considered and approved by the shareholders' general meeting:</p> <p>(i) any guarantee which is provided after the total amount of external guarantee provided by the Company and its controlled subsidiaries has reached 50% or more of the Company's latest audited net assets;</p> <p>(ii) any guarantee which is provided after the total amount of external guarantee provided by the Company has reached 30% or more of the Company's latest audited total assets;</p> <p>(iii) guarantee which is provided to a target with an asset to liability ratio of over 70%;</p>

Original Article	Amended Article (Draft)
<p>(iv) guarantee with a single amount of guarantee of more than 10% of the latest audited net assets;</p> <p>(v) guarantee which is provided to shareholders, de facto controllers and their related parties;</p> <p>(vi) Other guarantees which shall be determined by the shareholders' general meeting as required by the laws, administrative regulations, departmental rules, the Listing Rules and these Articles.</p> <p>The above guarantees which shall be determined by the shareholders' general meeting must be considered and approved by the board of directors before being submitted to the shareholders' general meeting for consideration.</p> <p>When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller and their related parties, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.</p>	<p>(iv) guarantee with a single amount of guarantee of more than 10% of the latest audited net assets;</p> <p>(v) guarantee which is provided to shareholders, de facto controllers and their related parties;</p> <p><u>(vi) guarantees provided within 12 consecutive months with the amount exceeding 50% of the Company's latest audited net assets and the absolute amount exceeding RMB50 million;</u></p> <p><u>(vii) guarantees provided within 12 consecutive months with the amount exceeding 30% of the Company's latest audited total assets;</u></p> <p>(viii) Other guarantees which shall be determined by the shareholders' general meeting as required by the laws, administrative regulations, departmental rules, <u>the listing rules of the place of listing</u> and these Articles.</p> <p>The above guarantees which shall be determined by the shareholders' general meeting must be considered and approved by the board of directors before being submitted to the shareholders' general meeting for consideration. When a guarantee is considered by the board of directors, it must be considered and approved by more than two thirds of the directors present at the board meeting.</p>

Original Article	Amended Article (Draft)
	<p><u>When a guarantee referred to in sub-paragraph (vii) of this Article is considered at the shareholders' general meeting, it must be approved by more than two thirds of the voting rights held by the shareholders present at the meeting.</u></p> <p>When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller and their related parties, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.</p>
<p>Article 8.4 The Company shall not, without the prior approval at a shareholders' general meeting, enter into any contract with any party (other than the directors, supervisors and other senior management members) pursuant to which such party shall be in charge of management of all of the Company's businesses or the Company's major businesses.</p>	<p>Article 8.4 <u>Unless the Company is in a crisis or other special circumstances,</u> the Company shall not, without the prior approval at a shareholders' general meeting, enter into any contract with any party (other than the directors, supervisors and other senior management members) pursuant to which such party shall be in charge of management of all of the Company's businesses or the Company's major businesses.</p>

Original Article	Amended Article (Draft)
–	<p><u>Article 8.6 The Company shall convene shareholders' general meetings at its domicile or other specific locations notified by the shareholders' general meeting.</u></p> <p><u>The shareholders' general meeting shall be held onsite at the venue prepared in advance. The Company will also provide online voting for its shareholders to conveniently participate in the meeting. Shareholders participating in the shareholders' general meeting by the aforementioned means shall be deemed to have attended such meeting.</u></p> <p><u>The time and location of onsite meetings shall be convenient for shareholders' participation. After the notice of shareholders' general meeting is issued, the location of the on-site meeting shall not be changed without proper reasons. If it is necessary to change, the convener shall make an announcement and give the reasons at least 2 working days prior to the on-site meeting.</u></p>

Original Article	Amended Article (Draft)
–	<p><u>Article 8.7 When holding a shareholders' general meeting, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:</u></p> <p>(i) <u>whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and these Articles;</u></p> <p>(ii) <u>whether the qualifications of the attendees and the convener of the meeting are lawful and valid;</u></p> <p>(iii) <u>whether the voting procedure and results of the meeting are lawful and valid;</u></p> <p>(iv) <u>legal opinions on other relevant matters upon request by the Company.</u></p>

Original Article	Amended Article (Draft)
<p>Article 8.8 The notice of a shareholders' general meeting shall:</p> <ul style="list-style-type: none"> (i) be given in writing; (ii) specify the place, date and time of the meeting; (iii) state the matters to be considered at the meeting; (iv) provide the information and explanation as necessary for the shareholders to make an informed decision on the matters to be considered. This principle includes but not limited to that, in case of proposals made to amalgamate the Company with another, to repurchase shares of the Company, to restructure its share capital, or otherwise, the details of the agreed terms of, and the contract (if any) for the proposed transaction must be provided, and the reason for and the consequences thereof must be properly explained; 	<p>Article 8.8 The notice of a shareholders' general meeting shall:</p> <ul style="list-style-type: none"> (i) be given in writing; (ii) specify the place, date and time of the meeting; (iii) state the matters to be considered at the meeting; (iv) provide the information and explanation as necessary for the shareholders to make an informed decision on the matters to be considered. This principle includes but not limited to that, in case of proposals made to amalgamate the Company with another, to repurchase shares of the Company, to restructure its share capital, or otherwise, the details of the agreed terms of, and the contract (if any) for the proposed transaction must be provided, and the reason for and the consequences thereof must be properly explained;

Original Article	Amended Article (Draft)
<p>(v) contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor, general manager or other senior management members in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;</p> <p>(vi) contain the full text of any special resolution proposed to be passed at the shareholders' general meeting;</p> <p>(vii) contain a clear statement that a shareholders entitled to attend and vote at the shareholders' general meeting shall be entitled to appoint one or more proxy(ies) to attend such meeting and to vote on his or her behalf and that such proxy may not necessarily be a shareholder of the Company;</p> <p>(viii) specify the time and place for lodging proxy form(s) for the relevant meeting.</p> <p>This clause also applies to notice of meeting convened by the supervisory committee or shareholders in accordance with the provisions in these Articles.</p>	<p>(v) contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor, general manager or other senior management members in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;</p> <p>(vi) contain the full text of any special resolution proposed to be passed at the shareholders' general meeting;</p> <p>(vii) contain a clear statement that a shareholders entitled to attend and vote at the shareholders' general meeting shall be entitled to appoint one or more proxy(ies) to attend such meeting and to vote on his or her behalf and that such proxy may not necessarily be a shareholder of the Company;</p> <p>(viii) specify the time and place for lodging proxy form(s) for the relevant meeting.</p> <p><u>(ix) contain the record date to determine the shareholders who are entitled to attend the shareholders' general meeting;</u></p> <p><u>(x) contain the name and phone number of the permanent contact person of the meeting.</u></p> <p>This clause also applies to notice of meeting convened by the supervisory committee or shareholders in accordance with the provisions in these Articles.</p>

Original Article	Amended Article (Draft)
	<p><u>After the notice of shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or cancelled without proper reasons, and any proposal stated in such notice shall not be cancelled. In the event of any postponement or cancellation of the meeting, the convener shall make an announcement and explain the reasons at least 2 working days before the original date of the meeting.</u></p>
–	<p><u>Article 8.11 Where matters on the election of directors and supervisors are to be discussed at the shareholders' general meeting, detailed information concerning the director and supervisor candidates shall be fully disclosed in the notice of the shareholders' general meeting, which shall at least include the following:</u></p> <ul style="list-style-type: none"> <u>(i) educational background, work experience, part-time jobs and other personal information;</u> <u>(ii) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company;</u> <u>(iii) their shareholding in the Company;</u> <u>(iv) whether there are any penalties or punishments imposed by CSRC and other relevant authorities or the stock exchange.</u> <p><u>Except for directors and supervisors being subject to election by cumulative voting, the election of each director and supervisor candidate shall be the subject of a separate proposal.</u></p>

Original Article	Amended Article (Draft)
<p>Article 8.9 Notice of a shareholders' general meeting shall be delivered to all shareholders (whether with voting rights or not) by personal delivery or prepaid mail at his/her address, as shown in the register of shareholders, or be delivered by any other methods permitted under the Listing Rules, including but not limited to postal mail, electronic mail, facsimile, announcement, or be published on the website of the Company or the website of the Hong Kong Stock Exchange. For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by securities regulatory authorities in China 20-25 business days prior to the annual general meeting, or 15-20 business days prior to the extraordinary general meeting. Holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting upon the publication of the announcement.</p>	<p>Article 8.12 Notice of a shareholders' general meeting shall be delivered to all shareholders (whether with voting rights or not) by personal delivery or prepaid mail at his/her address, as shown in the register of shareholders, or be delivered by any other methods permitted under <u>the listing rules of the place of listing</u>, including but not limited to postal mail, electronic mail, facsimile, announcement, or be published on the website of the Company or the website of the Hong Kong Stock Exchange. For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by securities regulatory authorities in China 20-25 business days prior to the annual general meeting, or 15-20 business days prior to the extraordinary general meeting. Holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting upon the publication of the announcement.</p>

Original Article	Amended Article (Draft)
<p>Article 8.10 An accidental omission to give notice of a meeting to any person entitled to receive notice or a failure by such person to receive such notice of the meeting shall not invalidate the meeting and any resolution passed at that meeting.</p>	<p>Article 8.13 An accidental omission to give notice of a meeting to any person entitled to receive notice or a failure by such person to receive such notice of the meeting shall not invalidate the meeting and any resolution passed at that meeting.</p> <p><u>All holders of ordinary shares (including holders of preference shares with restored voting rights) whose names appear on the register of shareholders on the record date or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with relevant laws, regulations and these Articles.</u></p> <p><u>Such shareholders may attend a shareholders' general meeting in person, and may also appoint a proxy to attend and vote on their behalf.</u></p> <p><u>Shareholders who attend the meeting shall present valid documents or proofs of identity and stock account cards. Proxies who attend the meeting on behalf of others shall present valid identity documents and authorization letter from shareholders.</u></p> <p><u>Corporate shareholders shall have their legal representatives or the proxies appointed by them to attend the meeting. Legal representatives who attend the meeting shall present their identity cards and valid documents evidencing his/her capacity as a legal representative. When a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written authorization letter legally produced by the legal representative of the corporate shareholder.</u></p>

Original Article	Amended Article (Draft)
<p>Article 8.12 Shareholders shall appoint their proxies by written instruments, which shall be signed by the appointer or their agents appointed in writing. If the appointer is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized executive(s) or duly authorized agent(s).</p>	<p>Article 8.15 Shareholders shall appoint their proxies by written instruments, which shall be signed by the appointer or their agents appointed in writing. If the appointer is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized executive(s) or duly authorized agent(s).</p> <p><u>The power of attorney issued by the shareholders entrusting others to attend the shareholders' general meeting shall set forth the following contents:</u></p> <p>(i) <u>Name of proxy;</u></p> <p>(ii) <u>Any voting right;</u></p> <p>(iii) <u>Instructions on voting for or against on the matters listed on the agenda of the shareholders' general meeting or abstaining from voting;</u></p> <p>(iv) <u>Issuance date and validity period of the power of attorney;</u></p> <p>(v) <u>Signature (or seal) of the appointer. If the appointer is a corporate shareholder, the power of attorney shall be affixed with its corporate seal.</u></p> <p><u>The proxy form shall contain a statement that, in the absence of instructions by the shareholder, the proxy may vote in his/her discretion.</u></p>

Original Article	Amended Article (Draft)
–	Article 8.19 <u>The Company shall prepare a register of attendees of the meeting, which shall set out the name (or name of unit), ID number and address of attendees, number of shares held or representing voting rights, and name of appointee (or name of unit).</u>
	Article 8.20 <u>The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares carrying voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights.</u>
	Article 8.21 <u>All directors, supervisors and secretary to the board of directors of the Company shall attend the shareholders' general meeting, where the general manager and other senior management members shall be present.</u>

Original Article	Amended Article (Draft)
<p>Article 8.17 A Shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as attached to the number of voting shares which he represents, in which case one vote is attached to each share.</p> <p>The Company's shares held by the Company do not carry any voting rights, and shall not be counted into the total number of shares carrying voting rights in the shareholders' general meeting.</p>	<p>Article 8.23 A Shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as attached to the number of voting shares which he represents, in which case one vote is attached to each share.</p> <p><u>When material issues affecting the interests of minority investors ("minority shareholders" shall mean shareholders of the Company other than the directors, supervisors and members of the senior management of the Company and shareholders who/which individually or together hold more than 5% of the shares in the Company) are considered at the shareholders' general meeting, the votes of minority investors shall be counted separately. The counting results of such separate votes shall be disclosed publicly in a timely manner.</u></p> <p>The Company's shares held by the Company do not carry any voting rights, and shall not be counted into the total number of shares carrying voting rights in the shareholders' general meeting.</p> <p><u>The board of directors, independent non-executive directors and shareholders who meet the relevant requirements may solicit votes from shareholders publicly. While soliciting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are solicited. No consideration or other forms of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of voting rights.</u></p>

Original Article	Amended Article (Draft)
–	Article 8.24 <u>When matters concerning connected transactions are considered at a shareholders’ general meeting, the connected shareholders shall not vote, and the number of voting shares held by them shall not be counted in the total number of valid votes; the announcement on the resolutions of a shareholders’ general meeting shall fully disclose the voting results of non-connected shareholders.</u>
–	Article 8.25 <u>While ensuring the lawfulness and validity of its shareholders’ general meetings, the Company shall facilitate the participation of shareholders in shareholders’ general meetings by various means, with priority given to modern information technology means such as an online voting platform.</u>

Original Article	Amended Article (Draft)
<p>Article 8.20 Votes at a shareholders' general meeting shall be taken by a show of hands, unless a vote by poll is demanded before or after any vote by show of hands by:</p> <ul style="list-style-type: none"> (i) the chairman of the meeting; (ii) at least two shareholders with voting rights or proxies with voting rights; or (iii) one or several shareholders (including proxies) holding, alone or together, at least 10 percent of the shares carrying the right to vote at the shareholders' general meeting. <p>Unless a poll is demanded, the chairman of the meeting shall announce whether the motion has been carried in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.</p> <p>The demand for a vote by poll may be withdrawn by the person who made the demand.</p>	<p>Article 8.20 Votes at a shareholders' general meeting shall be taken by a show of hands, unless a vote by poll is demanded before or after any vote by show of hands by:</p> <ul style="list-style-type: none"> (i) the chairman of the meeting; (ii) at least two shareholders with voting rights or proxies with voting rights; or (iii) one or several shareholders (including proxies) holding, alone or together, at least 10 percent of the shares carrying the right to vote at the shareholders' general meeting. <p>Unless a poll is demanded, the chairman of the meeting shall announce whether the motion has been carried in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.</p> <p>The demand for a vote by poll may be withdrawn by the person who made the demand.</p>
–	<p>Article 8.28 <u>When considering a proposal at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposal, on which the voting shall not proceed in such shareholders' general meeting.</u></p>

Original Article	Amended Article (Draft)
–	<p><u>Article 8.30 Any vote of shareholders at a shareholders' general meeting must be conducted by open ballot or other methods permitted under the securities regulatory rules of the place where the shares in the Company are listed except where the presider of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in accordance with the relevant requirements under the Listing Rules of the Hong Kong Stock Exchange.</u></p> <p><u>"Procedural and administrative matters" as referred to in this Article are those that: (1) are not on the agenda of the shareholders' general meeting or in any supplementary circular to the shareholders; and (2) which relate to the duties of the presider of the meeting to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all shareholders a reasonable opportunity to express their views.</u></p>
<p>Article 8.22 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p>If any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the voting results.</p>	<p>Article 8.32 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way. If any shareholder is, <u>under the listing rules of the place of listing</u>, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the voting results.</p>
<p>Article 8.23 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.</p>	<p>Article 8.33 In the case of an equality of votes, whether on a show of hands or on a poll, the <u>presider</u> of the meeting shall have a casting vote.</p>

Original Article	Amended Article (Draft)
–	<p data-bbox="818 287 1359 655"><u>Article 8.34 Before a proposal is voted on at the shareholders’ general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</u></p> <p data-bbox="818 697 1359 1178"><u>When the proposal is voted on at the shareholders’ general meeting, lawyers, shareholder representatives, representatives of auditors, share registrar or external accountants who are qualified to serve as the Company’s auditors and supervisor representatives shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting, with the voting results of such proposal to be recorded in the minutes of meeting.</u></p> <p data-bbox="818 1221 1359 1406"><u>Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results through the respective voting system.</u></p>

Original Article	Amended Article (Draft)
–	<p data-bbox="818 287 1359 580"><u>Article 8.35 The on-site shareholders’ general meeting shall not end earlier than its meeting held online or through other means. The presider of the meeting shall announce the voting status and result for each proposal and announce whether a proposal is passed according to the voting result.</u></p> <p data-bbox="818 625 1359 919"><u>Before the voting result is officially announced, the Company, counter, scrutineer, substantial shareholders, network service provider and other related parties involved in the shareholders’ general meeting held on site, online or through other means shall keep the voting result confidential.</u></p>
–	<p data-bbox="818 940 1359 1421"><u>Article 8.36 Shareholders who attend the shareholders’ general meeting shall take one of the following stances when a proposal is put forward for voting: for, against or abstain. Except for the securities registration and settlement institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland and Hong Kong stock market transactions, shall make declaration according to the intentions of actual holders.</u></p> <p data-bbox="818 1466 1359 1721"><u>Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted as “abstain from voting”.</u></p>

Original Article	Amended Article (Draft)
–	Article 8.37 <u>The announcement of the resolutions passed at the shareholders’ general meeting shall be timely published and specify the number of the shareholders and proxies attending the meeting, the number of shares carrying voting rights held by them and the percentage of such shares to the total number of voting shares of the Company, the means of voting, the voting result of each proposal and the details of the resolutions passed.</u>
–	Article 8.38 <u>Where the proposal is not passed, or the shareholders’ general meeting alters the resolution(s) passed at the previous shareholders’ general meeting, a special note shall be provided in the announcement of the resolutions of the shareholders’ general meeting.</u>
–	Article 8.39 <u>Where proposals in relation to the election of directors or supervisors are passed at a shareholders’ general meeting, the term of office of the new directors or supervisors shall take effect upon the date of passing such proposals at the shareholders’ general meeting or other dates determined by the shareholders’ general meeting.</u>
–	Article 8.40 <u>Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a shareholders’ general meeting, the Company shall implement the specific plans within 2 months after the conclusion of such shareholders’ general meeting.</u>

Original Article	Amended Article (Draft)
<p>Article 8.25 The following matters shall be resolved by a special resolution at the shareholders' general meeting:</p> <ul style="list-style-type: none"> (i) the increase or reduction in share capital and the issuance of shares of any class, warrants and other similar securities of the Company; (ii) the issuance of debentures of the Company; (iii) the division, merger, dissolution, liquidation or change in corporate form; (iv) amendment to these Articles; (v) the material assets bought or sold by the Company within one year or the amount guaranteed exceeds 30% of latest audited total assets of the Company; (vi) share incentive plan; (vii) any other matters required by laws, administrative regulations, the Listing Rules or these Articles to be approved by special resolutions and those decided by the shareholders' general meeting by way of an ordinary resolution to be of a nature which may have a material impact on our Company and shall require approval by special resolutions. 	<p>Article 8.42 The following matters shall be resolved by a special resolution at the shareholders' general meeting:</p> <ul style="list-style-type: none"> (i) the increase or reduction in share capital and the issuance of shares of any class, warrants and other similar securities of the Company; (ii) the issuance of debentures of the Company; (iii) the division, merger, dissolution, liquidation or change in corporate form; (iv) amendment to these Articles; (v) the material assets bought or sold by the Company within one year or the amount guaranteed exceeds 30% of latest audited total assets of the Company; (vi) share incentive plan; (vii) any other matters required by laws, administrative regulations, <u>the listing rules of the place of listing</u> or these Articles to be approved by special resolutions and those decided by the shareholders' general meeting by way of an ordinary resolution to be of a nature which may have a material impact on our Company and shall require approval by special resolutions.

Original Article	Amended Article (Draft)
<p>Article 8.26 Shareholders' general meetings shall be convened by the board of directors.</p> <p>Where the board of directors shall be unable to perform or fail to perform its duty to convene a shareholders' general meeting, the supervisory committee shall convene and preside over a shareholders' general meeting in a timely manner. Where the supervisory committee shall not convene and preside over a shareholders' general meeting, the shareholders that individually or collectively hold ten percent (10%) or more shares of the Company for at least 90 consecutive days may convene and preside over a shareholders' general meeting on their own initiatives.</p>	<p>Article 8.43 Shareholders' general meetings shall be convened by the board of directors.</p> <p>Where the board of directors shall be unable to perform or fail to perform its duty to convene a shareholders' general meeting, the supervisory committee shall convene and preside over a shareholders' general meeting in a timely manner. Where the supervisory committee shall not convene and preside over a shareholders' general meeting, the shareholders that individually or collectively hold ten percent (10%) or more shares of the Company for at least 90 consecutive days may convene and preside over a shareholders' general meeting on their own initiatives.</p> <p><u>Independent non-executive directors have the right to propose to the board of directors to convene an extraordinary general meeting. Where independent non-executive directors propose to convene an extraordinary general meeting, the board of directors shall, in accordance with the laws, administrative regulations and these Articles, provide a written reply stating whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of such proposal. If the board of directors agrees to convene the extraordinary general meeting, a notice for convening the extraordinary general meeting shall be issued within 5 days after the board of directors makes the relevant resolution. If the board of directors disagrees to convene the extraordinary general meeting, it shall issue an announcement to state the reasons.</u></p>

Original Article	Amended Article (Draft)
<p>Article 8.29 Where the supervisory committee or shareholders decide to convene the shareholders' general meeting on its/their own initiatives, it/they shall send out a written notice to the board of directors.</p> <p>Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than ten percent (10%).</p> <p>In respect to the shareholders' general meeting convened by the supervisory committee or shareholders on its/their own initiatives, the board of directors and its secretary shall show cooperation.</p> <p>The expenses necessary for holding the shareholders' general meeting convened by the supervisory committee or shareholders shall be borne by the Company.</p>	<p>Article 8.46 Where the supervisory committee or shareholders decide to convene the shareholders' general meeting on its/their own initiatives, it/they shall send out a written notice to the board of directors <u>and file with the branch office of CSRC at the place where the Company resides and the Shenzhen Stock Exchange.</u></p> <p>Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than ten percent (10%).</p> <p><u>The convening shareholder(s) shall submit relevant evidencing documents to the branch office of CSRC at the place where the Company is located as well as the Shenzhen Stock Exchange upon issuance of the notice of the shareholders' general meeting and announcement of the resolutions of the shareholders' general meeting.</u></p> <p>In respect to the shareholders' general meeting convened by the supervisory committee or shareholders on its/their own initiatives, the board of directors and its secretary shall show cooperation. <u>The board of directors shall provide the register of shareholders as at the record date.</u></p> <p>The expenses necessary for holding the shareholders' general meeting convened by the supervisory committee or shareholders shall be borne by the Company.</p>

Original Article	Amended Article (Draft)
<p>Article 8.30 The shareholders' general meeting shall be held by the chairman of the board of directors. Where the chairman cannot perform his/her duties or fails to perform his/her duties, the vice chairman of the board of directors shall preside over the meeting; where the vice chairman also cannot perform his duties or fails to perform his duties, half of the directors or more shall jointly recommend one director to preside over the meeting.</p> <p>Where the supervisory committee convenes a shareholders' general meeting, the chairman of the supervisory committee shall preside over the meeting. Where the chairman of the supervisory committee cannot perform his duties or fails to perform his duties, the vice chairman of the supervisory committee shall preside over the meeting; where the vice chairman of the supervisory committee cannot perform his duties or fails to perform his duties, half of the supervisors or more shall jointly recommend one supervisor to preside over the meeting.</p> <p>Where the shareholders convene a shareholders' general meeting, the convener shall recommend one representative to preside over the meeting.</p> <p>When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and makes it difficult for the shareholders' general meeting to continue its meeting, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of more than half of the voting shareholders that are present at the meeting, and continue the meeting.</p>	<p>Article 8.47 The shareholders' general meeting shall be held by the chairman of the board of directors. Where the chairman cannot perform his/her duties or fails to perform his/her duties, the vice chairman of the board (if any) of directors shall preside over the meeting; where the vice chairman also cannot perform his duties or fails to perform his duties, half of the directors or more shall jointly recommend one director to preside over the meeting.</p> <p>Where the supervisory committee convenes a shareholders' general meeting, the chairman of the supervisory committee shall preside over the meeting. Where the chairman of the supervisory committee cannot perform his duties or fails to perform his duties, the vice chairman of the supervisory committee shall preside over the meeting; where the vice chairman of the supervisory committee cannot perform his duties or fails to perform his duties, half of the supervisors or more shall jointly recommend one supervisor to preside over the meeting.</p> <p>Where the shareholders convene a shareholders' general meeting, the convener shall recommend one representative to preside over the meeting.</p> <p>When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and makes it difficult for the shareholders' general meeting to continue its meeting, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of more than half of the voting shareholders that are present at the meeting, and continue the meeting.</p>

Original Article	Amended Article (Draft)
–	Article 8.48 <u>At the annual general meeting, the board of directors and the board of supervisors shall report their work during the past year to the shareholders' general meeting. Each independent non-executive director shall report on his work.</u>
–	Article 8.49 <u>Directors, supervisors and senior management members shall make explanations and statements in relation to the inquiries and suggestions from shareholders at the shareholders' general meeting.</u>
–	Article 8.50 <u>The presider of the meeting shall, before voting, announce the number of shareholders and their proxies attending the meeting as well as the total number of shares held by them with voting rights. The number of shareholders and their proxies attending the meeting as well as the total number of shares held by them with voting rights are subject to registration at the meeting.</u>
Article 8.31 The chairman of the meeting shall be responsible for determining whether a resolution is passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of meeting.	Article 8.51 The chairman <u>presider</u> of the meeting shall be responsible for determining whether a resolution is passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of meeting.

Original Article	Amended Article (Draft)
<p>Article 8.32 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted promptly.</p>	<p>Article 8.52 If the <u>chairman-president</u> of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the <u>chairman-president</u> of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the <u>chairman-president</u> of the meeting may demand that the votes be counted immediately after the declaration of the result, and the <u>chairman-president</u> of the meeting shall have the votes counted promptly.</p>
<p>Article 8.33 If votes are counted at a shareholders' general meeting, the vote counting result shall be recorded in the minutes of the meeting.</p> <p>The shareholders' general meeting shall keep minutes of its decisions on the matters considered, and be responsible for by the secretary to the board of directors. The chairman of the meeting and directors present at the meeting shall sign their names on the minutes of the meeting.</p> <p>The minutes of the meeting together with the attendance register of the attending shareholders and the power of attorney of their proxies shall be kept at the company's domicile.</p>	<p>Article 8.53 If votes are counted at a shareholders' general meeting, the vote counting result shall be recorded in the minutes of the meeting.</p> <p>The shareholders' general meeting shall keep minutes of its decisions on the matters considered, and be responsible for by the secretary to the board of directors. The chairman of the meeting The minutes of the meeting shall include the following contents:</p> <p>(i) <u>Time, place, agenda, and name of the convener of the meeting;</u></p> <p>(ii) <u>Names of the president of the meeting, and the directors, supervisors, president and other senior management members attending or present at the meeting;</u></p> <p>(iii) <u>Number of shareholders and their proxies who attended the meeting, total number of shares held with voting rights and their percentage to the total number of shares in the Company;</u></p>

Original Article	Amended Article (Draft)
	<p>(iv) <u>Process of consideration, speech highlights and voting result of each proposal;</u></p> <p>(v) <u>Inquiries, comments or suggestions from shareholders and the corresponding replies or explanations;</u></p> <p>(vi) <u>Names of the lawyers, vote counters and scrutineers;</u></p> <p>(vii) <u>Other contents to be included in the meeting minutes as prescribed under the Articles of Association.</u></p> <p>The minutes of the meeting should be kept together with the attendance register of shareholders attending the meeting and authorization letters of proxies in the Company's domicile.</p>
–	<p>Article 8.54 <u>The convener shall ensure that the minutes of the meeting are true, accurate and complete. The minutes shall be signed by directors, supervisors, secretary to the board of directors, the convener or its representative attending the meeting as well as the presider of the meeting. The minutes shall be kept together with the attendance register of the shareholders attending the meeting, authorization letters of proxies, and valid information of voting online and by other means, for at least 10 years.</u></p>

Original Article	Amended Article (Draft)
–	<p><u>Article 8.55 The convener shall ensure that the shareholders’ general meeting proceeds smoothly till a final resolution is reached. Where force majeure and other special reasons cause the suspension of and no resolution reached at the shareholders’ general meeting, necessary measures shall be taken as soon as possible to resume or directly terminate the meeting, with a announcement to be issued timely. Meanwhile, the convener shall report to the branch office of CSRC at the place where the Company is located and to the Shenzhen Stock Exchange.</u></p>
<p>Article 9.4 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders’ general meetings, shall have right to vote at class shareholders’ meetings in respect of any of the matters referred to in items (2) to (8) and items (11) to (12) of Article 9.3, except that interested shareholders shall not have the right to vote at class shareholders’ meetings.</p>	<p>Article 9.4 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders’ general meetings, shall have right to vote at class shareholders’ meetings in respect of any of the matters referred to in items (2) to (8) and items (11) to (12) of Article 9.3, except that interested shareholders shall not have the right to vote at class shareholders’ meetings.</p>

Original Article	Amended Article (Draft)
<p>For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meaning:</p> <ul style="list-style-type: none"> (i) if the Company is to issue a buyback offer to all of the shareholders in the same proportion or is to buy back its own shares through open transactions on a stock exchange in accordance with Article 4.4 of these Articles, the controlling shareholder as defined in Article 7.6 of these Articles shall be an “interested shareholder”; (ii) if the Company is to buy back its own shares by agreements outside a stock exchange in accordance with Article 4.4 of these Articles, holders of shares to which such agreements relate shall be “interested shareholders”; (iii) shareholders that, under a proposed restructuring of the Company, would bear liabilities in a proportion smaller than that of the liabilities borne by other shareholders of the same class, and shareholders that have an interest in a proposed restructuring of the Company that is different from the interest in such proposed restructuring of other shareholders of the same class, shall be “interested shareholders”. 	<p>For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meaning:</p> <ul style="list-style-type: none"> (i) if the Company is to issue a buyback offer to all of the shareholders in the same proportion or is to buy back its own shares through open transactions on a stock exchange in accordance with Article 4.4 of these Articles, the controlling shareholder as defined in Article 7.6<u>10</u> of these Articles shall be an “interested shareholder”; (ii) if the Company is to buy back its own shares by agreements outside a stock exchange in accordance with Article 4.4 of these Articles, holders of shares to which such agreements relate shall be “interested shareholders”; (iii) shareholders that, under a proposed restructuring of the Company, would bear liabilities in a proportion smaller than that of the liabilities borne by other shareholders of the same class, and shareholders that have an interest in a proposed restructuring of the Company that is different from the interest in such proposed restructuring of other shareholders of the same class, shall be “interested shareholders”.

Original Article	Amended Article (Draft)
<p>Article 10.3 The term of office of a director shall start from the date on which the said director assumes office and end at the expiry of the current term of the board of directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to laws, administrative regulations, departmental rules and these Articles until the elected director assumes his office.</p> <p>A director may resign before the expiration of his/her term. The resigning director shall submit to the board of directors a written resignation.</p> <p>Where the number of the directors in the board of directors of the Company is less than the statutory number due to the resignation of a director within his term of office, such director shall, until a new director is elected, continue to perform his duty as a director in accordance with laws, administrative regulations, departmental rules and these Articles.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation to the board of directors.</p>	<p>Article 10.3 The term of office of a director shall start from the date on which the said director assumes office and end at the expiry of the current term of the board of directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to laws, administrative regulations, departmental rules and these Articles until the elected director assumes his office.</p> <p>A director may resign before the expiration of his/her term. The resigning director shall submit to the board of directors a written resignation. <u>The board of directors will disclose relevant circumstances within 2 days.</u></p> <p>Where the number of the directors in the board of directors of the Company is less than the statutory number due to the resignation of a director within his term of office, such director shall, until a new director is elected, continue to perform his duty as a director in accordance with laws, administrative regulations, departmental rules and these Articles.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation to the board of directors.</p>

Original Article	Amended Article (Draft)
<p>Article 10.4 The board of directors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <ul style="list-style-type: none"> (i) to convene shareholders' general meetings and report its work to the shareholders' general meetings; (ii) to implement the resolutions of the shareholders' general meetings; (iii) to decide on the Company's business plans and investment plans; (iv) to formulate the Company's annual financial budgets and final accounts; (v) to formulate the Company's profit distribution plan and the plan for making up losses; (vi) to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of debentures or other securities and the listing project of the Company; (vii) to formulate plans for major acquisitions and disposals, and purchase of the shares of the Company; (viii) to formulate plans for the merger, division or dissolution of the Company; (ix) to formulate plans for the change of corporate form of the Company; 	<p>Article 10.4 The board of directors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <ul style="list-style-type: none"> (i) to convene shareholders' general meetings and report its work to the shareholders' general meetings; (ii) to implement the resolutions of the shareholders' general meetings; (iii) to decide on the Company's business plans and investment plans; (iv) to formulate the Company's annual financial budgets and final accounts; (v) to formulate the Company's profit distribution plan and the plan for making up losses; (vi) to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of debentures or other securities and the listing project of the Company; (vii) to formulate plans for major acquisitions and disposals, and purchase of the shares of the Company; (viii) to formulate plans for the merger, division or dissolution of the Company; (ix) to formulate plans for the change of corporate form of the Company;

Original Article	Amended Article (Draft)
<p>(x) to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages, the provision of security for third parties, entrustment of financial services, connected transactions, etc., other than those required by laws, administrative regulations, departmental rules, the Listing Rules or these Articles to be decided upon by the shareholders' general meeting;</p> <p>(xi) to determine on the establishment of the Company's internal management structure;</p> <p>(xii) to engage or dismiss the Company's general manager and secretary to the board of directors; to engage or dismiss such senior management members as deputy general manager, financial controller etc., as proposed by the general manager, and to decide on matters relating to their remuneration, rewards and punishments;</p> <p>(xiii) to formulate the basic management systems of the Company;</p> <p>(xiv) to formulate proposals for amendments to these Articles;</p> <p>(xv) to manage the information disclosure of the Company;</p>	<p>(x) to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages, the provision of security for third parties, entrustment of financial services, <u>related (connected)</u> transactions, etc., other than those required by laws, administrative regulations, departmental rules, <u>the listing rules of the place of listing</u> or these Articles to be decided upon by the shareholders' general meeting;</p> <p>(xi) to determine on the establishment of the Company's internal management structure;</p> <p>(xii) to engage or dismiss the Company's general manager and secretary to the board of directors; to engage or dismiss such senior management members as deputy general manager, financial controller etc., as proposed by the general manager, and to decide on matters relating to their remuneration, rewards and punishments;</p> <p>(xiii) to formulate the basic management systems of the Company;</p> <p>(xiv) to formulate proposals for amendments to these Articles;</p> <p>(xv) to manage the information disclosure of the Company;</p>

Original Article	Amended Article (Draft)
(xvi) to propose to the shareholders' general meeting the appointment or replacement of an accounting firm that audits for the Company;	(xvi) to propose to the shareholders' general meeting the appointment or replacement of an accounting firm that audits for the Company;
(xvii) to listen to the work reports of the general manager and inspect his or her work;	(xvii) to listen to the work reports of the general manager and inspect his or her work;
(xviii) to exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Listing Rules, these Articles or the shareholders' general meeting.	(xviii) to exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Listing Rules, these Articles or the shareholders' general meeting.
Resolutions relating to the above, with the exception of items (6), (8) and (14) above which shall be approved by more than two thirds of the directors, shall be approved by more than half of the directors.	Resolutions relating to the above, with the exception of items (6), (8) and (14) above which shall be approved by more than two thirds of the directors, shall be approved by more than half of the directors.

Original Article	Amended Article (Draft)
<p>Article 10.6 The chairman of the board of directors shall exercise the following functions and powers:</p> <ul style="list-style-type: none"> (i) To preside over the shareholders' general meetings and to convene and preside over the meetings of the board of directors; (ii) To supervise and inspect the implementation of resolutions of the board of directors; (iii) To sign securities issued by the Company; (iv) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Listing Rules, these Articles or the board of directors. <p>The vice chairman of the board of directors shall assist with the work of the chairman of the board of directors. If the chairman of the board of directors is unable to perform his or her duties or fails to perform his or her duties, his or her duties shall be performed by the vice chairman of the board of directors; if the vice chairman of the board of directors is unable or fails to perform these duties, a director elected by at least one half of the directors shall perform such duties.</p>	<p>Article 10.6 The chairman of the board of directors shall exercise the following functions and powers:</p> <ul style="list-style-type: none"> (i) To preside over the shareholders' general meetings and to convene and preside over the meetings of the board of directors; (ii) To supervise and inspect the implementation of resolutions of the board of directors; (iii) To sign securities issued by the Company; (iv) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, <u>the listing rules of the place of listing</u>, these Articles or the board of directors. <p>The vice chairman of the board of directors shall assist with the work of the chairman of the board of directors. If the chairman of the board of directors is unable to perform his or her duties or fails to perform his or her duties, his or her duties shall be performed by the vice chairman of the board of directors (if any); if he/she is unable or fails to perform these duties, a director elected by at least one half of the directors shall perform such duties.</p>

Original Article	Amended Article (Draft)
<p>Article 10.7 Meetings of the board of directors shall be held at least four times a year and convened by the chairman of the board of directors. The written notice of meeting shall be sent to all directors 14 days before the date of the meeting.</p> <p>An extraordinary board meeting may be convened upon the proposal of shareholders holding more than one tenth of the total number of shares carrying voting rights of the Company, more than one third of the directors or the supervisory committee. Chairman of the board of directors shall convene and preside over the board meeting within 10 days after receiving such proposal.</p>	<p>Article 10.7 Meetings of the board of directors shall be held at least four times a year and convened by the chairman of the board of directors. The written notice of meeting shall be sent to all directors <u>and supervisors</u> 14 days before the date of the meeting.</p> <p>An extraordinary board meeting may be convened upon the proposal of shareholders holding more than one tenth of the total number of shares carrying voting rights of the Company, more than one third of the directors or the supervisory committee. Chairman of the board of directors shall convene and preside over the board meeting within 10 days after receiving such proposal. <u>The written notice of an extraordinary board meeting shall be sent to all directors and supervisors 5 days before the date of the meeting.</u></p> <p><u>In case of an emergency which requires an extraordinary board meeting as soon as possible, a notice of the meeting may be issued by telephone or other oral means at any time, but the convener shall explain it at the meeting and record it in the meeting minutes.</u></p>

Original Article	Amended Article (Draft)
<p>Article 10.8 Notice of meetings of the board of directors shall be delivered by the means as follows:</p> <p>(i) no notice is required if the timing and venue of a regular board meeting has been decided by the board of directors in advance.</p> <p>(ii) the chairman of the board of directors shall notify the directors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least fourteen days before regular meetings. For all other meetings of the board of directors, the board of directors shall serve reasonable notice.</p> <p>Such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any director may waive his rights to receive the notice of board meetings.</p>	<p>Article 10.8 Notice of meetings of the board of directors shall be delivered by the means as follows:</p> <p>(i) no notice is required if the timing and venue of a regular board meeting has been decided by the board of directors in advance.</p> <p>(ii) the chairman of the board of directors shall notify the directors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least fourteen days before regular meetings <u>or 5 days before extraordinary meetings</u>. For all other meetings of the board of directors, the board of directors shall serve reasonable notice.</p> <p>Such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any director may waive his rights to receive the notice of board meetings.</p>

Original Article	Amended Article (Draft)
–	<p><u>Article 10.9 Notice of meetings of the board of directors shall consist of the following:</u></p> <p>(i) <u>the date and venue of the meeting;</u></p> <p>(ii) <u>the period of time of the meeting;</u></p> <p>(iii) <u>the reasons for holding the meeting and the topics to be discussed thereat;</u></p> <p>(iv) <u>the date of issuance of the notice.</u></p>
<p>Article 10.9 Meetings of the board of directors must be attended by more than half of the directors.</p> <p>When voting on board resolutions, each director shall have one vote. Unless otherwise provided for under laws, administrative regulations, the Listing Rules and these Articles, resolutions of the board of directors shall be passed by more than half of all directors.</p>	<p>Article 10.10 Meetings of the board of directors must be attended by more than half of the directors.</p> <p>When voting on board resolutions, each director shall have one vote. Unless otherwise provided for under laws, administrative regulations, <u>the listing rules of the place of listing</u> and these Articles, resolutions of the board of directors shall be passed by more than half of all directors.</p> <p><u>In case of an equality of votes, the chairman shall have a casting vote.</u></p>

Original Article	Amended Article (Draft)
–	<p>Article 10.11 <u>Voting at meetings of the board of directors shall be subject to open ballot. A meeting of the board of directors may be convened by means of electronic communications such as telephone conference and video conference or in written form, provided that directors can fully express their views; in such case, resolutions shall be made with the signatures of the attending directors. Nevertheless, ways of voting in written form shall not be used to convene a regular meeting of the board of directors, a meeting where the board of directors considers that substantial shareholders (as prescribed under this section only, substantial shareholders refer to shareholders who individually or jointly hold more than 10% of total voting shares of the Company) or directors have a material conflict of interest in matters to be considered, and a meeting on the appointment and dismissal of the company secretary.</u></p>

Original Article	Amended Article (Draft)
<p>Article 10.11 The board of directors shall keep minutes of resolutions on matters discussed at the meeting. The attending directors and the recorder of meeting minutes shall sign the minutes of such meetings. Directors shall be held responsible for the resolutions of the board of directors. If the resolutions of the board of directors violate the laws, administrative regulations or these Articles, and the Company suffers a material loss as a result thereof, the directors participating in the resolutions are liable to the Company for the losses. However, directors may be exempted from such liability if it is verified that such director has stated his objection when voting and the same was recorded in the minutes at the board meeting.</p>	<p>Article 10.13 The board of directors shall keep minutes of resolutions on matters discussed at the meeting. The attending directors and the recorder of meeting minutes shall sign the minutes of such meetings. <u>The minutes of meetings of the board of directors shall be kept as the archives of the Company for a period of no less than 10 years.</u> Directors shall be held responsible for the resolutions of the board of directors. If the resolutions of the board of directors violate the laws, administrative regulations or these Articles, and the Company suffers a material loss as a result thereof, the directors participating in the resolutions are liable to the Company for the losses. However, directors may be exempted from such liability if it is verified that such director has stated his objection when voting and the same was recorded in the minutes at the board meeting.</p>
<p>–</p>	<p>Article 10.14 <u>The minutes of meetings of the board of directors shall consist of the following:</u></p> <ul style="list-style-type: none"> <u>(i) the date and venue for convening the meeting and the name of the convener;</u> <u>(ii) the names of the attending directors and the directors (proxies) appointed to attend on behalf of others;</u> <u>(iii) the agenda of the meeting;</u> <u>(iv) the gist of directors' speeches;</u> <u>(v) the way of voting and the result (the voting result shall state the number of votes for, against and abstention) of each resolution.</u>

Original Article	Amended Article (Draft)
<p>Article 10.13 If a director has a connected relationship with an individual or entity involved in a matter on which a resolution is to be made at a meeting of the board of directors, he or she may not exercise his right to vote regarding such resolution, nor may he or she exercise voting rights thereon as the proxy of another director. Such a board meeting may be held if more than one half of the directors without a connected relationship are present, and the resolutions made at such a board meeting shall require adoption by more than one half of the directors without a connected relationship. Where the number of directors who do not have a connected relationship and attend a meeting of the board of directors is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.</p> <p>For a matter to be resolved upon by the board of directors, where connected relationship exists in relation to a director or any of his or her close associates (as defined in the Listing Rules), the director shall abstain and shall not be entitled to vote. Such director shall not be counted in the quorum for the purpose of the statutory number of directors present at the meeting.</p>	<p>Article 10.16 If a director has a connected relationship with an individual or entity involved in a matter on which a resolution is to be made at a meeting of the board of directors, he or she may not exercise his right to vote regarding such resolution, nor may he or she exercise voting rights thereon as the proxy of another director. Such a board meeting may be held if more than one half of the directors without a connected relationship are present, and the resolutions made at such a board meeting shall require adoption by more than one half of the directors without a connected relationship. Where the number of directors who do not have a connected relationship and attend a meeting of the board of directors is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.</p> <p>For a matter to be resolved upon by the board of directors, where connected relationship exists in relation to a director or any of his or her close associates (as defined in the Listing Rules <u>of Hong Kong Stock Exchange</u>), the director shall abstain and shall not be entitled to vote. Such director shall not be counted in the quorum for the purpose of the statutory number of directors present at the meeting.</p>

Original Article	Amended Article (Draft)
<p>Article 11.2 The secretary to the board of directors shall be a natural person with the requisite professional knowledge and experience, and shall be appointed or removed by the board of directors. His primary duties include:</p> <ul style="list-style-type: none"> (i) To ensure that the Company has a complete set of organizational documents and records; (ii) To ensure that the Company prepares and submits reports and documents required by competent authorities; (iii) To be responsible for keeping documents and management of shareholder information, ensure that the register of shareholders of the Company is properly established, and ensure that those who are entitled to access to relevant records and documents of the Company can have access to such records and documents promptly; (iv) To be responsible for organizing shareholders' general meeting and meetings of the board of directors of the Company; (v) To handle matters of information disclosure of the Company; (vi) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Listing Rules, these Articles or the board of directors. 	<p>Article 11.2 The secretary to the board of directors shall be a natural person with the requisite professional knowledge and experience, and shall be appointed or removed by the board of directors. His primary duties include:</p> <ul style="list-style-type: none"> (i) To ensure that the Company has a complete set of organizational documents and records; (ii) To ensure that the Company prepares and submits reports and documents required by competent authorities; (iii) To be responsible for keeping documents and management of shareholder information, ensure that the register of shareholders of the Company is properly established, and ensure that those who are entitled to access to relevant records and documents of the Company can have access to such records and documents promptly; (iv) To be responsible for organizing shareholders' general meeting and meetings of the board of directors of the Company; (v) To handle matters of information disclosure of the Company; (vi) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, <u>the listing rules of the place of listing</u>, these Articles or the board of directors.

Original Article	Amended Article (Draft)
<p>Article 12.1 The board of directors shall establish special committees including the audit committee, remuneration committee and nomination committee according to the requirements of laws, regulations and the Listing Rules. The board of directors shall consult the relevant special committee prior to any relevant resolution made by the board of directors.</p>	<p>Article 12.1 The board of directors shall establish special committees including the audit committee, remuneration committee and nomination committee according to the requirements of laws, regulations and <u>the listing rules of the place of listing</u>. The board of directors shall consult the relevant special committee prior to any relevant resolution made by the board of directors.</p>
<p>Article 12.3 A special committee shall have a convener (chairman) to be responsible for convening meetings of the respective committee. The composition of a special committee, its duties and operation mechanism shall be decided upon by the board of directors and shall comply with relevant requirements of laws, regulations and the Listing Rules.</p>	<p>Article 12.3 A special committee shall have a convener (chairman) to be responsible for convening meetings of the respective committee. The composition of a special committee, its duties and operation mechanism shall be decided upon by the board of directors and shall comply with relevant requirements of laws, regulations and <u>the listing rules of the place of listing</u>.</p>
<p>Article 13.4 In the exercise of his or her functions and powers, the general manager and other senior management members shall perform his or her fiduciary duty and obligation of diligence in accordance with laws, administrative regulations, the Listing Rules and these Articles.</p>	<p>Article 13.4 In the exercise of his or her functions and powers, the general manager and other senior management members shall perform his or her fiduciary duty and obligation of diligence in accordance with laws, administrative regulations, <u>the listing rules of the place of listing</u> and these Articles.</p>

Original Article	Amended Article (Draft)
<p>Article 14.5 Meetings of the supervisory committee shall be held at least two times a year and convened by the chairman of the supervisory committee. The notice of meeting shall be sent to all supervisors 10 days before the date of the meeting. Extraordinary meetings of the supervisory committee may be convened if any supervisor so proposes.</p> <p>In principle, the meetings of the supervisory committee shall be held at the domicile of the Company, but may be held in other places of China as resolved by the supervisory committee.</p> <p>Notice of meetings of the supervisory committee shall be delivered by the means as follows:</p> <ul style="list-style-type: none"> (i) no notice is required if the timing and venue of a regular meeting has been decided by the supervisory committee in advance; (ii) the chairman of the supervisory committee shall notify the supervisors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least ten days before the regular meetings. For all other meetings of the supervisory committee, the supervisory committee shall serve reasonable notice; 	<p>Article 14.5 Meetings of the supervisory committee shall be held at least two times a year and convened by the chairman of the supervisory committee. The notice of meeting shall be sent to all supervisors 10 days before the date of the meeting. Extraordinary meetings of the supervisory committee may be convened if any supervisor so proposes, <u>with a notice to be sent to all supervisors five days before the convening of the meeting.</u></p> <p>In principle, the meetings of the supervisory committee shall be held at the domicile of the Company, but may be held in other places of China as resolved by the supervisory committee.</p> <p>Notice of meetings of the supervisory committee shall be delivered by the means as follows:</p> <ul style="list-style-type: none"> (i) no notice is required if the timing and venue of a regular meeting has been decided by the supervisory committee in advance; (ii) the chairman of the supervisory committee shall notify the supervisors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least ten days before the regular meetings <u>and at least 5 days before extraordinary meetings.</u> For all other meetings of the supervisory committee, the supervisory committee shall serve reasonable notice;

Original Article	Amended Article (Draft)
<p>(iii) such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any supervisor may waive his rights to receive the notice of meeting of the supervisory committee.</p> <p>If a supervisor has attended the meeting and has not raised objection for non-receipt of the notice in advance before or during the meeting, he shall be deemed to have received the notice of the meeting issued to him.</p>	<p>(iii) such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any supervisor may waive his rights to receive the notice of meeting of the supervisory committee.</p> <p>If a supervisor has attended the meeting and has not raised objection for non-receipt of the notice in advance before or during the meeting, he shall be deemed to have received the notice of the meeting issued to him.</p>
<p>Article 14.6 Chairman of the supervisory committee shall convene and preside over meetings of the supervisory committee. Where the chairman of the supervisory committee cannot perform his duties or fail to perform his duties, a supervisor shall be elected by more than half of the supervisors to convene and preside over meetings of the supervisory committee.</p>	<p>Article 14.6 Chairman of the supervisory committee shall convene and preside over meetings of the supervisory committee. Where the chairman of the supervisory committee cannot perform his duties or fail to perform his duties, <u>the vice chairman of the supervisory committee (if any) shall preside over the meeting; where the vice chairman of the supervisory committee cannot perform his duties or fails to perform his duties,</u> a supervisor shall be elected by more than half of the supervisors to convene and preside over meetings of the supervisory committee.</p>

Original Article	Amended Article (Draft)
<p>Article 14.7 The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with laws:</p> <ul style="list-style-type: none"> (i) to review the Company's financial position; (ii) to supervise directors, general manager and other senior management members in respect of their act during exercise of the Company's powers and make recommendations on removal of such directors and senior management members who are in violation of laws, administrative regulations, these Articles or resolutions of the shareholders' general meeting; (iii) to demand the directors, general manager and other senior management members of the Company to rectify their error if they have acted in a manner harmful to the Company's interest; (iv) to check and inspect the financial information such as the financial reports, business reports and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meeting and to engage, in the Company's name, certified public accountants and practicing auditors to assist in the review on such information should any doubt arise in respect thereof; 	<p>Article 14.7 The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with laws:</p> <ul style="list-style-type: none"> (i) to review the Company's financial position; (ii) to supervise directors, general manager and other senior management members in respect of their act during exercise of the Company's powers and make recommendations on removal of such directors and senior management members who are in violation of laws, administrative regulations, these Articles or resolutions of the shareholders' general meeting; (iii) to demand the directors, general manager and other senior management members of the Company to rectify their error if they have acted in a manner harmful to the Company's interest; (iv) to check and inspect the financial information such as the financial reports, business reports and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meeting and to engage, in the Company's name, certified public accountants and practicing auditors to assist in the review on such information should any doubt arise in respect thereof;

Original Article	Amended Article (Draft)
<p>(v) to propose to convene an extraordinary general meeting, and to convene and preside over the shareholders' general meeting in the event that the board of directors fails to perform its duties in convening and presiding over the shareholders' general meeting under the Company Law;</p> <p>(vi) to make proposals at the shareholders' general meetings;</p> <p>(vii) to propose to convene extraordinary meetings of the board of directors;</p> <p>(viii) to attend meetings of the board of directors in a non-voting capacity and to question or advise upon the matters to be resolved by the board of directors;</p> <p>(ix) to sue the directors or senior management members according to Article 151 of the Company Law;</p> <p>(x) to conduct an investigation of any abnormality identified in the operations of the Company and, when necessary and at the expense of the Company, engage such professional organizations as accounting firm or law firm, etc., to assist in the investigation;</p> <p>(xi) other powers stipulated by laws, administrative regulations, the Listing Rules or these Articles.</p> <p>Supervisors shall attend meetings of the board of directors in a non-voting capacity.</p>	<p>(v) to propose to convene an extraordinary general meeting, and to convene and preside over the shareholders' general meeting in the event that the board of directors fails to perform its duties in convening and presiding over the shareholders' general meeting under the Company Law;</p> <p>(vi) to make proposals at the shareholders' general meetings;</p> <p>(vii) to propose to convene extraordinary meetings of the board of directors;</p> <p>(viii) to attend meetings of the board of directors in a non-voting capacity and to question or advise upon the matters to be resolved by the board of directors;</p> <p>(ix) to sue the directors or senior management members according to Article 151 of the Company Law;</p> <p>(x) to conduct an investigation of any abnormality identified in the operations of the Company and, when necessary and at the expense of the Company, engage such professional organizations as accounting firm or law firm, etc., to assist in the investigation;</p> <p>(xi) other powers stipulated by laws, administrative regulations, <u>the listing rules of the place of listing</u> or these Articles.</p> <p>Supervisors shall attend meetings of the board of directors in a non-voting capacity.</p>

Original Article	Amended Article (Draft)
<p>Article 14.8 The method for resolving matters by the supervisory committee: resolutions of the supervisory committee shall be made by way of voting with one vote for each supervisor in the manner of open and written ballot.</p> <p>The voting procedure: a supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his intention by choosing one of the above. The chairman of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, and refusal to do so shall be regarded as having waived the voting rights at such meeting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having waived the voting rights at such meeting.</p> <p>Resolutions of the supervisory committee shall be passed by the affirmative votes of two-thirds or more of the members of supervisory committee.</p> <p>The supervisory committee shall keep minutes of meetings, and the attending supervisors and recorder shall sign on the minutes of the meeting. A supervisor is entitled to request that an explanatory note be made with regard to his speech in the meeting. The minutes of the meeting of the supervisory committee shall be kept at the domicile of the Company.</p>	<p>Article 14.8 The method for resolving matters by the supervisory committee: resolutions of the supervisory committee shall be made by way of voting with one vote for each supervisor in the manner of open and written ballot.</p> <p>The voting procedure: a supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his intention by choosing one of the above. The chairman presider of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, and refusal to do so shall be regarded as having waived the voting rights at such meeting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having waived the voting rights at such meeting.</p> <p>Resolutions of the supervisory committee shall be passed by the affirmative votes of two-thirds or more of the members of supervisory committee.</p> <p>The supervisory committee shall keep minutes of meetings, and the attending supervisors and recorder shall sign on the minutes of the meeting. A supervisor is entitled to request that an explanatory note be made with regard to his speech in the meeting. The minutes of the meeting of the supervisory committee shall be kept at the domicile of the Company. <u>The minutes of the meeting of the supervisory committee shall be kept as the archives of the Company for at least 10 years.</u></p>

Original Article	Amended Article (Draft)
<p>Article 15.1 None of the following persons shall serve as a director, supervisor, general manager or other senior management of the Company:</p> <p>(i) anyone who has no civil capacity or has limited civil capacity;</p> <p>(ii) anyone who has been convicted of the offense of corruption, bribery, embezzlement, larceny, or disrupting the social economic order and is within five years of the expiry date of punishment or has been deprived of political rights because of the conviction and is within five years of the expiry date of the sentence;</p> <p>(iii) anyone who has served as director, factory manager or manager of a company or enterprise that was bankrupted and liquidated, and was personally liable for the bankruptcy of the Company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of the Company or enterprise;</p> <p>(iv) anyone who has served as the legal representative of a company or enterprise which had its business license revoked and was ordered to close due to violation of laws, and was personally liable and is within three years of the date on which the business license of the Company or enterprise was revoked;</p>	<p>Article 15.1 None of the following persons shall serve as a director, supervisor, general manager or other senior management of the Company:</p> <p>(i) anyone who has no civil capacity or has limited civil capacity;</p> <p>(ii) anyone who has been convicted of the offense of corruption, bribery, embezzlement, larceny, or disrupting the social economic order and is within five years of the expiry date of punishment or has been deprived of political rights because of the conviction and is within five years of the expiry date of the sentence;</p> <p>(iii) anyone who has served as director, factory manager or manager of a company or enterprise that was bankrupted and liquidated, and was personally liable for the bankruptcy of the Company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of the Company or enterprise;</p> <p>(iv) anyone who has served as the legal representative of a company or enterprise which had its business license revoked and was ordered to close due to violation of laws, and was personally liable and is within three years of the date on which the business license of the Company or enterprise was revoked;</p>

Original Article	Amended Article (Draft)
<p>(v) anyone who has a large amount of debt, which was not duly paid;</p> <p>(vi) anyone who is under criminal investigation by a judicial organization for violating the Criminal Law of the People's Republic of China and result of the investigation is still pending;</p> <p>(vii) anyone who cannot serve as executives according to the law or administrative rules;</p> <p>(viii) anyone who is not a natural person;</p> <p>(ix) anyone who is banned from entering into securities market by CSRC, and the punishment has not expired;</p> <p>(x) anyone who judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;</p> <p>(xi) other circumstances as provided by laws and administrative regulations, regulations of the competent authorities or the Listing Rules.</p> <p>Appointment of director, supervisor, or senior management violated above provisions shall be deemed invalid.</p> <p>If any circumstance mentioned above appears during the director, supervisor or senior management's term of office, the Company shall dismiss his/her position.</p>	<p>(v) anyone who has a large amount of debt, which was not duly paid;</p> <p>(vi) anyone who is under criminal investigation by a judicial organization for violating the Criminal Law of the People's Republic of China and result of the investigation is still pending;</p> <p>(vii) anyone who cannot serve as executives according to the law or administrative rules;</p> <p>(viii) anyone who is not a natural person;</p> <p>(ix) anyone who is banned from entering into securities market by CSRC, and the punishment has not expired;</p> <p>(x) anyone who judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;</p> <p>(xi) other circumstances as provided by laws and administrative regulations, regulations of the competent authorities or <u>the listing rules of the place of listing.</u></p> <p>Appointment of director, supervisor, or senior management violated above provisions shall be deemed invalid.</p> <p>If any circumstance mentioned above appears during the director, supervisor or senior management's term of office, the Company shall dismiss his/her position.</p>

Original Article	Amended Article (Draft)
<p>Article 15.3 Apart from the obligations as required by laws, administrative regulations or the Listing Rules, the directors, supervisors, general manager and other senior management of the Company shall assume the following obligations to each of the shareholders when exercising their authorities endowed by the Company:</p> <p>(i) They may not cause the Company to operate beyond the scope of business indicated on the business license;</p> <p>(ii) They shall act honestly in the best interests of the Company;</p> <p>(iii) They may not deprive the Company of the properties in any manner, including, but not limited to, opportunities beneficial to the Company;</p> <p>(iv) They may not deprive the shareholders of personal rights and interests, including, but not limited to, the distribution right and voting right, except for restructuring of the Company submitted to the shareholders' general meeting for approval pursuant to the provisions of these Articles.</p>	<p>Article 15.3 Apart from the obligations as required by laws, administrative regulations or <u>the listing rules of the place of listing</u>, the directors, supervisors, general manager and other senior management of the Company shall assume the following obligations to each of the shareholders when exercising their authorities endowed by the Company:</p> <p>(i) They may not cause the Company to operate beyond the scope of business indicated on the business license;</p> <p>(ii) They shall act honestly in the best interests of the Company;</p> <p>(iii) They may not deprive the Company of the properties in any manner, including, but not limited to, opportunities beneficial to the Company;</p> <p>(iv) They may not deprive the shareholders of personal rights and interests, including, but not limited to, the distribution right and voting right, except for restructuring of the Company submitted to the shareholders' general meeting for approval pursuant to the provisions of these Articles.</p>

Original Article	Amended Article (Draft)
<p>Article 15.9 If a director, supervisor, general manager or other senior management member of the Company is, directly or indirectly, of material interests in a contract, transaction or arrangement entered into or proposed to be entered into with the Company other than the employment contract between the Company and a director, supervisor, general manager or other senior management member, he shall disclose the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not such matter is otherwise subject to the approval of the board of directors under normal circumstances.</p> <p>A director shall not vote on any board resolution approving the contract, transaction, arrangement or any other proposal in which he/she or any of his/her close associates (as defined in the applicable Listing Rules in force from time to time) is materially interested. The relevant director shall not be counted for the purpose of determining whether a quorum is satisfied for the meeting. (This restriction is inapplicable under the circumstance approved by the Listing Rules or the Hong Kong Stock Exchange.)</p>	<p>Article 15.9 If a director, supervisor, general manager or other senior management member of the Company is, directly or indirectly, of material interests in a contract, transaction or arrangement entered into or proposed to be entered into with the Company other than the employment contract between the Company and a director, supervisor, general manager or other senior management member, he shall disclose the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not such matter is otherwise subject to the approval of the board of directors under normal circumstances.</p> <p>A director shall not vote on any board resolution approving the contract, transaction, arrangement or any other proposal in which he/she or any of his/her close associates (as defined in the applicable Listing Rules <u>of Hong Kong Stock Exchange</u> in force from time to time) is materially interested. The relevant director shall not be counted for the purpose of determining whether a quorum is satisfied for the meeting. (This restriction is inapplicable under the circumstance approved by the Listing Rules <u>of Hong Kong Stock Exchange</u> or the Hong Kong Stock Exchange.)</p>

Original Article	Amended Article (Draft)
<p>Unless the interested director, supervisor, general manager or other senior management member of the Company discloses his/her interests to the board of directors in accordance with this Article and the contract, transaction or arrangement is approved by the board of directors at the meeting, in which any interested director, supervisor, general manager or other senior management member is not counted in the quorum and refrains from voting, the Company shall have the right to cancel the contract, transaction or arrangement, except the opposite party is in good faith and does not know that the performance made by the relevant director, supervisor, general manager or other senior management member violates their obligations.</p> <p>The directors, supervisors, general manager or other senior management members of the Company is deemed to be interested in the contract, transaction or arrangement, if he/she has any related person who is interested in such contract, transaction or arrangement.</p>	<p>Unless the interested director, supervisor, general manager or other senior management member of the Company discloses his/her interests to the board of directors in accordance with this Article and the contract, transaction or arrangement is approved by the board of directors at the meeting, in which any interested director, supervisor, general manager or other senior management member is not counted in the quorum and refrains from voting, the Company shall have the right to cancel the contract, transaction or arrangement, except the opposite party is in good faith and does not know that the performance made by the relevant director, supervisor, general manager or other senior management member violates their obligations.</p> <p>The directors, supervisors, general manager or other senior management members of the Company is deemed to be interested in the contract, transaction or arrangement, if he/she has any related person who is interested in such contract, transaction or arrangement.</p>

Original Article	Amended Article (Draft)
<p>Article 15.17 The Company shall enter into a written contract with each director, supervisor and senior management member, which shall at least include the following provisions:</p> <p>(i) directors, supervisors and senior management members shall undertake to the Company that they will comply with the Company Law, the Special Provisions, these Articles, the Codes on Takeovers and Mergers and Share Repurchases and provisions stipulated by the Hong Kong Stock Exchange, and shall agree that the Company shall have the right to take remedial measures provided in these Articles, and that neither such contract nor their offices shall be transferred;</p> <p>(ii) directors, supervisors and senior management members shall undertake to the Company that they will observe and fulfill their obligations to shareholders under these Articles;</p> <p>terms of arbitration as stipulated in the Listing Rules.</p>	<p>Article 15.17 The Company shall enter into a written contract with each director, supervisor and senior management member, which shall at least include the following provisions:</p> <p>(i) directors, supervisors and senior management members shall undertake to the Company that they will comply with the Company Law, the Special Provisions, these Articles, the Codes on Takeovers and Mergers and Share Repurchases and provisions stipulated by the Hong Kong Stock Exchange, and shall agree that the Company shall have the right to take remedial measures provided in these Articles, and that neither such contract nor their offices shall be transferred;</p> <p>(ii) directors, supervisors and senior management members shall undertake to the Company <u>(for itself and acting as agent for each shareholder)</u> that they will observe and fulfill their obligations to shareholders under these Articles;</p> <p>terms of arbitration as stipulated in the Listing Rules <u>of Hong Kong Stock Exchange.</u></p>

Original Article	Amended Article (Draft)
<p>Article 15.19 The provisions in the contracts of emoluments, which entered into by the Company and directors or supervisors, provide compensation or other payments to directors or supervisors for loss of office or for retirement under the circumstance that the Company is acquired, and such compensation or payments shall have obtained prior consents of the shareholders' general meeting. Acquisition of the Company referred to above means:</p> <ul style="list-style-type: none"> (i) An offer made to all shareholders of the Company; (ii) An offer is made so that the offeror will become a controlling shareholder of the Company. The definition of "controlling shareholder" is the same as Article 7.6 of these Articles. <p>If relevant directors or supervisors do not comply with the provisions of this Article, any compensation or payments they received shall belong to those who have sold their shares as a result of the offer referred to above. All the expenses resulting from the violation should be undertaken by those directors or supervisors on a pro rata basis and cannot be deducted from the compensation or payments they received.</p>	<p>Article 15.19 The provisions in the contracts of emoluments, which entered into by the Company and directors or supervisors, provide compensation or other payments to directors or supervisors for loss of office or for retirement under the circumstance that the Company is acquired, and such compensation or payments shall have obtained prior consents of the shareholders' general meeting. Acquisition of the Company referred to above means:</p> <ul style="list-style-type: none"> (i) An offer made to all shareholders of the Company; (ii) An offer is made so that the offeror will become a controlling shareholder of the Company. The definition of "controlling shareholder" is the same as Article 7.610 of these Articles. <p>If relevant directors or supervisors do not comply with the provisions of this Article, any compensation or payments they received shall belong to those who have sold their shares as a result of the offer referred to above. All the expenses resulting from the violation should be undertaken by those directors or supervisors on a pro rata basis and cannot be deducted from the compensation or payments they received.</p>

Original Article	Amended Article (Draft)
<p>Article 16.8 The Company shall publish its financial report twice in each accounting year, that is, to publish its interim financial report within 60 days after the end of the first six months of an accounting year, and to publish its annual financial report within 120 days after the end of an accounting year.</p>	<p>Article 16.8 The Company <u>shall submit its annual financial reports to the securities regulatory authority of the State Council and the Shenzhen Stock Exchange within 4 months after the end of</u> each accounting year, that is, submit its half-year financial reports <u>to the local office of the securities regulatory authority of the State Council and the Shenzhen Stock Exchange within 2 months after</u> the end of the first 6 months of <u>each</u> accounting year, <u>and submit its quarterly financial reports to the local office of the securities regulatory authority of the State Council and the Shenzhen Stock Exchange within 1 month after</u> the end of the first 3 and 9 months of each accounting year. <u>The said financial reports shall be prepared in accordance with the provisions of relevant laws, regulations and departmental rules and published in accordance with the relevant rules of the securities regulatory authorities of the places where the shares of the Company are listed.</u></p> <p><u>Where the securities regulatory authorities of the places where the shares of the Company are listed provide otherwise, such provisions shall prevail.</u></p>

Original Article	Amended Article (Draft)
–	<p><u>Article 16.13 Basic principles for the profit distribution policy of the Company:</u></p> <p>(i) <u>The Company shall take full account of the returns to investors;</u></p> <p>(ii) <u>The profit distribution policy of the Company shall be consistent and stable, while taking into account the long-term interests of the Company, the interests of shareholders as a whole, and the sustainable development of the Company;</u></p> <p>(iii) <u>The Company shall give priority to the method of profit distribution in cash dividends.</u></p>
=	<p><u>Article 16.14 The specific policy of the Company for profit distribution is as follows:</u></p> <p>(i) <u>Form of profit distribution: The Company may distribute profits in cash, shares, or a combination of cash and shares. Subject to the satisfaction of conditions of cash dividend distribution, the Company shall distribute profits in cash dividend.</u></p> <p>(ii) <u>Interval of profit distributions: The Company, in principle, adopts an annual profit distribution policy. The board of directors of the Company may propose an interim profit distribution plan according to profitability, cash flow and capital demand plan, which shall be implemented upon consideration and approval by the extraordinary general meeting.</u></p>

Original Article	Amended Article (Draft)
	<p data-bbox="818 287 1359 395"><u>(iii) Specific conditions of cash dividend distribution of the Company:</u></p> <p data-bbox="879 438 1359 693"><u>Except in special circumstances, the Company shall give priority to the cash dividend distribution when the Company makes a profit and the accumulated undistributed profit is positive in the current year. Special circumstances are:</u></p> <ol style="list-style-type: none"> <li data-bbox="879 736 1359 806"><u>1. Negative net operating cash flow in the current year;</u> <li data-bbox="879 849 1359 1444"><u>2. The Company has major external investment or capital expenditure plans (excluding fund-raising projects) in the coming 12 months. Major investment plan or capital expenditure refers to the circumstance in which the Company's accumulated capital expenditure for intended external investment, asset acquisition or equipment procurement reaches or exceeds 20% of the audited net assets in the most recent accounting year;</u> <li data-bbox="879 1487 1359 1630"><u>3. Other circumstances which the board believes to be not suitable for cash dividend distribution.</u>

Original Article	Amended Article (Draft)
	<p data-bbox="818 287 1359 846">(iv) <u>Specific conditions for distributing dividends in shares by the Company: Where the Company's business is in a sound condition, and the board of directors considers that the share price of the Company does not reflect its share capital size and distributing dividend in shares is in the interest of the Company's shareholders as a whole, provided that the above conditions for cash dividend distribution are fully satisfied, the Company may propose dividend distribution in shares.</u></p> <p data-bbox="818 889 1359 921">(v) <u>Differentiated cash dividend policy</u></p> <p data-bbox="818 963 1359 1368"><u>The board of directors of the Company shall take various factors into account, such as the characteristics of the industry where the Company operates, the stage of development of the Company, its own business model, profitability and any major capital expenditure arrangement, and put forward a differentiated cash dividend policy in accordance with the procedures as required by these Articles:</u></p> <p data-bbox="818 1410 1359 1668">1. <u>If the Company is at the mature stage of development and has no major capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when the profit distribution is made;</u></p>

Original Article	Amended Article (Draft)
	<p data-bbox="818 287 1361 549"><u>2. If the Company is at the mature stage of development and has major capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when the profit distribution is made;</u></p> <p data-bbox="818 591 1361 846"><u>3. If the Company is at the growth stage of development and has major capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made.</u></p> <p data-bbox="818 889 1361 1144"><u>4. If it is difficult to distinguish the development stage of the Company and there are major capital expenditure arrangements, the profit distribution may be made pursuant to the preceding provisions.</u></p>

Original Article	Amended Article (Draft)
<p>Article 16.13 The Company may distribute dividends by the following ways:</p> <p>cash;</p> <p>shares;</p> <p>other ways as permitted by laws, administrative regulations, departmental rules or the Listing Rules.</p>	<p><u>Article 16.15 Procedures for considering the profit distribution plan of the Company:</u></p> <p>(i) <u>The profit distribution plan of the Company shall be prepared by the management according to the Company's actual profitability, cash flow, future business plan and other factors, and shall be submitted to the board of directors of the Company for consideration. The board of directors shall have adequate discussions on the rationality of the profit distribution plan, and independent non-executive directors shall articulate their opinions. The profit distribution plan shall be submitted to the board of directors for consideration and approval before submission for consideration at the shareholders' general meeting.</u></p> <p>(ii) <u>When the Company formulates the specific plan for cash dividends, the board of directors shall carefully study and demonstrate the timing, conditions, minimum ratio and adjustment conditions of the cash dividends, the requirements for its decision-making procedure and other matters, and independent non-executive directors shall articulate their opinions. Independent non-executive directors may solicit the opinions of minority shareholders, present dividend proposals and submit them directly to the board of directors for consideration.</u></p>

Original Article	Amended Article (Draft)
	<p><u>(iii) Before the profit distribution plan is considered at its shareholders' general meeting, the Company will actively communicate with shareholders, particularly minority shareholders, through multiple channels and fully listen to the opinions and requests of minority shareholders. In addition to arrangements for listening to opinions of shareholders at the shareholders' general meeting, the Company will also actively communicate with shareholders, particularly minority shareholders, through shareholder hotline, interaction platform for investor relations and other means to timely respond to the concerns of minority shareholders, and provide the online voting method to shareholders before convening the shareholders' general meeting.</u></p> <p><u>When the Company does not distribute cash dividends due to the aforesaid special circumstances, the board of directors shall make special explanations on the specific reasons for not distributing cash dividends, exact use of the Company's retained profits, expected returns on investment and other matters, which shall be submitted to the shareholders' general meeting for consideration and disclosed via the media designated by the Company after independent non-executive directors provide their opinions.</u></p>

Original Article	Amended Article (Draft)
–	<p data-bbox="818 287 1359 357"><u>Article 16.16 Adjustment to the profit distribution policy:</u></p> <p data-bbox="818 400 1359 995"><u>The Company shall strictly implement the profit distribution policy determined in these Articles and the specific profit distribution plan considered and approved at the shareholders' general meeting. The Company may adjust the profit distribution policy if the production and operation of the Company are significantly affected by the changes in the Company's external operating environment or it is necessary to adjust the profit distribution policy determined in these Articles due to great changes in operation status of the Company.</u></p> <p data-bbox="818 1038 1359 1591"><u>The board of directors shall conduct special discussion on adjusting the profit distribution policy of the Company to study reasons for the adjustment in detail and form a written study report. Resolution on adjustment to the profit distribution plan shall be considered by the board of directors of the Company, on which independent non-executive directors shall articulate their opinions, and shall be submitted to the shareholders' general meeting for consideration and approved by more than two-thirds of voting rights held by the shareholders attending the meeting.</u></p>

Original Article	Amended Article (Draft)
<p>Article 16.14 Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of overseas-listed foreign shares shall be calculated and announced in RMB and paid in a foreign currency pursuant to the relevant state regulations on the administration of foreign exchange.</p> <p>Subject to laws, administrative regulations, departmental rules and the Listing Rules, any amount paid up in advance of calls on any shares may carry interest but shall not entitle the relevant shareholders to participate in respect thereof in a dividend subsequently declared.</p>	<p><u>Article 16.17</u> Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of overseas-listed foreign shares shall be calculated and announced in RMB and paid in a foreign currency pursuant to the relevant state regulations on the administration of foreign exchange.</p> <p>Subject to laws, administrative regulations, departmental rules and <u>the listing rules of the place of listing</u>, any amount paid up in advance of calls on any shares may carry interest but shall not entitle the relevant shareholders to participate in respect thereof in a dividend subsequently declared.</p>
–	<p><u>Article 16.18 After the profit distribution plan is resolved at the shareholders' general meeting, the board of directors of the Company shall finish distributing dividends (or shares) within two months after conclusion of the shareholders' general meeting.</u></p>

Original Article	Amended Article (Draft)
<p>Article 19.1 The Company shall be dissolved and liquidated lawfully upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> (i) The operation period expires, or other liquidation matters in these Articles happened; (ii) A resolution for dissolution is passed at a shareholders' general meeting; (iii) Dissolution is necessary due to a merger or division of the Company; (iv) The Company's business license has been suspended, or the Company has been ordered to close or revoked in accordance with laws; (v) If the Company encounters significant difficulties in business and management, continuous survival will be significantly detrimental to the interests of shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of the shares carrying voting rights may request a people's court to dissolve the Company, and the people's court shall dissolve the Company in accordance with laws. 	<p>Article 19.1 The Company shall be dissolved and liquidated lawfully upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> (i) The operation period expires, or other liquidation matters in these Articles happened; (ii) A resolution for dissolution is passed at a shareholders' general meeting; (iii) Dissolution is necessary due to a merger or division of the Company; (iv) <u>The Company is declared bankrupt in accordance with laws as a result of its failure to settle the debts due;</u> (v) The Company's business license has been suspended, or the Company has been ordered to close or revoked in accordance with laws; (vi) If the Company encounters significant difficulties in business and management, continuous survival will be significantly detrimental to the interests of shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of the shares carrying voting rights may request a people's court to dissolve the Company, and the people's court shall dissolve the Company in accordance with laws.

Original Article	Amended Article (Draft)
<p>Article 19.2 Under the circumstances set forth in item (i) of the preceding clause, the Company can still exist via the amendment of these Articles.</p> <p>The amendment to these Articles according to the preceding Article shall be passed by two-thirds of the voting rights held by shareholders present at the shareholders' general meeting.</p> <p>If the Company is dissolved due to the provisions set forth in (i), (ii), (iv) and (v) above, the liquidation committee shall be established within 15 days to carry out liquidation. The members of the liquidation committee shall be determined by directors or a shareholders' general meeting. In the case of failure to establish a liquidation committee according to schedule, the creditors may apply for liquidation to be carried out by a liquidation committee which is composed of members designated by the people's court.</p>	<p>Article 19.2 Under the circumstances set forth in item (i) of the preceding clause, the Company can still exist via the amendment of these Articles.</p> <p>The amendment to these Articles according to the preceding Article shall be passed by two-thirds of the voting rights held by shareholders present at the shareholders' general meeting.</p> <p>If the Company is dissolved due to the provisions set forth in (i), (ii), <u>(v)</u> and <u>(vi)</u> above, the liquidation committee shall be established within 15 days to carry out liquidation. The members of the liquidation committee shall be determined by directors or a shareholders' general meeting. In the case of failure to establish a liquidation committee according to schedule, the creditors may apply for liquidation to be carried out by a liquidation committee which is composed of members designated by the people's court.</p> <p><u>If the Company is dissolved due to the provision set forth in item (iv) of the preceding clause, the people's court shall, in accordance with the provisions of relevant laws, establish a liquidation committee composed of shareholders, relevant authorities and relevant professionals to carry out liquidation.</u></p>

Original Article	Amended Article (Draft)
<p>Article 19.3 If the board of directors decides to liquidate the Company, the board of directors shall state in the notice of the shareholders' general meeting convened for this purpose that the board of directors has performed a comprehensive investigation of the status of the Company and believes that the Company is able to pay off all of our debts within 12 months of the commencement of liquidation.</p> <p>Upon the passing of the resolution at the shareholders' general meeting for the liquidation of the Company, all duties and powers of the board of directors shall terminate immediately.</p> <p>The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once a year to the shareholders' general meeting concerning the committee's income and expenses, the businesses of the Company and the progress of the liquidation and to present a final report to the shareholders' general meeting on the completion of the liquidation.</p>	<p>Article 19.3 If the board of directors decides to liquidate the Company <u>(except for liquidation due to the declaration of bankruptcy of the Company)</u>, the board of directors shall state in the notice of the shareholders' general meeting convened for this purpose that the board of directors has performed a comprehensive investigation of the status of the Company and believes that the Company is able to pay off all of our debts within 12 months of the commencement of liquidation.</p> <p>Upon the passing of the resolution at the shareholders' general meeting for the liquidation of the Company, all duties and powers of the board of directors shall terminate immediately.</p> <p>The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once a year to the shareholders' general meeting concerning the committee's income and expenses, the businesses of the Company and the progress of the liquidation and to present a final report to the shareholders' general meeting on the completion of the liquidation.</p>

Original Article	Amended Article (Draft)
<p>Article 19.4 The liquidation committee shall inform the creditors of the Company within ten days following its establishment, and shall make a public announcement in a newspaper within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date on which the notice is received or 45 days from the date of the announcement if the notice is not received.</p> <p>When the creditors declare their claims, they shall explain the relevant matters of such claims and provide evidential materials. The liquidation committee shall register all the creditors' rights.</p> <p>During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.</p>	<p>Article 19.4 The liquidation committee shall inform the creditors of the Company within ten days following its establishment, and shall make a public announcement in a newspaper within 60 days <u>at least three times</u>. Creditors shall declare their claims to the liquidation committee within 30 days from the date on which the notice is received or 45 days from the date of the announcement if the notice is not received.</p> <p>When the creditors declare their claims, they shall explain the relevant matters of such claims and provide evidential materials. The liquidation committee shall register all the creditors' rights.</p> <p>During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.</p>

Original Article	Amended Article (Draft)
–	<p data-bbox="818 287 1359 393"><u>Article 20.3 The Company shall amend these Articles under the following circumstances:</u></p> <p data-bbox="818 436 1359 691"><u>(i) After the amendments to the Company Law, relevant laws or administrative regulations, the matters stipulated in these Articles contradict with the provisions of the amended laws and administrative regulations;</u></p> <p data-bbox="818 734 1359 840"><u>(ii) A change in the Company's status results in inconsistency with the matters recorded in these Articles;</u></p> <p data-bbox="818 883 1359 989"><u>(iii) Amendments to these Articles are resolved at the shareholders' general meeting.</u></p> <p data-bbox="818 1032 1359 1330"><u>The amendments to these Articles approved by the resolution of the shareholders' general meeting shall be submitted to the relevant competent authorities for approval; any amendment involving the Company's registration shall be registered according to laws.</u></p>
–	<p data-bbox="818 1351 1359 1542"><u>Article 20.4 The board of directors shall amend these Articles according to the resolution of the shareholders' general meeting and the opinions on approval from the relevant competent authorities.</u></p> <p data-bbox="818 1585 1359 1755"><u>Where the amendments to these Articles are the information required to be disclosed according to laws and regulations, such amendments shall be announced as required.</u></p>

Original Article	Amended Article (Draft)
–	<p><u>Article 22.1 Notices of the Company may be given in the following ways:</u></p> <p><u>(i) By personal delivery;</u></p> <p><u>(ii) By mail;</u></p> <p><u>(iii) By announcement;</u></p> <p><u>(iv) Other forms stipulated in these Articles or recognized by the regulator of the place of listing.</u></p> <p><u>Notices given by the Company in the form of an announcement shall be deemed to be received by all relevant personnel when it is published.</u></p> <p><u>Unless otherwise stated in these Articles, notices issued in various forms as stipulated in the preceding paragraphs shall apply to the notices of the Company's shareholders' general meetings and the meetings of the board of directors and the supervisory committee.</u></p>
<p>Article 22.1 Unless otherwise stated in these Articles, the notice, information or written statements issued by the Company to the holders of overseas-listed foreign shares shall be despatched to holders of overseas-listed foreign shares who holds the registered shares by personal delivery, or send to each holder of overseas-listed foreign shares by post at the address as recorded in the register of shareholders, or served in any other manner as permitted by the Listing Rules.</p>	<p><u>Article 22.2</u> Unless otherwise stated in these Articles, the notice, information or written statements issued by the Company to the holders of overseas-listed foreign shares shall be despatched to holders of overseas-listed foreign shares who holds the registered shares by personal delivery, or send to each holder of overseas-listed foreign shares by post at the address as recorded in the register of shareholders, or served in any other manner as permitted by the <u>listing rules of the place of listing.</u></p>

Original Article	Amended Article (Draft)
–	Article 22.7 <u>Any accidental omission to issue a notice of meeting to any person entitled to receive the notice or failure by such person to receive the notice of meeting shall not invalidate the meeting and any resolution passed thereat.</u>
Article 23.5 Upon approval at shareholders' general meeting, these Articles will become effective from the date on which listing and trading of overseas-listed foreign shares (H shares) issued by the Company commences on the Hong Kong Stock Exchange.	Article 23.5 Upon approval at shareholders' general meeting, these Articles will become effective from the date on which <u>the initial public</u> offering, listing and trading of <u>A shares</u> of the Company commences on the <u>ChiNext of SZSE</u> .
<p>Article 23.6 In these Articles, the following expressions shall have the following meanings unless the context otherwise requires:</p> <p>“Legal address of the Company” means the legal address of the Company, i.e. No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, PRC and No. 268 Lianzhou East Road, Gaocheng District, Shijiazhuang City, Hebei Province, PRC</p> <p>“RMB” means the legal currency of the PRC</p> <p>“China” or “the State” means the People’s Republic of China which, for the purpose of these Articles, shall not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan</p>	<p>Article 23.6 In these Articles, the following expressions shall have the following meanings unless the context otherwise requires:</p> <p>“Legal address of the Company” means the legal address of the Company, i.e. No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, PRC and No. 268 Lianzhou East Road, Gaocheng District, Shijiazhuang City, Hebei Province, PRC</p> <p>“RMB” means the legal currency of the PRC</p> <p>“China” or “the State” means the People’s Republic of China which, for the purpose of these Articles, shall not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan</p>

Original Article	Amended Article (Draft)
“CSRC” means China Securities Regulatory Commission	“CSRC” means China Securities Regulatory Commission
“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Limited	“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Limited
“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the amendments thereof from time to time	“Listing Rules <u>of Hong Kong Stock Exchange</u> ” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the amendments thereof from time to time
“Mandatory Provisions” or “MP” means the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (Zheng wei fa [1994] No. 21)	“Mandatory Provisions” or “MP” means the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (Zheng wei fa [1994] No. 21)
“Guidelines” means the Guidelines for Articles of Listed Companies (2014 Second Revision) (Announcement of China Securities Regulatory Commission [2014] No. 47)	“Guidelines” means the Guidelines for Articles of Listed Companies (<u>2019</u> Revision) (Announcement of China Securities Regulatory Commission <u>[2019] No. 10</u>)
“App3” means Appendix 3 to the Listing Rules	“App3” means Appendix 3 to the Listing Rules <u>of Hong Kong Stock Exchange</u>
“A13D” means Part D of Appendix 13 to the Listing Rules	“A13D” means Part D of Appendix 13 to the Listing Rules <u>of Hong Kong Stock Exchange</u>

Original Article	Amended Article (Draft)
<p>“LR19A” means Chapter 19A of the Listing Rules</p> <p>“Zheng Jian Hai Han” means the Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1)</p> <p>“Business day(s)” means any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities</p>	<p>“LR19A” means Chapter 19A of the Listing Rules <u>of Hong Kong Stock Exchange</u></p> <p>“Zheng Jian Hai Han” means the Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1)</p> <p>“Business day(s)” means any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities</p>

Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

Original Article	Amended Article
<p>Article 9 To convene a shareholders' general meeting, the Company shall issue a written notice 45 days before the date of meeting, informing all registered shareholders of the matters to be considered at the meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve a written reply of attendance to the Company 20 days before the date of the meeting.</p> <p>The period of the delivery of the notice shall exclude the date of the meeting.</p>	<p>Article 9 To convene <u>an annual general meeting</u>, the Company <u>shall issue a written notice to the shareholders at least 20 clear business days before the date of the meeting; for the extraordinary general meeting, the Company shall issue a written notice to the shareholders at least 10 clear business days or 15 days (whichever is the longer) before the date of the meeting. For a class meeting, the requirements in Article 58 of the Rules regarding the notice period and notice method shall prevail. A general meeting shall not resolve on matters not stated in the abovementioned notice.</u></p> <p>The period of the delivery of the notice shall exclude the date of the meeting.</p>
<p>Article 10 The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by the shareholders who intend to attend the meeting. If the number of shares with voting rights represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within 5 days notify the shareholders again, by way of public announcement, of the matters to be considered, and the place and date of the meeting. Upon the publication of the announcement, the Company may convene the shareholders' general meeting.</p>	<p>Article 10 The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by the shareholders who intend to attend the meeting. If the number of shares with voting rights represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within 5 days notify the shareholders again, by way of public announcement, of the matters to be considered, and the place and date of the meeting. Upon the publication of the announcement, the Company may convene the shareholders' general meeting.</p>

Original Article	Amended Article
<p>Article 13 Notice of a shareholders' general meeting shall be delivered to all shareholders (whether with voting rights or not) by personal delivery or prepaid mail at his/her address, as shown in the register of shareholders, or be delivered by any other methods permitted under the Listing Rules, including but not limited to postal mail, electronic mail, facsimile, announcement, or be published on the website of the Company or the website of the Hong Kong Stock Exchange. For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by securities regulatory authorities under the State Council 45-50 days prior to the meeting. Holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting upon the publication of the announcement.</p>	<p>Article 12 Notice of a shareholders' general meeting shall be delivered to all shareholders (whether with voting rights or not) by personal delivery or prepaid mail at his/her address, as shown in the register of shareholders, or be delivered by any other methods permitted under the Listing Rules, including but not limited to postal mail, electronic mail, facsimile, announcement, or be published on the website of the Company or the website of the Hong Kong Stock Exchange. For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by <u>securities regulatory authorities of China 20-25 business days prior to the annual general meeting, or 15-20 business days prior to the extraordinary general meeting.</u> Holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting upon the publication of the announcement.</p>

Original Article	Amended Article
<p>Article 59 When the Company is to convene a class shareholders' meeting, it shall issue a written notice 45 days prior to the date of the meeting, informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve a written reply of attendance to the Company 20 days prior to the date of the meeting.</p> <p>Calculation of the above commencement date and period shall not include the date of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class shareholders' meeting. If not, the Company shall, within five days, inform the shareholders once again of the matters to be considered at and the date and place of the meeting in the form of a public announcement. After such notification by public announcement, the Company may hold the class shareholders' meeting.</p>	<p>Article 58 When the Company is to convene a class shareholders' meeting, it shall issue a written notice <u>at least 20 clear business days prior to the annual general meeting, or at least 10 clear business days or 15 days (whichever is longer) prior to the extraordinary general meeting</u> informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting. Shareholders that intend to attend the meeting shall serve a written reply to the Company 20 days prior the day on which the meeting is to be held, stating that they will attend the meeting.</p> <p>Calculation of the above commencement date and period shall not include the date of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class shareholders' meeting. If not, the Company shall, within five days, inform the shareholders once again of the matters to be considered at and the date and place of the meeting in the form of a public announcement. After such notification by public announcement, the Company may hold the class shareholders' meeting.</p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS, RULES OF PROCEDURES OF
THE SUPERVISORY COMMITTEE AND WORKING RULES OF THE INDEPENDENT DIRECTORS**

**TABLE OF COMPARISON OF AMENDMENTS TO
THE RULES OF PROCEDURES OF
GENERAL MEETINGS OF HEBEI YICHEN INDUSTRIAL GROUP
CORPORATION LIMITED***

Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 1 In order to regulate the discussion rules and procedures of the shareholders' general meeting of Hebei Yichen Industrial Group Corporation Limited (the "Company"), ensure that shareholders exercise their rights in accordance with the law and maintain the order of the general meeting, these Rules have been formulated pursuant to the relevant requirements of laws, administrative regulations and departmental rules such as the Company Law of the People's Republic of China (the "Company Law"), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (the "Special Provisions") and the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (the "Mandatory Provisions"), as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Articles of Association of Hebei Yichen Industrial Group Corporation Limited (the "Articles of Association") and taking into account the actual circumstances of the Company.</p>	<p>Article 1 In order to regulate the discussion rules and procedures of the shareholders' general meeting of Hebei Yichen Industrial Group Corporation Limited (the "Company"), ensure that shareholders exercise their rights in accordance with the law and maintain the order of the general meeting, these Rules have been formulated pursuant to the relevant requirements of laws, administrative regulations and departmental rules such as the Company Law of the People's Republic of China (the "Company Law"), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (the "Special Provisions") and the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (the "Mandatory Provisions"), as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "<u>Listing Rules of Hong Kong Stock Exchange</u>"), the "<u>Rules Governing the Listing of Shares on the ChiNext of the Shenzhen Stock Exchange</u>" (the "<u>ChiNext Listing Rules</u>") and the Articles of Association of Hebei Yichen Industrial Group Corporation Limited (the "Articles of Association") and taking into account the actual circumstances of the Company.</p>

* For identification purpose only

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS, RULES OF PROCEDURES OF
THE SUPERVISORY COMMITTEE AND WORKING RULES OF THE INDEPENDENT DIRECTORS**

Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 4 A shareholders' general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.</p> <p>The board of directors shall convene an extraordinary general meeting within 2 months from the occurrence of any one of the following circumstances:</p> <ul style="list-style-type: none"> (i) When the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association; (ii) When the unrecovered losses of the Company amount to one-third of the total amount of its share capital; (iii) When any shareholder individually or jointly holding 10% or more of the Company's shares requests in writing for the convening of an extraordinary general meeting; (iv) When deemed necessary by the board of directors; (v) When requested by the supervisory committee; (vi) Any other circumstances stipulated in the laws, administrative regulations, departmental rules, the Listing Rules or the Articles of Association. 	<p>Article 4 A shareholders' general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.</p> <p>The board of directors shall convene an extraordinary general meeting within 2 months from the occurrence of any one of the following circumstances:</p> <ul style="list-style-type: none"> (i) When the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association; (ii) When the unrecovered losses of the Company amount to one-third of the total amount of its share capital; (iii) When any shareholder individually or jointly holding 10% or more of the Company's shares requests in writing for the convening of an extraordinary general meeting; (iv) When deemed necessary by the board of directors; (v) When requested by the supervisory committee; (vi) Any other circumstances stipulated in the laws, administrative regulations, departmental rules, <u>the listing rules of the place of listing</u> or the Articles of Association.

APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS, RULES OF PROCEDURES OF
THE SUPERVISORY COMMITTEE AND WORKING RULES OF THE INDEPENDENT DIRECTORS

Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
	<p><u>Article 6 Independent directors have the right to propose to the board of directors to convene an extraordinary general meeting. Where independent directors propose to convene an extraordinary general meeting, the board of directors shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written reply stating whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of such proposal.</u></p> <p><u>If the board of directors agrees to convene the extraordinary general meeting, a notice for convening the extraordinary general meeting shall be issued within 5 days after the board of directors makes the relevant resolution. If the board of directors disagrees to convene the extraordinary general meeting, it shall issue an announcement to state the reasons.</u></p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS, RULES OF PROCEDURES OF
THE SUPERVISORY COMMITTEE AND WORKING RULES OF THE INDEPENDENT DIRECTORS**

Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 8 Where the supervisory committee or shareholders decide to convene the shareholders' general meeting on its/their own initiatives, it/they shall send out a written notice to the board of directors.</p> <p>Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than ten percent (10%).</p> <p>In respect to the shareholders' general meeting convened by the supervisory committee or shareholders on its/their own initiatives, the board of directors and its secretary shall show cooperation.</p> <p>The expenses necessary for holding the shareholders' general meeting convened by the supervisory committee or shareholders shall be borne by the Company.</p>	<p>Article 9 Where the supervisory committee or shareholders decide to convene the shareholders' general meeting on its/their own initiatives, it/they shall send out a written notice to the board of directors <u>and file with the branch office of CSRC at the place where the Company resides and the Shenzhen Stock Exchange.</u></p> <p>Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than ten percent (10%).</p> <p>In respect to the shareholders' general meeting convened by the supervisory committee or shareholders on its/their own initiatives, the board of directors and its secretary shall show cooperation.</p> <p>The expenses necessary for holding the shareholders' general meeting convened by the supervisory committee or shareholders shall be borne by the Company.</p>
<p>Article 9 To convene a shareholders' general meeting, the Company shall issue a written notice 45 days before the date of meeting, informing all registered shareholders of the matters to be considered at the meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve a written reply of attendance to the Company 20 days before the date of the meeting.</p> <p>The period of the delivery of the notice shall exclude the date of the meeting.</p>	<p>Article 10 <u>To convene an annual general meeting, the Company shall issue a written notice to the shareholders at least 20 clear business days before the date of the meeting; for the extraordinary general meeting, the Company shall issue a written notice to the shareholders at least 10 clear business days or 15 days (whichever is the longer) before the date of the meeting.</u></p> <p>The period of the delivery of the notice shall exclude the date of the meeting.</p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS, RULES OF PROCEDURES OF
THE SUPERVISORY COMMITTEE AND WORKING RULES OF THE INDEPENDENT DIRECTORS**

Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 10 The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by the shareholders who intend to attend the meeting. If the number of shares with voting rights represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within 5 days notify the shareholders again, by way of public announcement, of the matters to be considered, and the place and date of the meeting. Upon the publication of the announcement, the Company may convene the shareholders' general meeting.</p>	<p>Article 10 The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by the shareholders who intend to attend the meeting. If the number of shares with voting rights represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within 5 days notify the shareholders again, by way of public announcement, of the matters to be considered, and the place and date of the meeting. Upon the publication of the announcement, the Company may convene the shareholders' general meeting.</p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS, RULES OF PROCEDURES OF
THE SUPERVISORY COMMITTEE AND WORKING RULES OF THE INDEPENDENT DIRECTORS**

Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 12 When the Company convenes a shareholders' general meeting, the convener shall set a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who appear in the register of shareholders shall be deemed as the shareholders of the Company.</p> <p>No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting.</p>	<p>Article 12 When the Company convenes a shareholders' general meeting, the convener shall set a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who appear in the register of shareholders shall be deemed as the shareholders of the Company.</p> <p>No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting. <u>However, where there are provisions in respect of the period to suspend the registration of share transfer prior to the convening of shareholders' general meetings or the record date set by the Company for the purpose of distribution of dividends otherwise required by laws, administrative regulations, departmental rules, normative documents and requirements of relevant stock exchanges or regulatory authorities of the places where the Company's shares are listed, such provisions shall prevail.</u></p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 13 Notice of a shareholders' general meeting shall be delivered to all shareholders (whether with voting rights or not) by personal delivery or prepaid mail at his/her address, as shown in the register of shareholders, or be delivered by any other methods permitted under the Listing Rules, including but not limited to postal mail, electronic mail, facsimile, announcement, or be published on the website of the Company or the website of the Hong Kong Stock Exchange. For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by securities regulatory authorities under the State Council 45-50 days prior to the meeting. Holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting upon the publication of the announcement.</p>	<p>Article 13 Notice of a shareholders' general meeting shall be delivered to all shareholders (whether with voting rights or not) by personal delivery or prepaid mail at his/her address, as shown in the register of shareholders, or be delivered by any other methods permitted under the <u>listing rules of the place of listing</u>, including but not limited to postal mail, electronic mail, facsimile, announcement, or be published on the website of the Company or the websites of <u>Shenzhen Stock Exchange</u> and Hong Kong Stock Exchange. For holders of domestic shares, notices of a shareholders' general meeting may be given by way of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by securities regulatory authorities under the State Council 45-50 days prior to the meeting. Holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting upon the publication of the announcement.</p>
<p>Article 16 The contents of the motions of the general meeting shall fall within the scope of duties of the shareholders' general meeting, have definite topics and specific matters for resolution and comply with the relevant requirements of the laws, administrative regulations, the Listing Rules, the Articles of Association and these Rules.</p>	<p>Article 16 The contents of the motions of the general meeting shall fall within the scope of duties of the shareholders' general meeting, have definite topics and specific matters for resolution and comply with the relevant requirements of the laws, administrative regulations, <u>the listing rules of the place of listing</u>, the Articles of Association and these Rules.</p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 21 The venue where the Company holds the shareholders' general meeting shall be specified in the notice of convening the general meeting of shareholders. A venue shall be available for a general meeting which shall be held as an on-site meeting. For the convenience of shareholders, under the premise of complying with the laws, administrative regulations and the Listing Rules and ensuring the legality and effectiveness of the general meeting of shareholders, the Company can provide telephone, network or other means as needed. A shareholder who participates in a general meeting through the above mentioned channels shall be deemed to have been present at the meeting.</p> <p>Upon the close of such date, all registered shareholders have the right to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations, the Listing Rules and the Articles of Association. The Company and the conveners shall not refuse for any reason.</p> <p>Shareholders may attend the general meeting in person, or entrust their agents to attend the meeting and exercise their voting rights within the scope of authorization.</p>	<p>Article 21 The venue where the Company holds the shareholders' general meeting shall be specified in the notice of convening the general meeting of shareholders. A venue shall be available for a general meeting which shall be held as an on-site meeting. For the convenience of shareholders, under the premise of complying with the laws, administrative regulations and <u>the listing rules of the place of listing</u> and ensuring the legality and effectiveness of the general meeting of shareholders, the Company can <u>provide online voting as a channel</u> as needed. A shareholder who participates in a general meeting through the above mentioned channels shall be deemed to have been present at the meeting.</p> <p>Upon the close of such date, all registered shareholders have the right to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations, <u>the listing rules of the place of listing</u> and the Articles of Association. The Company and the conveners shall not refuse for any reason.</p> <p>Shareholders may attend the general meeting in person, or entrust their agents to attend the meeting and exercise their voting rights within the scope of authorization.</p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 29 The shareholders' general meeting shall be held by the chairman of the board of directors. Where the chairman cannot perform his/her duties or fails to perform his/her duties, the vice chairman of the board of directors shall preside over the meeting; where the vice chairman also cannot perform his duties or fails to perform his duties, half of the directors or more shall jointly recommend one director to preside over the meeting.</p> <p>Where the supervisory committee convenes a shareholders' general meeting, the chairman of the supervisory committee shall preside over the meeting. Where the chairman of the supervisory committee cannot perform his duties or fails to perform his duties, the vice chairman of the supervisory committee shall preside over the meeting; where the vice chairman of the supervisory committee cannot perform his duties or fails to perform his duties, half of the supervisors or more shall jointly recommend one supervisor to preside over the meeting.</p> <p>Where the shareholders convene a shareholders' general meeting, the convener shall recommend one representative to preside over the meeting.</p> <p>When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and makes it difficult for the shareholders' general meeting to continue its meeting, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of more than half of the voting shareholders that are present at the meeting, and continue the meeting.</p>	<p>Article 29 The shareholders' general meeting shall be held by the chairman of the board of directors. Where the chairman cannot perform his/her duties or fails to perform his/her duties, the vice chairman of the board of directors (if any) shall preside over the meeting; where the vice chairman also cannot perform his duties or fails to perform his duties, half of the directors or more shall jointly recommend one director to preside over the meeting.</p> <p>Where the supervisory committee convenes a shareholders' general meeting, the chairman of the supervisory committee shall preside over the meeting. Where the chairman of the supervisory committee cannot perform his duties or fails to perform his duties, the vice chairman of the supervisory committee shall preside over the meeting; where the vice chairman of the supervisory committee cannot perform his duties or fails to perform his duties, half of the supervisors or more shall jointly recommend one supervisor to preside over the meeting.</p> <p>Where the shareholders convene a shareholders' general meeting, the convener shall recommend one representative to preside over the meeting.</p> <p>When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and makes it difficult for the shareholders' general meeting to continue its meeting, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of more than half of the voting shareholders that are present at the meeting, and continue the meeting.</p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 37 The resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions made by the shareholders' general meeting shall be adopted by more than half of voting shares held by the shareholders (including their proxies) present at the meeting.</p> <p>Special resolutions made by the shareholders' general meeting shall be adopted by more than two-thirds of voting shares held by the shareholders (including their proxies) present at the meeting.</p> <p>The scope of ordinary resolutions and special resolutions shall be subject to the requirements of laws, administrative regulations, the Listing Rules and the Articles of Association.</p>	<p>Article 37 The resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions made by the shareholders' general meeting shall be adopted by more than half of voting shares held by the shareholders (including their proxies) present at the meeting.</p> <p>Special resolutions made by the shareholders' general meeting shall be adopted by more than two-thirds of voting shares held by the shareholders (including their proxies) present at the meeting.</p> <p>The scope of ordinary resolutions and special resolutions shall be subject to the requirements of laws, administrative regulations, <u>the listing rules of the place of listing</u> and the Articles of Association.</p>
<p>Article 38 At any general meeting, shareholders shall vote by open ballot. Nevertheless, on the premise of compliance with the Listing Rules, shareholders can vote by show of hands on procedural issues.</p>	<p>Article 38 At any general meeting, shareholders shall vote by open ballot. Nevertheless, on the premise of compliance with <u>the listing rules of the place of listing</u>, shareholders can vote by show of hands on procedural issues.</p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 40 On the premise of compliance with the Listing Rules, at any general meeting, a resolution concerning procedural issues shall be decided on a show of hands unless a poll is demanded by the following persons before or after a vote is carried out by a show of hands:</p> <ul style="list-style-type: none"> (i) the presider of the meeting; (ii) at least two shareholders with voting rights or proxies with voting rights; or (iii) one or several shareholders (including proxies) holding, alone or together, at least 10 percent of the shares carrying the right to vote at the shareholders' general meeting. <p>Unless a poll is demanded, the presider of the meeting shall announce whether the motion has been carried in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.</p> <p>The demand for a vote by poll may be withdrawn by the person who made the demand.</p>	<p>Article 40 On the premise of compliance with the Listing Rules, at any general meeting, a resolution concerning procedural issues shall be decided on a show of hands unless a poll is demanded by the following persons before or after a vote is carried out by a show of hands:</p> <ul style="list-style-type: none"> (i) the presider of the meeting; (ii) at least two shareholders with voting rights or proxies with voting rights; or (iii) one or several shareholders (including proxies) holding, alone or together, at least 10 percent of the shares carrying the right to vote at the shareholders' general meeting. <p>Unless a poll is demanded, the presider of the meeting shall announce whether the motion has been carried in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.</p> <p>The demand for a vote by poll may be withdrawn by the person who made the demand.</p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 42 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p>If any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the voting results.</p>	<p>Article 41 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.</p> <p>If any shareholder is, <u>under the listing rules of the place of listing</u>, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the voting results.</p>
<p>Article 44 When matters concerning connected transactions are considered at a shareholders' general meeting, the connected shareholders shall not vote, and the number of voting shares held by them shall not be counted in the total number of valid votes; the announcement on the resolutions of a shareholders' general meeting shall fully disclose the voting results of non-connected shareholders.</p> <p>If the convener decides to submit the proposal in relation to connected transactions to the shareholders' general meeting for consideration, the notice of such general meeting shall specifically disclose that connected shareholders shall abstain from voting on the relevant connected transactions.</p> <p>The convener shall judge whether such matters to be proposed for consideration at the shareholders' general meeting constitute connected transactions pursuant to the relevant provisions of the Listing Rules.</p>	<p>Article 43 When matters concerning connected transactions are considered at a shareholders' general meeting, the connected shareholders shall not vote, and the number of voting shares held by them shall not be counted in the total number of valid votes; the announcement on the resolutions of a shareholders' general meeting shall fully disclose the voting results of non-connected shareholders.</p> <p>If the convener decides to submit the proposal in relation to connected transactions to the shareholders' general meeting for consideration, the notice of such general meeting shall specifically disclose that connected shareholders shall abstain from voting on the relevant connected transactions.</p> <p>The convener shall judge whether such matters to be proposed for consideration at the shareholders' general meeting constitute connected transactions pursuant to the relevant provisions of <u>the listing rules of the place of listing</u>.</p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>A connected shareholder shall voluntarily abstain from voting and surrender his voting rights on relevant issues at the shareholders' general meeting. The presider of the meeting shall request the connected shareholder to abstain from voting.</p>	<p>A connected shareholder shall voluntarily abstain from voting and surrender his voting rights on relevant issues at the shareholders' general meeting. The presider of the meeting shall request the connected shareholder to abstain from voting.</p>
<p>Article 49 Before a proposal is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>When the proposal is voted on at the shareholders' general meeting, shareholder representatives and supervisor representatives shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting, with the voting results of such proposal to be recorded in the minutes of meeting.</p> <p>According to the voting results, the presider of the meeting shall be responsible for determining whether a resolution is passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of meeting.</p>	<p>Article 48 Before a proposal is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>When the proposal is voted on at the shareholders' general meeting, <u>lawyers, shareholder representatives, representatives of auditors, share registrar or external accountants who are qualified to serve as the Company's auditors</u> and supervisor representatives shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting, with the voting results of such proposal to be recorded in the minutes of meeting.</p> <p>According to the voting results, the presider of the meeting shall be responsible for determining whether a resolution is passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of meeting.</p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 59 When the Company is to convene a class shareholders' meeting, it shall issue a written notice 45 days prior to the date of the meeting, informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve a written reply of attendance to the Company 20 days prior to the date of the meeting.</p> <p>Calculation of the above commencement date and period shall not include the date of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class shareholders' meeting. If not, the Company shall, within five days, inform the shareholders once again of the matters to be considered at and the date and place of the meeting in the form of a public announcement. After such notification by public announcement, the Company may hold the class shareholders' meeting.</p>	<p>Article 58 <u>When the Company is to convene a class shareholders' meeting, it shall issue a written notice at least 45 20 clear business days prior to the annual general meeting, or at least 10 clear business days or 15 days (whichever is longer) prior to the extraordinary general meeting, informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting.</u></p> <p>Calculation of the above commencement date and period shall not include the date of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class shareholders' meeting. If not, the Company shall, within five days, inform the shareholders once again of the matters to be considered at and the date and place of the meeting in the form of a public announcement. After such notification by public announcement, the Company may hold the class shareholders' meeting.</p>

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Original Article	Amended Article of the Rules of Procedure for Shareholders' General Meeting
<p>Article 65 The secretary to the board of directors shall be responsible for handling relevant information disclosure affairs in accordance with relevant laws, administrative regulations, departmental rules, and the Listing Rules after the meeting.</p> <p>The matters which shall be disclosed in accordance with the Listing Rules will be disclosed in accordance with the relevant rules of the Listing Rules.</p> <p>If any proposal is not passed or any resolution passed at the previous general meeting is changed at the current general meeting, the Board shall make a special reminder in the announcement of resolutions of the meeting.</p>	<p>Article 64 The secretary to the board of directors shall be responsible for handling relevant information disclosure affairs in accordance with relevant laws, administrative regulations, departmental rules, and <u>the listing rules of the place of listing</u> after the meeting.</p> <p>The matters which shall be disclosed in accordance with the Listing Rules will be disclosed in accordance with the relevant rules of <u>the listing rules of the place of listing</u>.</p> <p>If any proposal is not passed or any resolution passed at the previous general meeting is changed at the current general meeting, the Board shall make a special reminder in the announcement of resolutions of the meeting.</p>
<p>Article 70 These Rules will be amended from time to time in line with the amendments to relevant laws, administrative regulations, departmental rules, the Listing Rules or the Articles of Association.</p>	<p>Article 69 These Rules will be amended from time to time in line with the amendments to relevant laws, administrative regulations, departmental rules, <u>the listing rules of the place of listing</u> or the Articles of Association.</p>
<p>Article 71 These Rules have been considered and approved at the shareholders' general meeting of the Company and shall become effective on the date on which the overseas-listed foreign shares (H) Shares issued by the Company are listed on the Hong Kong Stock Exchange. The original rules shall lapse automatically on the date on which these Rules come into effect.</p>	<p>Article 70 These rules have been considered and approved at the general meeting of the Company and shall become effective on the date on which the <u>initial public offering, listing and trading of the Company's A shares on the ChiNext of Shenzhen Stock Exchange</u>. The original rules shall lapse automatically on the date on which these Rules come into effect.</p>

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**TABLE OF COMPARISON OF AMENDMENTS TO
THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS OF
HEBEI YICHEN INDUSTRIAL GROUP CORPORATION LIMITED***

Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 1 In order to regulate the rules of procedures of Hebei Yichen Industrial Group Corporation Limited (“the Company”), enhance the work efficiency of the Board of Director and the scientific nature of decision-making, this Rule is formulated according to relevant provisions under laws, administrative regulations and departmental rules (including the Company Law of the PRC (中華人民共和國公司法) (“Company Law”), The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (“Special Regulations”), and the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (“Mandatory Provisions”)), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and Articles of Association of Hebei Yichen Industrial Group Corporation Limited (“Articles of Association”) and based on the actual situation of the Company.</p>	<p>Article 1 In order to regulate the rules of procedures of Hebei Yichen Industrial Group Corporation Limited (“the Company”), enhance the work efficiency of the Board of Director and the scientific nature of decision-making, this Rule is formulated according to relevant provisions under laws, administrative regulations and departmental rules (including the Company Law of the PRC (中華人民共和國公司法) (“Company Law”), The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (“Special Regulations”), and the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (“Mandatory Provisions”)), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules of <u>Hong Kong Stock Exchange</u>”), <u>Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange</u> (“<u>ChiNext Listing Rules</u>”) and Articles of Association of Hebei Yichen Industrial Group Corporation Limited (“Articles of Association”) and based on the Company’s actual situation.</p>

* For identification purpose only

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Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 4 In case of any of the following circumstances, the Board of Directors shall convene an extraordinary meeting:</p> <ul style="list-style-type: none"> (i) proposed by Shareholder who represents more than 1/10 of the voting rights; (ii) jointly proposed by more than 1/3 of the Directors; (iii) proposed by the Supervisory Committee; (iv) the Chairman considers as necessary; (v) proposed by the general manager; <p>other circumstances stipulated under laws, administrative regulations, departmental rules or the Listing Rules.</p>	<p>Article 4 In case of any of the following circumstances, the Board of Directors shall convene an extraordinary meeting:</p> <ul style="list-style-type: none"> (i) proposed by Shareholder who represents more than 1/10 of the voting rights; (ii) jointly proposed by more than 1/3 of the Directors; (iii) proposed by the Supervisory Committee; (iv) the Chairman considers as necessary; (v) proposed by the general manager; <u>(vi)</u> other circumstances stipulated under laws, administrative regulations, departmental rules or the <u>Listing Rules of Hong Kong Stock Exchange and the ChiNext Listing Rules</u>. <p><u>The extraordinary meeting of the Board of Directors shall be notified in writing to all Directors and Supervisors five days before the meeting.</u></p> <p><u>In the event of an emergency that the extraordinary meeting has to be convened as soon as possible, notice of the meeting can be made by phone call or other oral means at any time, however the convener shall give an explanation at the meeting and record the same in the minutes.</u></p>

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Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 5 Notice of meetings of the board of directors shall be delivered by the means as follows:</p> <p>(i) no notice is required if the timing and venue of a regular board meeting has been decided by the board of directors in advance.</p> <p>(ii) the chairman of the board of directors shall notify the directors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least fourteen days before regular meetings. For all other meetings of the board of directors, the board of directors shall serve reasonable notice.</p> <p>(iii) such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any director may waive his rights to receive the notice of board meetings.</p>	<p>Article 5 Notice of meetings of the board of directors shall be delivered by the means as follows:</p> <p>(i) no notice is required if the timing and venue of a regular board meeting has been decided by the board of directors in advance.</p> <p>(ii) the chairman of the board of directors shall notify the directors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least fourteen days before regular meetings <u>or five days before convening the extraordinary meeting.</u> For all other meetings of the board of directors, the board of directors shall serve reasonable notice.</p> <p>(iii) such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any director may waive his rights to receive the notice of board meetings.</p>

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Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 8 The following persons/ organizations can submit proposals to the Board of Directors:</p> <ul style="list-style-type: none"> (i) individual or joint shareholders holding more than 3% of the Company's voting rights; (ii) the Chairman; (iii) more than 1/3 of the Directors; (iv) Special Committee under the Board; (v) Supervisory Committee; (vi) general Manager; <p>other circumstances stipulated under laws, administrative regulations, departmental rules or the Listing Rules.</p>	<p>Article 8 The following persons/ organizations can submit proposals to the Board of Directors:</p> <ul style="list-style-type: none"> (i) individual or joint shareholders holding more than 3% of the Company's voting rights; (ii) the Chairman; (iii) more than 1/3 of the Directors; (iv) Special Committee under the Board; (v) Supervisory Committee; (vi) general Manager; (vii) other circumstances stipulated under laws, administrative regulations, departmental rules or the <u>Listing Rules of Hong Kong Stock Exchange and the ChiNext Listing Rules</u>.
<p>Article 11 The chairman shall convene and preside over the meetings of the board of directors. If the chairman is unable to perform his or her duties or fails to perform his or her duties, his or her duties shall be performed by the vice chairman of the board of directors; if the vice chairman of the board of directors is unable or fails to perform these duties, a director elected by at least one half of the directors shall perform such duties.</p> <p>Before the new Chairman is elected, the first meeting after the change of session of the Board of Directors shall be presided over by a Director who was nominated jointly by more than half of the Directors; after the new Chairman is elected, the new Chairman shall hold the meetings.</p>	<p>Article 11 The chairman shall convene and preside over the meetings of the board of directors. If the chairman is unable to perform his or her duties or fails to perform his or her duties, his or her duties shall be performed by the vice chairman of the board of directors (if any); if the vice chairman of the board of directors is unable or fails to perform these duties, a director elected by at least one half of the directors shall perform such duties.</p> <p>Before the new Chairman is elected, the first meeting after the change of session of the Board of Directors shall be presided over by a Director who was nominated jointly by more than half of the Directors; after the new Chairman is elected, the new Chairman shall hold the meetings.</p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
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Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 12 Meetings of the board of directors must be attended by more than half of the directors.</p> <p>However, where the resolutions of the Board meeting relate to connected transaction, the Board meeting may be held if more than one half of the directors are without a connected relationship are present, and where the number of Directors who do not have a connected relationship and attend a meeting of the board of directors is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.</p> <p>The Directors with connected relationship mentioned in this article shall refer to those defined under the Listing Rules.</p>	<p>Article 12 Meetings of the board of directors must be attended by more than half of the directors.</p> <p>However, where the resolutions of the Board meeting relate to connected transaction, the Board meeting may be held if more than one half of the directors are without a connected relationship are present, and where the number of Directors who do not have a connected relationship and attend a meeting of the board of directors is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.</p> <p>The Directors with connected relationship mentioned in this article shall refer to those defined under the <u>Listing Rules of Hong Kong Stock Exchange and the ChiNext Listing Rules</u>.</p>
<p>Article 16 In principle, Board meeting shall be convened on-site. However, provided that Directors can fully express their views and the Listing Rules are not violated, and with the consent of the convener, meetings can either be convened off-site such as by way of video and telephone etc., or through combination of both on-site and off-site methods.</p> <p>If the meeting is held off-site, the numbers of Directors attending the meeting shall be calculated based on the written voting decision which is actually received within the prescribed voting time limit.</p> <p>If the voting is made after the chairperson announces the voting results or after the prescribed voting time limit, the votes shall not be counted.</p>	<p>Article 16 In principle, Board meeting shall be convened on-site. However, provided that Directors can fully express their views and the <u>listing rules of the place of listing</u> are not violated, and with the consent of the convener, meetings can either be convened off-site such as by way of video and telephone etc., or through combination of both on-site and off-site methods.</p> <p>If the meeting is held off-site, the numbers of Directors attending the meeting shall be calculated based on the written voting decision which is actually received within the prescribed voting time limit.</p> <p>If the voting is made after the chairperson announces the voting results or after the prescribed voting time limit, the votes shall not be counted.</p>

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Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 22 When voting on board resolutions, each director shall have one vote. Unless otherwise provided for under laws, administrative regulations, the Listing Rules and the Articles of Association, resolutions of the board of directors shall be passed by more than half of all directors.</p> <p>A Director may cast an affirmative, a negative or an abstention vote. Each attending Director shall indicate his intention by choosing one of the above. Director who fails to choose any of the above or has chosen two or more of the above (making two indications) shall be regarded as having waived the voting rights at such meeting.</p>	<p>Article 22 When voting on board resolutions, each director shall have one vote. Unless otherwise provided for under laws, administrative regulations, the <u>listing rules of the place of listing</u> and the Articles of Association, resolutions of the board of directors shall be passed by more than half of all directors. <u>The Chairman is entitled to one more vote if the number of votes between against and for is the same.</u></p> <p>A Director may cast an affirmative, a negative or an abstention vote. Each attending Director shall indicate his intention by choosing one of the above. Director who fails to choose any of the above or has chosen two or more of the above (making two indications) shall be regarded as having waived the voting rights at such meeting.</p>

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Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 23 If a director has a connected relationship with an individual or entity involved in a matter on which a resolution is to be made at a meeting of the board of directors, he or she may not exercise his right to vote regarding such resolution, nor may he or she exercise voting rights thereon as the proxy of another director. Such a board meeting may be held if more than one half of the directors without a connected relationship are present, and the resolutions made at such a board meeting shall require adoption by more than one half of the directors without a connected relationship. Where the number of Directors who do not have a connected relationship and attend a meeting of the board of directors is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.</p> <p>For a matter to be resolved upon by the board of directors, where connected relationship exists in relation to a director or any of his or her close associates (as defined in the Listing Rules), the director shall abstain and shall not be entitled to vote. Such director shall not be counted in the quorum for the purpose of the statutory number of directors present at the meeting.</p>	<p>Article 23 If a director has a connected relationship with an individual or entity involved in a matter on which a resolution is to be made at a meeting of the board of directors, he or she may not exercise his right to vote regarding such resolution, nor may he or she exercise voting rights thereon as the proxy of another director. Such a board meeting may be held if more than one half of the directors without a connected relationship are present, and the resolutions made at such a board meeting shall require adoption by more than one half of the directors without a connected relationship. Where the number of Directors who do not have a connected relationship and attend a meeting of the board of directors is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.</p> <p>For a matter to be resolved upon by the board of directors, where connected relationship exists in relation to a director or any of his or her close associates (as defined in the Listing Rules <u>of Hong Kong Stock Exchange</u>), the director shall abstain and shall not be entitled to vote. Such director shall not be counted in the quorum for the purpose of the statutory number of directors present at the meeting.</p>

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Original Article	Amended Article of the Rules of Procedures of the Board of Directors
<p>Article 33 The rules will be revised from time to time according to the changes of laws, administrative regulations, departmental rules, Listing Rules and Articles of Association. If these Rules do not provide or the provisions are in conflict with the provision stipulated in laws, administrative regulations, department rules, Listing Rules and Articles of Association, the relevant provisions of laws, administrative regulations, department rules, Listing Rules and Articles of Association shall apply.</p>	<p>Article 33 The rules will be revised from time to time according to the changes of laws, administrative regulations, departmental rules, Listing Rules and Articles of Association. If these Rules do not provide or the provisions are in conflict with the provision stipulated in laws, administrative regulations, department rules, <u>the listing rules of the place of listing</u> and Articles of Association, the relevant provisions of laws, administrative regulations, department rules, <u>the listing rules of the place of listing</u> and Articles of Association shall apply.</p>
<p>Article 34 Upon approval at shareholders' general meeting, these rules will become effective from the date on which listing and trading of overseas-listed foreign shares (H shares) issued by the Company commences on the Hong Kong Stock Exchange.</p>	<p>Article 34 Upon approval at shareholders' general meeting, these rules will become effective from the date on which the listing and trading of <u>A Shares under initial public</u> offering of the Company commences <u>on the ChiNext of the Shenzhen Stock Exchange</u>. The original rules will lapse automatically since the effective date of these rules.</p>

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**TABLE OF COMPARISON OF AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SUPERVISORY COMMITTEE OF
HEBEI YICHEN INDUSTRIAL GROUP CORPORATION LIMITED***

Original Article	Amended Articles of the Rules and Procedures of Meetings of the Supervisory Committee
<p>Article 1 To regulate the discussion rules and voting procedures of the supervisory committee of Hebei Yichen Industrial Group Corporation Limited (“the Company”), procure supervisors and the supervisory committee to perform their supervisory duties, and improve the governance structure of the Company, these Rules have been formulated pursuant to the relevant provisions of laws, administrative regulations and departmental rules such as the Company Law of the People’s Republic of China (the “Company Law”), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (the “Special Provisions”) and the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Articles of Association of Hebei Yichen Industrial Group Corporation Limited (the “Articles of Association”) and taking into account the actual circumstances of the Company.</p>	<p>Article 1 To regulate the discussion rules and voting procedures of the supervisory committee of Hebei Yichen Industrial Group Corporation Limited (“the Company”), procure supervisors and the supervisory committee to perform their supervisory duties, and improve the governance structure of the Company, these Rules have been formulated pursuant to the relevant provisions of laws, administrative regulations and departmental rules such as the Company Law of the People’s Republic of China (the “Company Law”), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (the “Special Provisions”) and the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules of Hong Kong Stock Exchange”), <u>the Rules Governing the Listing of Shares on the ChiNext of the Shenzhen Stock Exchange (the “ChiNext Listing Rules”)</u> and the Articles of Association of Hebei Yichen Industrial Group Corporation Limited (the “Articles of Association”) and taking into account the actual circumstances of the Company.</p>

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Original Article	Amended Articles of the Rules and Procedures of Meetings of the Supervisory Committee
<p>Article 2 Supervisors shall attend meetings of the supervisory committee. Directors, the president and other relevant personnel may be notified to attend the meeting of the supervisory committee as it deems necessary.</p> <p>This rule is binding on all the attendees of the meeting.</p>	<p>Article 2 Supervisors shall attend meetings of the supervisory committee. Directors, the general manager and other relevant personnel may be notified to attend the meeting of the supervisory committee as it deems necessary.</p> <p>This rule is binding on all the attendees of the meeting.</p>
<p>Article 3 The meeting of the supervisory committee shall be held at least once every 6 months, the chairman of the supervisory committee shall convene and preside over the meeting. The written notice of meeting shall be sent to all supervisors 10 days before the date of the meeting.</p> <p>Extraordinary meetings of the supervisory committee may be convened if any supervisor so proposes.</p> <p>In principle, the meetings of the supervisory committee shall be held at the domicile of the Company, but may be held in other places of China as resolved by the supervisory committee.</p>	<p>Article 3 The meeting of the supervisory committee shall be held at least once every 6 months, the chairman of the supervisory committee shall convene and preside over the meeting. The written notice of meeting shall be sent to all supervisors 10 days before the date of the meeting.</p> <p>Extraordinary meetings of the supervisory committee may be convened if any supervisor so proposes. <u>All supervisors shall be notified 5 days before the date of the meeting.</u></p> <p>In principle, the meetings of the supervisory committee shall be held at the domicile of the Company, but may be held in other places of China as resolved by the supervisory committee.</p>

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Original Article	Amended Articles of the Rules and Procedures of Meetings of the Supervisory Committee
<p>Article 4 Notice of meetings of the supervisory committee shall be delivered by the means as follows:</p> <p>(i) no notice is required if the timing and venue of a regular meeting has been decided by the supervisory committee in advance;</p> <p>(ii) the chairman of the supervisory committee shall notify the supervisors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least ten days before the regular meetings. For all other meetings of the supervisory committee, the supervisory committee shall serve reasonable notice;</p> <p>(iii) such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any supervisor may waive his rights to receive the notice of meeting of the supervisory committee.</p> <p>If a supervisor has attended the meeting and has not raised objection for non-receipt of the notice in advance before or during the meeting, he shall be deemed to have received the notice of the meeting issued to him.</p>	<p>Article 4 Notice of meetings of the supervisory committee shall be delivered by the means as follows:</p> <p>(i) no notice is required if the timing and venue of a regular meeting has been decided by the supervisory committee in advance;</p> <p>(ii) the chairman of the supervisory committee shall notify the supervisors of the time and venue of the meeting by electronic mail, telegraph, facsimile, express delivery service, registered mail or by personal delivery at least ten days before the regular meetings <u>or at least five days before the extraordinary meetings</u>. For all other meetings of the supervisory committee, the supervisory committee shall serve reasonable notice;</p> <p>(iii) such notices shall be in Chinese, with English version when necessary, and shall include the meeting agendas. Any supervisor may waive his rights to receive the notice of meeting of the supervisory committee.</p> <p>If a supervisor has attended the meeting and has not raised objection for non-receipt of the notice in advance before or during the meeting, he shall be deemed to have received the notice of the meeting issued to him.</p>

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Original Article	Amended Articles of the Rules and Procedures of Meetings of the Supervisory Committee
<p>Article 13 In principle, the meeting of the supervisory committee shall be convened on site. Nevertheless, provided that supervisors can fully express their views and the Listing Rules are observed, such meetings may also be convened by other means such as video and telephone or both on site and by other means simultaneously, as permitted by the convener and with signatures provided by the attending supervisors.</p> <p>If the meeting is not convened on site, the number of attending supervisors shall be calculated according to the written votes actually received within the prescribed time limit.</p>	<p>Article 13 In principle, the meeting of the supervisory committee shall be convened on site. Nevertheless, provided that supervisors can fully express their views and the <u>listing rules of the place of listing</u> are observed, such meetings may also be convened by other means such as video and telephone or both on site and by other means simultaneously, as permitted by the convener and with signatures provided by the attending supervisors.</p> <p>If the meeting is not convened on site, the number of attending supervisors shall be calculated according to the written votes actually received within the prescribed time limit.</p>
<p>Article 30 Upon approval at the shareholders' general meeting, these Rules will become effective from the date on which listing and trading of overseas-listed foreign shares (H shares) issued by the Company commences on the Hong Kong Stock Exchange. The original rules shall lapse automatically on the date on which these Rules come into effect.</p>	<p>Article 30 Upon approval at the shareholders' general meeting, these Rules will become effective from the date of the <u>initial public</u> offering of the <u>A shares</u> of the Company and the commencement of listing and trading of such shares on the <u>ChiNext of the Shenzhen Stock Exchange</u>. The original rules shall lapse automatically on the date on which these Rules come into effect.</p>

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**TABLE OF COMPARISON OF AMENDMENTS TO
THE WORKING RULES OF THE INDEPENDENT DIRECTORS OF
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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>1. General provisions</p> <p>1. Independent director of a company refers to a director who does not hold any other office in the company other than that of a director and has no relationship with the company and its major shareholders he/she is employed that may hinder his/her independent and objective judgment.</p> <p>2. Independent directors shall have the obligations of good faith and diligence to the company and all the shareholders. The independent directors shall, in accordance with the requirements of relevant laws and regulations and the company’s articles of association, earnestly perform his duties, safeguard the overall interests of the company, and pay special attention to protecting the legitimate rights and interests of the minority shareholders. Independent directors shall perform their duties independently and shall not be influenced by the major shareholders and effective controllers of the company, or other entities or individuals that have an interest in the company. In principle, an independent director shall concurrently serve as an independent director in not more than five listed companies, and should ensure that he/she has sufficient time and efforts to effectively perform his/her duties as an independent director.</p> <p>An independent director shall work for the company for no less than 15 working days per year.</p>	<p><u>Chapter I General provisions</u></p> <p><u>Article 1</u> Independent director of a company refers to a director who does not hold any other office in the company other than that of a director and has no relationship with the company and its major shareholders he/she is employed that may hinder his independent and objective judgment.</p> <p><u>Article 2</u> Independent directors shall have the obligations of good faith and diligence to the company and all the shareholders. The independent directors shall, in accordance with the requirements of relevant laws and regulations and the company’s Articles of Association, earnestly perform his duties, safeguard the overall interests of the company, and pay special attention to protecting the legitimate rights and interests of minority shareholders. Independent directors shall perform their duties independently and shall not be influenced by the major shareholders and actual controllers of the company, or other units or individuals that have an interest in the company. <u>If it is identified that the matters being considered affect his/her independence, a statement shall be made to the company and avoid those matters. If his/her independence is obviously affected during his/her tenure of office, an independent director shall make a statement to the company, avoid those matters and propose measures to resolve, and if necessary, resign.</u></p>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
	<p>In principle, an independent director shall concurrently serve as an independent director in not more than five listed companies, and should ensure that he/she has sufficient time and efforts to effectively perform his/her duties as an independent director.</p> <p>An independent director shall work for the company for no less than 15 working days per year.</p>
–	<p>Article 3 <u>An independent director and persons proposed to be independent directors shall, in accordance with the requirements of the CSRC, attend training sessions organized by the CSRC and its authorized institutions.</u></p>
–	<p>Chapter II Composition of independent directors</p> <p>Article 5 <u>Those who are nominated as candidates for independent directors in the capacity of accounting professionals shall have relatively extensive and professional knowledge and experience in accounting, and meet at least one of the following conditions:</u></p> <p>(1) <u>Having the qualification for practicing as a certified public accountant;</u></p> <p>(2) <u>Holding a title of senior or associate professor or a doctoral degree in accounting, auditing or financial management.</u></p>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>2. Conditions for appointment</p> <ol style="list-style-type: none"> 1. To be qualified to serve as a director of the company in accordance with laws, administrative regulations and other relevant regulations; 2. Have the independence as required under Clause 2 of the previous article; 3. Have the basic knowledge of the operation of listed companies, and be familiar with relevant laws, administrative regulations, rules and regulations; 4. Have at least 5 years of legal, economic or other work experience necessary to perform the duties of an independent director; 5. Other conditions stipulated in the articles of association. 	<p><u>Chapter III Conditions for appointment of an independent director</u></p> <p><u>Article 7</u> The independent directors <u>shall meet the following basic</u> conditions:</p> <ol style="list-style-type: none"> <u>(1)</u> To be qualified to serve as a director of the company in accordance with laws, administrative regulations and other relevant regulations; <u>(2)</u> Have the independence as required under Clause 2 of the previous article <u>Article 8</u>; <u>(3)</u> Have the basic knowledge of the operation of listed companies, and be familiar with relevant laws, administrative regulations, rules and regulations; <u>(4)</u> Have at least 5 years of legal, economic or other work experience necessary to perform the duties of an independent director; <u>(5)</u> Other conditions stipulated in <u>the relevant laws, administrative regulations, the Listing Rules and the Articles of Association.</u>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>3. The following persons shall not serve as an independent director</p> <ol style="list-style-type: none"> 1. Persons who hold office in the company or its subordinate enterprises and their immediate family members and main social relations (immediate family members refer to spouses, parents, children, etc.; main social relations refer to siblings, parents-in-law, daughters-in-law, spouses of siblings, siblings of spouses, etc.) 2. Directly or indirectly hold more than 1% of the issued shares of the company or natural person shareholders and their immediate family members of the top ten shareholders of the company; 3. The shareholder unit who directly or indirectly hold more than 5% of the issued shares of the listed company or the persons and their immediate family members who hold positions in the top five shareholder units of the company; 4. Persons who in the most recent year have fallen into any of the three circumstances above; 5. Persons who provide financial, legal and consulting services, etc. for the company or its subsidiaries; 	<p>Article 8 <u>An Independent director must have his/her independence.</u> The following persons shall not serve as an independent director:</p> <ol style="list-style-type: none"> (1) Persons who hold office in <u>the Company and the</u> Company’s or its subordinate enterprises and their immediate family members and main social relations (immediate family members are spouses, parents, children, etc.; main social relations are siblings, parents-in-law, daughters-in-law, spouses of siblings, siblings of spouses, etc.); (2) Directly or indirectly hold more than 1% of the issued shares of the <u>Company</u> or natural person shareholders and their immediate family members of the top ten shareholders of the <u>Company</u>; (3) The shareholder unit who directly or indirectly hold more than 5% of the issued shares of the <u>Company</u> or the persons and their immediate family members who hold positions in the top five shareholder units of the company; (4) <u>Persons who hold office in the controlling shareholders, effective controllers and affiliated enterprises of the Company and their immediate family members;</u>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>6. Other persons stipulated in the articles of association;</p> <p>7. Other persons recognized by the CSRC.</p>	<p>(5) <u>Persons who provide financial, legal, consulting services, etc. for the Company or its subsidiaries and the Company’s controlling shareholders, effective controllers or their respective subsidiaries, including the entire project team of the intermediary agency that provide services, reviewers at all levels, persons who sign the report, partners and principals in charge;</u></p> <p>(6) <u>Persons who hold office in units that have significant business transactions with the Company and the Company’s controlling shareholders, effective controllers or their respective affiliated enterprises, or persons who hold office in units that have such significant business transactions;</u></p> <p>(7) <u>Persons who in the most recent twelve months have fallen into any of the six circumstances above;</u></p> <p>(8) <u>Other persons who are not eligible to serve as independent directors as stipulated in other laws and regulations, regulatory documents, the Listing Rules and the Articles of Association;</u></p> <p>(9) <u>Other persons recognized by the CSRC, the Shenzhen Stock Exchange and/or the Hong Kong Stock Exchange as not eligible to serve as independent directors.</u></p>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
—	<p><u>Article 9 Other persons who are not eligible to serve as independent directors as stipulated in other laws, regulations and normative documents as stated in Article 8 (8), mainly including:</u></p> <p>(1) <u>Civil servants as stipulated in the Civil Servant Law of the People’s Republic of China;</u></p> <p>(2) <u>Relevant persons stipulated in Notice on The Management Cadre in The Regulations to Resign from Public Office or Take a Sabbatical to be an Independent Director or Supervisor of a Listed Company or a Fund Management Company (《關於規範中管幹部辭去公職或者退(離)休後擔任上市公司、基金管理公司獨立董事、獨立監事的通知》) of the Central Commission for Discipline Inspection and Organization Department of the Chinese Communist Party;</u></p> <p>(3) <u>Members of the leading group of higher colleges stipulated in the Opinions on Strengthening the Construction of Anti-corruption and Advocacy in Higher Colleges (《關於加強高等學校反腐倡廉建設的意見》) of the Central Commission for Discipline Inspection, Ministry of Education Ministry of Supervision.</u></p>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
	<p><u>Article 10 An independent director shall not have any of the following negative records or incidents:</u></p> <p>(1) <u>Have been subject to administrative punishment by the CSRC in the past three years;</u></p> <p>(2) <u>During the period of being publicly identified by a stock exchange as unfit to serve as a director, supervisor or senior manager of a listed company;</u></p> <p>(3) <u>Being publicly condemned by a stock exchange or criticized by such stock exchange for more than twice in the past three years;</u></p> <p>(4) <u>During his/her tenure as an independent director, he/she fails to attend two consecutive board meetings, or fails to attend the board meetings in person for more than 1/3 of the total number of board meetings of the same year;</u></p> <p>(5) <u>During his/her tenure as an independent director, his/her independent opinions are obviously inconsistent with the facts;</u></p> <p>(6) <u>Being prohibited from entering the securities market by the CSRC and is remained to be in the prohibition period.</u></p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>4. Nomination, election and replacement</p> <p>3. Before the general meeting for the election of independent directors is convened, the company shall submit all the relevant materials of the nominee(s) to the CSRC, the CSRC agency where the company is domiciled, and the stock exchange where the company’s shares are listed for trading. If the board of directors of the company has any objection to the relevant information of the nominee, it shall submit a written opinion of the board of directors at the same time.</p>	<p>Chapter IV Nomination, election and replacement <u>of an independent director</u></p> <p>Article 13 Before the general meeting for the election of independent directors is convened, the company shall submit all the relevant materials of the nominee(s) <u>(including but not limited to the statement of the person(s) who nominate, the statement of the candidate(s) and biography of the independent director(s))</u> to the CSRC, the CSRC agency where the company is domiciled, and the Shenzhen Stock Exchange where the company’s shares are listed for trading. If the Board of Directors of the company has any objection to the relevant information of the nominee, it shall submit a written opinion of the board of directors at the same time.</p> <p>When the general meeting is convened to elect independent directors, the board of directors of the company shall explain whether the independent director candidates have been objected by the CSRC. <u>Nominee(s) who hold objections to the CSRC and the stock exchange may be candidates for directors of the company, but not candidates for independent directors.</u></p>
<p>5. Powers</p>	<p>Chapter V Powers of the independent directors</p> <p><u>The independent directors shall attend the board meeting in a timely manner, understand the production and operation of the company, and take the initiative to investigate, and obtain information and materials required, for decision-making.</u></p>

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>1. In order to fully exercise the role of an independent director, in addition to the powers of directors granted by the company law and other relevant laws and regulations, the company also grants independent directors the following special powers:</p> <p>(1) If a company intends to enter into a connected transaction with a related party with a total amount of more than 3 million dollars or more than 5% of the company’s latest audited net asset value, it shall be approved by independent directors and then submit it to the board of directors for discussion. Before independent directors make judgments, an intermediary agency may be appointed to issue an independent financial consultant report as a basis for its judgment.</p> <p>(2) To propose to the board of directors for the appointment or dismissal of an accounting firm;</p> <p>(3) To submit to the board of directors the convening of an extraordinary general meeting;</p> <p>(4) To propose the convening of a board meeting;</p> <p>(5) To independently appoint an external audit institution and a consulting institution;</p>	<p>Article 16 In order to fully exercise the role of an independent director, in addition to the powers of directors <u>of the Company</u>, the <u>Company</u> also grants the independent directors the following special powers:</p> <p><u>(1)</u> If a company intends to enter into a connected transaction with a related party with a total amount of more than 3 million dollars or more than 5% of the company’s latest audited net asset value, it shall be approved by independent directors and then submit it to the board of directors for discussion. Before independent directors make judgments, an intermediary agency may be appointed to issue an independent financial consultant report as a basis for its judgment;</p> <p><u>(2)</u> To propose to the board of directors for the appointment or dismissal of an accounting firm;</p> <p><u>(3)</u> To submit to the board of directors the convening of an extraordinary general meeting;</p> <p><u>(4)</u> <u>To collect opinions from minority shareholders, put forward the proposal on profit distribution, and submit it directly to the board of directors for consideration and approval;</u></p> <p><u>(5)</u> To propose the convening of a board meeting;</p>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
(6) Be able to solicit voting rights from shareholders publicly prior to the convening of a general meeting.	<p>(6) Be able to independently appoint an external audit institution and a consulting institution;</p> <p>(7) Be able to solicit the voting rights from shareholders publicly prior to the convening of a general meeting. <u>However, it is prohibited to solicit with a consideration or likely with a consideration;</u></p> <p>(8) <u>Other powers stipulated in relevant laws and regulations, regulatory documents, the Listing Rules and the Company’s Articles of Association.</u></p>
4. Committees for remuneration, audit, nomination, etc. shall be set up under the board of directors of a listed company.	Article 19 Committees for remuneration, audit, nomination, etc. shall be set up under the board of directors of <u>the company. The number of independent directors shall hold a ratio of two-to-one in the members of those committees.</u>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>5. In addition to performing the above duties, the independent directors shall also express their independent opinions on the following matters to the board of directors or the general meeting:</p> <p>(1) The nomination, appointment and dismissal of directors;</p> <p>(2) The appointment or dismissal of senior management members;</p> <p>(3) The remuneration of the company’s directors and senior managers;</p> <p>(4) The listed company’s shareholders, effective controllers and their affiliated companies have existing and new borrowings or other capital transaction with a total amount of more than 3 million dollars or more than 5% of the company’s latest audited net asset value, and whether or not the company has adopted effective measures to collect the outstanding amounts;</p> <p>(5) Matters that the independent directors believe may jeopardize the rights and interests of minority shareholders;</p> <p>(6) Other matters stipulated in the articles of association.</p>	<p>Article 20 In addition to performing the above duties, the independent directors shall also express their independent opinions on the following matters to the Board of Directors or the general meeting:</p> <p>(1) The nomination, appointment and dismissal of directors;</p> <p>(2) The appointment or dismissal of senior management members;</p> <p>(3) The remuneration of the company’s directors and senior managers;</p> <p>(4) <u>The formulation, adjustment, decision-making procedures, implementation and information disclosure of the company’s cash dividend policy, and whether or not the profit distribution policy will jeopardize the legitimate rights and interests of medium and small investors;</u></p> <p>(5) <u>Major matters that are required to be disclosed, such as connected transactions, external guarantees (excluding guarantees provided by subsidiaries as shown in the consolidated statements), entrusted wealth management, external financial assistance, change of the purpose of the funds raised, change of accounting policies on the company’s own accord, and investment in stocks and their derivatives;</u></p>

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
	<p>(6) <u>Major assets reorganization plan, share incentive plan, employee share option scheme and share repurchase plan;</u></p> <p>(7) <u>The intention of the Company that its shares will no longer be traded on the Stock Exchange of Hong Kong or the Shenzhen Stock Exchange, or apply for trading on other trading markets or transfer, instead;</u></p> <p>(8) <u>The Company’s</u> shareholders, effective controllers and their affiliated companies have existing and new borrowings or other capital transaction with a total amount of more than 3 million dollars or more than 5% of the company’s latest audited net asset value, and whether or not the company has adopted effective measures to collect the outstanding amounts;</p> <p>(9) Matters that the independent directors believe may jeopardize the rights and interests of minority shareholders;</p> <p>(10) Other matters stipulated in <u>relevant laws and regulations, regulatory documents, business rules of the stock exchange</u> and the Articles of Association.</p>
(7) The independent directors shall express an opinion from one of the followings on the matters listed above: Consent; Reservation and its reasons; Objection and its reasons; Being unable to express an opinion and its obstacles.	Article 21 The independent directors shall express one opinion from one of the followings on the matters <u>stated in Article 20</u> : Consent; Reservation and its reasons; Objection and its reasons; Being unable to express an opinion and its obstacles.

**APPENDIX X COMPARISON TABLES OF AMENDMENTS TO RULES OF PROCEDURES OF GENERAL MEETINGS,
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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
(8) If the relevant matters are matters required to be disclosed, the company shall make public the opinions of the independent directors. In case of disagreement among the independent directors and no agreement can be reached, the board of directors shall disclose the opinions of each independent director separately.	Article 22 If the matters <u>listed in Article 20</u> are matters required to be disclosed, the company shall make public the opinions of the independent directors. In case of disagreement among the independent directors and no agreement can be reached, the board of directors shall disclose the opinions of each independent director separately.
–	Article 23 <u>An independent director shall report on his work at the company’s annual general meeting.</u>
6. In order to ensure that the independent directors effectively exercise their powers, the company provides the independent directors with the necessary conditions.	Chapter VI Working conditions of the independent directors Article 24 In order to ensure that the independent directors effectively exercise their powers, the company <u>shall</u> provide the independent directors with the necessary <u>working</u> conditions <u>as they perform their duties.</u>
2. The company provides the working conditions necessary for the independent directors as they perform their duties. The secretary of the board of directors of the company shall actively provide assistance to the independent directors as they perform their duties, such as briefing and supplying materials, etc. Where the independent opinions, proposals and written explanations issued by the independent directors should be announced, the secretary of the board of directors shall proceed to the stock exchange to handle the matters concerning the announcement in a timely manner.	Article 26 The company provides the working conditions necessary for the independent directors as they perform their duties. The secretary of the board of directors of the company shall actively provide assistance to the independent directors as they perform their duties, such as briefing and supplying materials, etc. Where the independent opinions, proposals and written explanations issued by the independent directors should be announced, the secretary of the board of directors shall proceed to the Shenzhen Stock Exchange to handle the matters concerning the announcement in a timely manner.

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Original provisions of “Working Regulations of the Independent Directors”	Provisions of “Working Rules of the Independent Directors”
<p>7. Supplementary provision</p> <p>1. The Working Regulations shall take effect after being considered and approved by the chairman of the board of directors of the company, and shall be amended in the same manner.</p>	<p><u>Article 30 The Working Regulations shall take effect after being considered and approved by the chairman of the board of directors of the company, and shall be For matters not covered in the Rules or matters that are in conflict with the requirements under the laws and regulations, regulatory documents, the Listing Rules or the Articles of Association issued or amended in the same manner, after the Rules have become effective, shall be executed in accordance with the requirements under the laws and regulations, regulatory documents, the Listing Rules and the Articles of Association.</u></p>
<p>–</p>	<p><u>Article 31 Unless otherwise indicated, the terminologies used herein shall have the same meanings as those defined in the Articles of Association, effective from the date the Working Regulations have been passed.</u></p>
<p>–</p>	<p><u>Article 32 Where the Working Regulations are amended by the Rules, the board of directors shall propose amendments and then submit them to the general meeting for consideration and approval.</u></p>
<p>2. The Work Regulations shall come into effect on the date of its approval.</p>	<p><u>Article 34 The Rules have been considered and approved by the general meeting, and shall come into effect on the date of the company’s initial public offering of A shares and quoted and listed on the ChiNext of the Shenzhen Stock Exchange.</u></p>
<p>3. The board of directors of the company shall be responsible for the interpretation of the Working Regulations.</p>	<p><u>Article 33 The board of directors of the company shall be responsible for the interpretation of the Rules.</u></p>

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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EXTERNAL GUARANTEE MANAGEMENT POLICIES OF
HEBEI YICHEN INDUSTRIAL GROUP CORPORATION LIMITED*

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to strengthen the internal control of provision of guarantee by Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as the “Company”), safeguard the legitimate rights and interests of the investors and safety of properties of the Company, and effectively prevent risks associated with provision of guarantee, the Company has formulated this regulation according to the requirements of the Company Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China, the Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange (hereinafter referred to as the “Listing Rules”), the Notice on Regulating the External Guarantee of Listed Companies, the Notice on Several Issues relating to the Regulation of Transfer of Funds between the Listed Companies and the Related Parties and External Guarantee Provided by Listed Companies and the Articles of Association of Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as the “Articles of Association”) and other relevant laws and regulations.

Article 2 The guarantee referred to in this regulation represents external guarantee provided by the Company and guarantee provided to and received from related parties. This regulation shall not apply to the guarantee provided by the Company for its own debt.

Article 3 The external guarantee of the Company shall be subject to unified management and follow the principle of “being impartial and voluntary, strictly controlling risks, acting based on the Company’s capabilities and prioritizing benefits”.

Article 4 For guarantee provided to external parties, the Company shall require such parties to provide counter-guarantee with collaterals such as lands and properties, and shall perform relevant registration procedures according to relevant laws and regulations to create confronting effect of real rights.

* For identification purpose only

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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**CHAPTER 2 GUARANTEED PARTY, DECISION-MAKING POWER AND APPROVAL
PROCEDURES OF EXTERNAL GUARANTEE**

Articles 5 No guarantee shall be provided to the entities or enterprises in the following circumstances:

1. controlling shareholders and other related parties, any unincorporated units or individuals that hold less than 50% of the Company's shares;
2. non-compliance with the national laws and regulations or development plan of the Company;
3. entities or enterprises which provide insufficient information or false financial statements and other information;
4. the Company used to provide guarantee to such entities or enterprises which have the records such as overdue repayment of bank loans, default in payment of interest and guarantee fees;
5. enterprises with deteriorating business conditions and poor credit profile which incurred loss in last year or are expected to record loss for current year;
6. enterprises identified as being shut down and transformed under classification management of enterprises;
7. entities or enterprises which have yet to provide valid properties for counter-guarantee;
8. entities or enterprises which have unclear titles of properties, have yet to complete restructuring and other reorganization works, or the establishment of which are not in compliance with national laws and regulations or national industrial policies;
9. other circumstances which do not comply with the provisions of this regulation or are considered by the Company as unfit for provision of guarantee.

Article 6 The listed company shall provide guarantee to related parties based on reasonable commercial terms, make timely disclosure after being considered and approved by the board of directors and submit the guarantee to the general meeting for consideration.

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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The provision of the following external guarantees by the Company shall be considered and approved by the shareholders' general meeting:

- (i) guarantee with a single amount of guarantee of more than 10% of the Company's latest audited net assets;
- (ii) any guarantee which is provided after the total amount of external guarantee provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (iii) guarantee which is provided to a target with an asset to liability ratio of over 70%;
- (iv) guarantees provided within 12 consecutive months with the amount of more than 50% of the Company's latest audited net assets and the absolute amount of more than RMB50 million;
- (v) guarantees provided within 12 consecutive months with the amount of more than 30% of the Company's latest audited total assets;
- (vi) guarantee which is provided to shareholders, de facto controllers and their related parties;
- (vii) any guarantee which is provided after the total amount of external guarantee provided by the Company has reached 30% or more of the Company's latest audited total assets;
- (viii) other guarantees as required by the stock exchanges of the places where the Company's shares are listed and the Articles of Association.

The "external guarantee" referred to in this regulation represents the guarantee provided by the Company to other parties, including the guarantee provided by the Company to its controlling subsidiaries. The "total amount of guarantee provided by the Company and its controlling subsidiaries" represents the sum of total amount of external guarantee provided by the Company (including guarantee provided by the Company to its controlling subsidiaries) and total amount of external guarantee provided by the controlling subsidiaries of the Company.

When considering the guarantee set out in (v) of the first paragraph at the general meeting, the relevant resolution shall be passed by the shareholders holding over two thirds of the voting rights present at the meeting.

When considering the resolution on provision of guarantee to shareholders, de facto controllers and their related parties at the general meeting, such shareholders or the shareholders under control of such de facto controllers shall abstain from voting, and such resolution shall be passed by other shareholders holding over half of the voting rights present at the general meeting.

Where the Company provides guarantee to its wholly-owned subsidiaries, or provides guarantee to its controlling subsidiaries and other shareholders of such controlling subsidiaries also provide guarantee in proportion to their respective shareholdings, and such guarantee is under the circumstances as set out in (i) to (iv) of the first paragraph of this Article, it may be exempted from being submitted to the general meeting for consideration, unless otherwise stipulated in the Articles of Association.

Article 7 Within the scope of authorization of the general meeting, the board of directors shall make decision on venture capital investment, pledge of assets and other guarantees, and consider other external guarantees other than those set out in Article 6 and make timely disclosure.

Article 8 When considering the external guarantee of the Company, the board of directors shall strictly examine the asset and credit profile of the guaranteed parties. For external guarantee considered and approved by the board of directors, in addition to being approved by over half of all directors, it shall also be considered, approved and resolved on by over two thirds of the directors present at the meeting of the board of directors.

Article 9 For external guarantee, the Company shall request the guaranteed parties to provide counter-guarantee, and the provider of counter-guarantee shall have the actual ability to bear relevant liabilities.

CHAPTER 3 EXAMINATION OF EXTERNAL GUARANTEE

Article 10 The finance department is responsible for management of financing and guarantee business of the Company. In particular, it is responsible for risk assessment of financing and guarantee business, dealing with matters related to approval procedures of financing and guarantee business and management of financing and guarantee records. The finance department shall establish an external guarantee monitoring system, strengthen the management of guarantee information, establish a comprehensive registration book for inspection, and disclose relevant matters in the annual financial report.

Article 11 Upon receipt of guarantee application from guaranteed parties, the general manager of the Company shall instruct the finance department to conduct strict examination and assessment on the asset and credit profile of guaranteed parties, submit relevant materials to the board of directors of the Company for consideration after being reviewed by the managers of the Company. The board of directors shall carefully examine the conditions of guarantee applicants based on relevant information, and shall not provide guarantee to applicants who do not meet the Company's conditions for provision of external guarantee.

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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To prove the asset and credit profile, guarantee applicants are required to provide at least the following basic information:

1. basic information of guarantee applicants (including company name, registered address, nature of enterprise, legal representative, business scope, other information of industry and commerce registration and whether such applicants are related to the Company);
2. latest financial statements, latest audited financial report and solvency analysis;
3. name of the creditors;
4. use of guaranteed funds;
5. amount, term and type of principal credit, and type, term and amount of guarantee, etc.;
6. copy of the main contract related to the debts;
7. information of counter-guarantee provided, including counter-guarantee contract and form of guarantee. Analysis shall be conducted on the reliability of counter-guarantee and if there exists any legal impediment;
8. other important information.

Article 12 The external guarantee of the Company shall only be executed after being considered and approved by the board of directors or at the general meeting according to relevant provisions of Article 6 and Article 8 of this regulation.

Article 13 The counter-guarantee provided by the guarantee applicant or other effective risk control measures shall match with the amount guaranteed by the Company. No guarantee shall be provided to the guarantee applicant if the property against which the counter-guarantee is to be provided is prohibited by the relevant laws and regulations from free transfer or otherwise non-transferable.

CHAPTER 4 ENTERING INTO OF GUARANTEE CONTRACT

Article 14 The guarantee contract shall be in compliance with relevant laws and regulations and the items stipulated in the guarantee contract shall be clear and specific. After being examined by the finance department and the internal legal counsel, the guarantee contract shall be submitted to the external law firm engaged by the Company if the finance department considers necessary for the issue of its legal opinions in this regard.

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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The guarantee contract shall contain the following terms:

- (1) creditor and debtor;
- (2) type and amount of the guaranteed principal credit;
- (3) term for the debtor to settle its debt;
- (4) form of external guarantee: guaranty (general guaranty and joint liability guaranty), mortgage and pledge;
- (5) name, amount, quality, location, ownership or right of use (mortgage or pledge) of the collateral;
- (6) time for transfer of collateral (pledge);
- (7) scope of guarantee;
- (8) guarantee period;
- (9) rights and obligations of the parties to the contract;
- (10) counter-guarantee;
- (11) liabilities of breach;
- (12) method of dispute resolution;
- (13) other matters that required to be agreed on by the parties.

Article 15 When the Company accepts counter-guarantee mortgage or pledge, its finance department shall complete the relevant legal procedures, in particular the timely registration of such mortgage or pledge.

Article 16 The guarantee contract and counter-guarantee contract shall be signed by the chairman or authorized representative of the Company.

Article 17 The finance department of the Company shall be responsible for the registration and cancellation of guarantee. The responsible department shall timely deliver the copy of the relevant signed contracts to the finance department of the Company for registration and management, and deliver the hard copy of such contracts to the board of directors of the Company.

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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CHAPTER 5 RISK MANAGEMENT OF EXTERNAL GUARANTEE

Article 18 During the guarantee period, the finance department of the Company shall follow up and supervise the business conditions and service of debts of the guaranteed parties, details of which are as follows:

- (i) the finance department of the Company shall carry out follow-up management of the guarantee in legal aspects.
- (ii) the finance department of the Company shall timely obtain the information on use and repayment of funds by the guaranteed parties, and communicate with the guaranteed parties and creditors in respect of service of debts. For any deterioration in financial positions of the guaranteed parties, the finance department shall report to the Company in a timely manner and provide suggestion on countermeasures. If the guaranteed parties have any debt evasion activities such as transfer of assets, the finance department shall formulate relevant risk control measures (including property preservation measures such as judicial asset freezing) in advance with the assistance from the legal advisors of the Company. It shall give two months' notice to the guaranteed parties to settle the debts (one month's notice if the guarantee period is six months).

Article 19 If the counterparty provides counter-guarantee, when accepting counter-guarantee mortgage or pledge, the finance department of the Company (or lawyers engaged by the Company) shall complete the relevant legal procedures, in particular the timely registration of such mortgage or pledge.

Article 20 If the creditor of the guarantee makes claims against the Company due to non-performance by the guaranteed party, the Company shall initiate the claiming procedure for counter-guarantee immediately.

Article 21 As a general guarantor, the Company shall not assume guarantee liability to the debtor except that the guarantee contract dispute has been trialed or arbitrated and before the debtor's property has been enforced according to law and cannot service the debt.

Article 22 If the guaranteed party enters into bankruptcy, the finance department shall, with the assistance of the lawyers engaged by the Company, issue the written reminder of creditor's rights and make claim with written acknowledgement slip in a timely manner.

Article 23 If the Company is not aware of the bankruptcy of the guaranteed party, and the creditor does not declare its claims nor inform the Company, thus making the Company unable to exercise its rights to claim in advance, the Company shall not assume the guarantee liability for the portion of debt that may be serviced through the bankruptcy procedure, and relevant litigation or arbitration matters shall be dealt with by the lawyers engaged by the Company with support from the finance department.

Article 24 Upon the acceptance of the debtor's bankruptcy application by the People's Court, if the creditor has not declared its claims, the finance department shall, with the instruction from the deputy general manager of finance and assistance from the lawyers engaged by the Company, propose to the Company to declare the claims as a guarantor and exercise its rights to claim in advance.

Article 25 If there are two or more guarantors in the guarantee contract and they agree with the creditor to undertake the guarantee liability by portions, the Company shall refuse to undertake the guarantee liability beyond the portion of the Company.

Article 26 If the Directors, Chairman and other senior management of the Company enter into guarantee contract beyond their authority without prior consent and without complying with relevant procedures which causes damage to the Company, the responsible persons shall be held accountable in a strict manner.

CHAPTER 6 INFORMATION DISCLOSURE

Article 27 The Company shall, in accordance with relevant laws, regulations and regulatory rules of the listing place, earnestly fulfill the obligation of information disclosure of guarantee. The external guarantee approved by the Board of Directors or the general meeting of the Company shall be disclosed in a timely manner on the designated newspapers for information disclosure and websites in accordance with the Listing Rules of the listing place.

Article 28 For guarantee disclosed, the relevant responsible departments and persons shall inform the office of secretary to the Board of Directors for the following circumstances to facilitate the Company to perform its obligation of information disclosure in a timely manner:

- (i) the guaranteed party fails to settle the debts within 15 working days after the debts become due;
- (ii) where the guaranteed party enters into bankruptcy or liquidation or other situations that seriously affect its solvency.

Article 29 The Independent Directors of the Company shall provide special description of the accumulated external guarantees and the current external guarantees and implementation of provisions of this regulation as well as their independent opinions in the annual report, and may engage audit firms to conduct verification if necessary.

CHAPTER 7 PENALTIES

Article 30 For guarantee in respect of natural obligation which causes economic loss to the Company, relevant entities and persons shall be held accountable according to relevant provisions.

Article 31 If the persons responsible for examination of asset and credit profile of the guaranteed parties provide false information intentionally or due to material negligence which leads to wrong decision, or provide untrue information due to their own reasons which causes economic loss to the Company, relevant persons shall be held accountable according to relevant provisions.

Article 32 If the persons responsible for legal matters make material mistakes when examining contracts or drafting relevant legal opinions, which lead to wrong or delayed decision and causes economic loss to the Company, such persons shall be treated according to relevant measures and provisions of the Company.

Article 33 If the persons responsible for monitoring changes fail to perform their duties diligently, thus rendering the Company unable to keep track of the material changes in the guaranteed parties in an accurate and timely manner, which leads to wrong or delayed decision and causes economic loss to the Company, such persons shall be treated according to relevant measures and provisions of the Company.

Article 34 The person in charge of the finance department shall assume the liabilities as a leader for the examination mistakes made by the department and be treated according to relevant measures and provisions of the Company.

Article 35 Any persons who enter into loan contract and guarantee contract beyond their authority without prior consent and without complying with relevant procedures shall be held accountable for relevant liabilities; and if any economic loss is made to the Company, the responsible persons shall be treated according to relevant measures and provisions of the Company, and serious cases shall be submitted to the judicial authority.

Article 36 The Directors who make wrong decisions shall be treated according to relevant provisions of the Company.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

Article 37 For matters not covered by this regulation or conflict with the laws, regulations, the Listing Rules or the Articles of Association issued or amended after this regulation becomes effective, provisions of such laws, regulations, the Listing Rules and the Articles of Association shall prevail.

Article 38 Any amendment to this regulation shall be proposed by the Board of Directors and submitted to the general meeting for consideration and approval.

Article 39 This regulation is subject to the interpretation by the Board of Directors of the Company.

Article 40 After being considered and approved by the general meeting of the Company, this regulation shall become effective from the date of initial public offering of A Shares of the Company and listing on the ChiNext of the Shenzhen Stock Exchange.

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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**REGULATIONS ON MANAGEMENT OF RELATED PARTY
TRANSACTIONS (A SHARES) OF
HEBEI YICHEN INDUSTRIAL GROUP CORPORATION LIMITED***

CHAPTER I GENERAL RULES

Article 1 In order to regulate the related party transactions of Hebei Yichen Industrial Group Corporation Limited* (hereinafter referred to as the “Company”) and ensure the legality, fairness and rationality of related party transactions between the Company and its related parties, and protect the legal rights and interests of the Company and its shareholders, the Rules is formulated by the Company in accordance with requirements provided by the Company Law of the People’s Republic of China and other laws, regulations and regulatory documents, as well as the Articles of Association of Hebei Yichen Industrial Group Corporation Limited (hereinafter referred to as the “Articles of Association”) and taking into account the actual situation of the Company.

Article 2 The Company shall follow and implement the following principles in the recognition and handling of relationships with related parties and related party transactions:

- (i) avoid or reduce related party transactions with related parties as far as possible;
- (ii) the related party transactions must comply with the market principles of justice, fairness and openness. In principle, the prices or rates of the related party transactions shall not deviate from the price or rate standard offered by the independent third party in the market. For related party transactions where it is difficult to compare the market price or rate, the related director and related shareholders shall abstain from voting as specified in the contract;
- (iii) the principle of not damaging the legal rights and interests of the Company and unrelated shareholders;
- (iv) related director and related shareholders shall abstain from voting;
- (v) engage independent financial advisers or professional evaluation agencies to issue opinions and reports when necessary.

Article 3 The secretary of the board of directors shall be responsible for the centralized management of the Company’s related party transactions, including the analysis and confirmation of related parties, the compliance review of the related party transactions and organization of decision-making for the significant related party transactions.

- (i) The financial department shall be responsible for the accounting records, auditing, reporting and statistical analysis of the related party transactions, and submit to the secretary of the board of directors quarterly.

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- (ii) The secretary of the board of directors shall sort out and analyze the reported related party transactions, and ensure the performance of the decision-making procedure for the related party transactions in accordance with the requirements herein.
- (iii) The Company can engage accountants, lawyers and financial advisers to provide professional opinions for the judgements of related party transactions.

CHAPTER II RELATED PARTIES

Article 4 Related party mainly refers to an enterprise or individual who is able to directly or indirectly control the Company or impose significant influence on the Company in its financial and business decisions.

Article 5 The Company shall make substantive judgments on the related parties in terms of the manners, approaches, procedures and possible results of their control and influence on the Company, and make a choice that will not damage the interests of the Company.

Article 6 Related parties of the Company include related legal persons and related natural persons.

Article 7 Legal persons that meet any of the following conditions shall be the related legal persons of the Company:

- (i) legal persons or other organizations directly or indirectly control the Company;
- (ii) legal persons or other organizations other than the Company and its controlled subsidiaries that are directly or indirectly controlled by the legal persons mentioned in sub-paragraph (i) of this Article;
- (iii) legal persons or other organizations other than the Company and its controlled subsidiaries that are directly or indirectly controlled by the related natural persons of the Company listed in Article 8 herein, or in which such related natural persons serve as directors (except independent directors) or senior management members;
- (iv) other legal persons or parties acting in concert holding more than 5% of the Company's shares;

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- (v) the CSRC, Shenzhen Stock Exchange, or legal persons or other organizations identified by the Company based on the principle of substance over form that have special relationship with the Company and may cause the Company to tilt its interests.

Article 8 Natural persons that meet any of the following conditions shall be the related natural persons of the Company:

- (i) natural persons who directly or indirectly hold more than 5% of the Company's shares;
- (ii) the Company's directors, supervisors and senior management members;
- (iii) directors, supervisors and senior management members of legal persons or other organizations which directly or indirectly control the Company;
- (iv) close family members of the persons mentioned in sub-paragraphs (i) to (iii) of this Article, including spouses, parents, spouse's parents, siblings and their spouses, children over 18 years old and their spouses and spouses' siblings and parents (the same below);
- (v) the CSRC, Shenzhen Stock Exchange or the natural persons identified by the Company based on the principle of substance over form that have special relationship with the Company and may cause the Company to tilt its interests.

Article 9 The legal persons or natural persons that meet any of the following conditions shall be deemed to be the related parties of the Company:

- (i) as a result of signing an agreement or making an arrangement with the Company or its related parties, such persons will meet any of the conditions specified in Article 7 or Article 8 herein after the agreement or arrangement becomes effective or in the following 12 months;
- (ii) met any of the conditions specified in Article 7 or Article 8 herein in the past 12 months.

Article 10 The Company's directors, supervisors, senior management members, shareholders holding more than 5% of the shares and their parties acting in concert and de facto controllers shall inform the Company of the related parties with whom they have a relationship on a timely basis.

The Company shall update the list of the related parties in time and file such information with Shenzhen Stock Exchange.

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Article 11 The Company shall confirm the list of the related parties and update timely to ensure the truth, accuracy and completeness of the list.

When the Company has transactions with its controlled subsidiaries, the person in charge shall review the list of the related parties carefully, and judge prudently whether it constitutes a related party transaction. If so, the companies shall perform the obligations of approval and report within their respective authorities.

CHAPTER III RELATED PARTY TRANSACTIONS

Article 12 The related party transaction refers to the transfer of resources or obligations between the Company or its direct or indirect controlled subsidiaries and its related parties, including:

- (i) purchase or sale of assets;
- (ii) foreign investment (including entrusted financial management, investment in subsidiaries, etc., except for the purchase of bank wealth management products, establishment or capital increase of wholly-owned subsidiaries);
- (iii) provision of financial assistance (including entrusted loans);
- (iv) provision of guarantees (referring to guarantees provided for others by the listing company, including guarantees to controlled subsidiaries);
- (v) renting or leasing assets;
- (vi) signing management contracts (including entrusting and entrusted operation, etc.);
- (vii) donating assets or receiving donated assets;
- (viii) creditor rights or debt restructuring;
- (ix) transfer of research and development projects;
- (x) signing of licensing agreements;
- (xi) purchase of raw materials, fuels and power;
- (xi) waiver of rights (including waiver of pre-emptive right, priority of subscription for capital contribution, etc.);
- (xii) sale of products and commodities;
- (xiii) providing or accepting labour services;

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- (xiv) entrusting or entrusted sales;
- (xv) joint investment with related parties;
- (xvi) other matters that may cause the transfer of resources or obligations through agreements.

CHAPTER IV DECISION AND DISCLOSURE FOR RELATED PARTY TRANSACTIONS

Article 13 When the Company's board of directors deliberates considers the related party transactions, the related directors shall abstain from voting, and shall not act on behalf of other directors to exercise voting rights. The board meeting can be held with more than half of the unrelated directors presenting, and the resolutions of the board meeting must be passed by more than half of the unrelated directors. If the number of unrelated directors presenting at the board meeting is less than three, the Company shall submit the transaction to a shareholders' general meeting for consideration.

The related directors mentioned in the preceding paragraph include the following directors or directors meet any of the following conditions:

- (i) counterparty in the transaction;
- (ii) serve in the counterparty, or in a legal person or other organization which can directly or indirectly control the counterparty or is directly or indirectly controlled by the counterparty;
- (iii) have direct or indirect control on the counterparty;
- (iv) close family members of the counterparty or their direct or indirect controllers;
- (v) close family members of the directors, supervisors or senior management members of the counterparty or its direct or indirect controllers;
- (vi) a person identified by the CSRC, Shenzhen Stock Exchange or the Company whose independent business judgment may be affected for other reasons.

Article 14 When the shareholders' general meeting considers a related party transaction, the following shareholders shall abstain from voting:

- (i) counterparty in the transaction;
- (ii) have direct or indirect control on the counterparty;
- (iii) directly or indirectly controlled by the counterparty;

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- (iv) directly or indirectly controlled by the same legal person or natural person as the counterparty;
- (v) close family members of the counterparty or their direct or indirect controller;
- (vi) serve in the counterparty, or in a legal entity that can directly or indirectly control the counterparty, or a legal entity directly or indirectly controlled by the counterparty (applicable to the situation where the shareholder is a natural person);
- (vii) the voting rights of whom are restricted and affected due to unfulfilled equity transfer agreements or other agreements with the counterparty or its related parties;
- (viii) legal or natural persons identified by the CSRC or Shenzhen Stock Exchange that may cause the Company to tilt its interests.

Article 15 The transaction (excluding providing guarantees) between the Company and the related party shall be submitted to the board of directors for consideration whenever it falls under one of the following circumstances:

- (i) a transaction with a related natural person with an amount of more than RMB300,000;
- (ii) a transaction with a related legal person with an amount of more than RMB3 million and accounting for more than 0.5% of the absolute value of the latest audited net assets.

Article 16 Where the proposed transaction (except for providing guarantees) between the Company and a related party exceeds RMB30 million and accounts for more than 5% of the latest audited net assets of the Company, an intermediary with the qualification to carry out businesses related to securities and futures in accordance to the relevant requirements shall be engaged to evaluate or audit the subject of such transaction, and the transaction shall be submitted to the shareholders' general meeting for consideration.

Related party transactions related to daily operations are exempt from audit or evaluation.

Article 17 Where a guarantee is provided by the Company to a related party, it shall be submitted to the shareholders' general meeting for consideration after consideration and approval by the board of directors.

Where the listed Company provides a guarantee to the controlling shareholder, de facto controller and their related parties, such controlling shareholder, de facto controller and their related parties shall provide counter-guarantee.

Article 18 When a related party transaction belongs to the “provision of financial assistance”, “provision of guarantees” and “entrusted wealth management” herein, the amount incurred shall be used as the calculation standard, and calculated accumulatively in 12 consecutive months according to the transaction type. If the accumulative amount incurred meets the standards for related decision-making body’s consideration, the transaction shall be submitted to the corresponding decision-making body for consideration.

If the related obligations have been fulfilled, such transactions shall not be included in the relevant cumulative calculation scope.

Article 19 The following related party transactions of the Company that take place within 12 consecutive months shall determine the decision-making bodies in accordance with the principle of cumulative calculation:

- (i) transactions with the same related party;
- (ii) transactions related to the same subject with different related parties.
- (iii) The same related parties mentioned above include other related parties controlled by the same entity or having a mutual equity control relationship with the related parties.

If the related obligations have been fulfilled, such transactions shall not be included in the relevant cumulative calculation scope.

Article 20 The Company shall submit the following documents to the Shenzhen Stock Exchange while disclosing the related party transactions:

- (i) announcement;
- (ii) relevant materials such as agreement or letter of intent in relation to such transaction, the resolution of the board of directors, the opinion of the independent directors and the announcement of the resolution of board of directors (if applicable), governmental approval in relation to the transaction (if applicable) and professional reports issued by the intermediaries (if applicable);
- (iii) Prior written approval from independent directors;
- (iv) Opinion from independent directors and sponsor;
- (v) Other documents required by the Shenzhen Stock Exchange.

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Article 21 The announcement in relation to the disclosure of the Company's related party transactions shall include the following contents:

- (i) summary of the transaction and the basic information of the subject of the transaction;
- (ii) prior approval from independent directors and the independent opinion of independent directors and sponsor;
- (iii) voting of the board of directors (if applicable);
- (iv) the relationship between the parties of the transaction and the basic information of the related parties;
- (v) the pricing policy and basis of the transaction, the relationship between the transaction price and the book value, valuation of the subject of the transaction and the clear and fair market value, and other specific matters related to the pricing that need further illustration due to any special characteristics of the subject of the transaction. Reasons shall be provided in case of large discrepancy between the transaction price and the book value, valuation or the market value. In case of an unfair transaction, the target of transferring the benefits from the related party transaction shall also be disclosed;
- (vii) main content of the agreement of the transaction, including the transaction price, its settlement method, the nature and proportion of the interest of the related parties in the transaction, conditions precedent, effective date, term of the agreement, etc.
- (viii) the purpose of the transaction and its impact on the Company, including the necessity and real purpose of the related party transaction, the impact on the current and future financial position and results of operation (the accounting firm responsible for auditing the Company shall be consulted when necessary), the source of payment or use of proceeds;
- (ix) the total amount of various related party transactions with the related party accumulated from the beginning of the year to the disclosure date;
- (x) other contents required by the CSRC and Shenzhen Stock Exchange which help explain the substance of the transaction.

Article 22 For related party transactions related to daily operations with related parties set out in sub-paragraphs (xi) to (xvi) of Article 12 herein, the Company shall make disclosure and go through the consideration procedures as required below:

- (i) for a related party transaction first occurs in the daily operation, the Company shall enter into a written agreement with the related party and make disclosure on a timely basis, and submit the same to the board of directors or the shareholders' general meeting for consideration pursuant to the articles herein applicable to the transaction amount under the agreement respectively. Where there is no transaction amount specified in the agreement, it shall be submitted to the shareholders' general meeting for consideration;
- (ii) for the agreement of the related party transactions in daily operation approved by the board of directors or shareholders' general meeting and in progress of performance, if there is no material change in major terms in its performance, the Company shall disclose the performance of the agreement in its regular reports as required and state whether the transactions are in accordance with the agreement. If there is material change in major terms in performance of the agreement or the agreement is to be renewed upon expiry, the Company shall submit the newly revised or renewed agreement of the related party transactions in daily operation to the board of directors or the shareholders' general meeting for consideration pursuant to the articles herein applicable to the transaction amount under the agreement respectively. Where there is no transaction amount specified in the agreement, it shall be submitted to the shareholders' general meeting for consideration;
- (iii) for numerous related party transactions in daily operation occur each year, where it would be onerous to submit each newly executed agreement of the related party transactions in daily operation to the board of directors or the shareholders' general meeting for consideration pursuant to sub-paragraph (i) of this Article, the Company may, before the disclosure of annual report for the previous year, submit the estimated reasonable total amount of the related party transactions in daily operation to be entered into in the current year to the board of directors or the shareholders' general meeting for consideration and disclosure pursuant to the articles herein applicable to the estimated transaction amount respectively. The related party transactions in daily operation within the estimated scope shall be disclosed in annual report and interim report of the Company. Where the actual amount of the related party transactions in daily operation is to exceed the estimated total amount, the Company shall re-submit the same to the board of directors or the shareholders' general meeting for consideration and disclosure pursuant to the article herein as applicable to the amount exceeded respectively.
- (iv) the related party transaction in daily operation shall at least consist of main terms such as transaction price, pricing principle and base, transaction volume or its determination method and means of payment.

- (v) for an agreement without the determination of the actual transaction price but only illustrate the reference of the market price, the Company, while performing disclosure obligations according to the articles herein, shall disclose the actual transaction price, the market price and its determination methods, with reasons for any difference between both prices.

Article 23 For an agreement of the related party transactions entered into with related party in daily operation with a term exceeding three years, the Company shall perform the consideration procedures and disclosure obligations under the articles herein every three years.

Article 24 For related party transactions between the Company and its related parties arising from acts such as public tenders, public auctions, etc., the Company may apply to the Shenzhen Stock Exchange for a waiver of the relevant obligations of consideration by the shareholders' general meetings according to the articles herein.

The Company shall disclose the related party transactions in the preceding paragraph according to the articles herein. If necessary, the Shenzhen Stock Exchange may request the Company to engage an accountant firm or an asset appraisal institute for audit or appraisal.

Article 25 In case of the following related party transactions between the Company and a related party, the Company is exempt from relevant obligations under the articles herein:

- (i) cash subscription by a party for the shares, corporate bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (ii) underwriting, by a party as a member of an underwriting group, of the shares, corporate bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (iii) receipt of dividends, bonuses or remunerations by a party according to a resolution of the shareholders' general meeting of the other party;
- (iv) other circumstances identified by the Shenzhen Stock Exchange.

Article 26 The Company shall not provide loans to its directors, supervisors or senior management members directly or through subsidiaries.

APPENDIX XI	EXTERNAL GUARANTEE MANAGEMENT POLICIES AND REGULATIONS ON MANAGEMENT OF RELATED PARTY TRANSACTIONS (A SHARES)
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CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 27 Matters not covered by the Rules shall be handled in accordance with relevant national laws, regulations, regulatory documents and the Articles of Association. In case of any inconsistency between and relevant laws, regulations, regulatory documents and the Articles of Association, the latter shall prevail.

Article 28 The power of interpretation of the Rules shall be vested in the board of directors of the Company.

Article 29 The Rules shall become effective upon approval at the shareholders' general meeting (same applicable to any amendments); the relevant provisions of the Rules for listed companies shall be implemented from the date of the initial public offering of the shares of the Company and listing on the Shenzhen Stock Exchange. The Rules shall apply to matters relating to the related party transactions in respect to A shares, and for the matters relating to the related party transactions in respect to H shares, the corresponding rules of the Company shall apply.

APPENDIX XII PARTICULARS OF RELATED PARTY TRANSACTIONS OF THE GROUP DURING THE REPORTING PERIODS
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Note: In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail.

(I) RELATED PARTIES

1. Parent Company of the Company

The Company is directly controlled by natural persons, the ultimate controller is Zhang Haijun, and the acting-in-concert persons are Zhang Junxia, Zhang Xiaogeng, Zhang Xiaosuo, Zhang Ligang, Wu Jinyu, Zhang Chao, Zhang Lijie, Zhang Lifeng, Zhang Yanfeng, Zhang Libin, Zhang Lihuan, Zhang Ning, Zhang Hong and Zhang Ruiqiu.

2. Associates of the Company

Name of associate	Relationship with the Company
Hebei Tieke Yichen New Material Technology Co., Ltd.	A major associate of the Company

3. Other Related Parties of the Company

(1) Other Related Parties of the Company

Name of other related parties	Relationship of other related parties with the Company
Zhang Haijun	Actual controlling group
Zhang Lifeng	Actual controlling group
Zhang Junxia	Actual controlling group
Zhang Libin	Actual controlling group
Zhang Xiaogeng	Actual controlling group
Zhang Xiaosuo	Actual controlling group
Zhou Qiuju	Actual controller and his/her close family
Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	Enterprise controlled by actual controllers and their close family members
Shijiazhuang City TieLong DaoCha Company Limited	Enterprise controlled by actual controllers and their close family members
Hebei Chenxiang Electricity Sales Co., Ltd.	Enterprise controlled by actual controllers and their close family members

APPENDIX XII	PARTICULARS OF RELATED PARTY TRANSACTIONS OF THE GROUP DURING THE REPORTING PERIODS
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(II) RELATED PARTY TRANSACTIONS

1. Related Party Transactions Regarding Purchase and Sale of Goods, Provision and Acceptance of Labor Services

(1) Related party transactions regarding purchase of goods and acceptance of services

Unit: yuan

Related parties	Content on related party transactions	January to June 2020	2019	2018	2017
Hebei Tieke Yichen New Material Technology Co., Ltd.	Purchase of goods	87,527,667.38	131,608,815.49	103,925,746.48	33,589,957.84
Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	Acceptance of labor services	–	4,499,172.49	7,248,302.17	4,459,723.52
Hebei Chenxiang Electricity Sales Co., Ltd. (Note)	Acceptance of labor services	–	548,175.50	–	–
Total		<u>87,527,667.38</u>	<u>136,692,163.48</u>	<u>111,174,048.65</u>	<u>38,049,681.36</u>

Note: The related party transactions in 2019 regarding the acceptance of labor services from Hebei Chenxiang Electricity Sales Co., Ltd. is revised to amount after tax.

(2) Related party transactions for sales of goods and provision of labor services

Related parties	Information on related transactions	January to June 2020	2019	2018	2017
Hebei Tieke Yichen New Material Technology Co., Ltd.	Sales of water and electricity	4,033,763.14	8,684,433.48	6,463,562.64	4,890,731.05
Hebei Tieke Yichen New Material Technology Co., Ltd.	Provision of labor services	–	2,163,210.89	123,450.76	192,175.21
Hebei Tieke Yichen New Material Technology Co., Ltd.	Sale of goods	110,246.03	275,615.04	–	–
Total		<u>4,144,009.17</u>	<u>11,123,259.41</u>	<u>6,587,013.40</u>	<u>5,082,906.26</u>

APPENDIX XII	PARTICULARS OF RELATED PARTY TRANSACTIONS OF THE GROUP DURING THE REPORTING PERIODS
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2. Related Party Leases

The Company as a lessee

Unit: yuan

Name of lessor	Type of leased assets	Depreciation charge for January to June 2020	Depreciation charge for 2019	Lease payment for 2018	Lease payment for 2017
Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	Building	299,369.21	598,745.20	642,028.39	630,630.64
Zhang Haijun	Building		336,021.29	360,000.00	360,000.00

3. Guarantee with Related Parties

The Company and its subsidiaries as the secured parties

Guarantor	Guaranteed amount	Commencement date of the guarantee	Expiry date of the guarantee	Type of the guarantee	Guarantee fully fulfilled
Zhang Haijun	RMB90,000,000	31 August 2019	30 August 2020	Secured by guarantee	No
Zhou Qiuju	RMB90,000,000	31 August 2019	30 August 2020	Secured by guarantee	No
Zhang Xiaosuo	RMB70,000,000	24 December 2019	24 December 2022	Secured by guarantee	No
Zhang Xiaogeng	RMB70,000,000	24 December 2019	24 December 2022	Secured by guarantee	No
Zhang Libin	RMB70,000,000	24 December 2019	24 December 2022	Secured by guarantee	No
Zhang Lifeng	RMB70,000,000	24 December 2019	24 December 2022	Secured by guarantee	No
Zhang Haijun	RMB70,000,000	24 December 2019	24 December 2022	Secured by guarantee	No
Zhang Junxia	RMB70,000,000	24 December 2019	24 December 2022	Secured by guarantee	No
Zhang Lifeng	RMB5,000,000	30 April 2020	29 April 2021	Secured by guarantee	No

APPENDIX XII	PARTICULARS OF RELATED PARTY TRANSACTIONS OF THE GROUP DURING THE REPORTING PERIODS
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4. Compensation to Key Management Personnel

Unit: yuan

Item	January to June 2020	2019	2018	2017
Compensation to key management personnel	1,394,862.21	3,082,954.47	3,296,392.06	2,944,152.63

(III) AMOUNT DUE TO/FROM RELATED PARTIES

1. Amount Due from Related Parties

Unit: yuan

Name of items	Related party	30 June 2020		31 December 2019	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Hebei Tieke Yichen	3,871,417.78	77,428.36	4,201,299.07	84,025.98
	New Material				
	Technology Co., Ltd.				
	Shijiazhuang City	-	-	-	-
	TieLong DaoCha				
	Company Limited				
Subtotal		<u>3,871,417.78</u>	<u>77,428.36</u>	<u>4,201,299.07</u>	<u>84,025.98</u>
Prepayments	Zhang Haijun	-	-	-	-
	Shijiazhuang City	-	-	-	-
	Gaocheng District				
	Longji Corporate				
	Management Co.,				
	Ltd.				
Subtotal		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

APPENDIX XII	PARTICULARS OF RELATED PARTY TRANSACTIONS OF THE GROUP DURING THE REPORTING PERIODS
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(Continued)

Name of items	Related party	31 December 2018		31 December 2017	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Hebei Tieke Yichen New Material Technology Co., Ltd	4,527,627.01	90,552.54	–	–
	Shijiazhuang City TieLong DaoCha Company Limited	264,135.50	187,407.50	264,135.50	130,080.40
Subtotal		<u>4,791,762.51</u>	<u>277,960.04</u>	<u>264,135.50</u>	<u>130,080.40</u>
Prepayments	Zhang Haijun	–	–	210,000.00	–
	Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	–	–	408,333.33	–
Subtotal		<u>–</u>	<u>–</u>	<u>618,333.33</u>	<u>–</u>

2. Amount Due to Related Parties

Unit: yuan

Name of items	Related parties	30 June 2020	31 December 2019
Accounts payable	Hebei Tieke Yichen New Material Technology Co., Ltd.	87,860,639.63	54,411,330.05
	Shijiazhuang City TieLong DaoCha Company Limited	–	–
	Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	2,807,100.07	2,807,100.07
Subtotal		<u>90,667,739.70</u>	<u>57,218,430.12</u>
Other payables	Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	1,083,899.08	1,055,000.00
Subtotal		<u>1,083,899.08</u>	<u>1,055,000.00</u>

APPENDIX XII	PARTICULARS OF RELATED PARTY TRANSACTIONS OF THE GROUP DURING THE REPORTING PERIODS
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(Continued)

Name of items	Related parties	31 December 2018	31 December 2017
Accounts payable	Hebei Tieke Yichen New Material Technology Co., Ltd.	45,037,869.06	5,430,734.84
	Shijiazhuang City TieLong DaoCha Company Limited	113,420.00	113,420.00
	Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	—	—
Subtotal		<u>45,151,289.06</u>	<u>5,544,154.84</u>
Other payables	Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.	—	—
Subtotal		<u>—</u>	<u>—</u>

REVISED NOTICE OF THE EGM



Hebei Yichen Industrial Group Corporation Limited*

河北翼辰實業集團股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1596)

REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

References are made to the notice of the extraordinary general meeting (the “EGM”) of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the “Company”) dated 31 August 2020, the announcement of the Company dated 23 September 2020 in relation to, among others, the proposed A Share Offering and Listing and related matters and the postponement of the EGM, the announcement of the Company dated 30 September 2020 in relation to adjustments to the proposed A Share Offering and Listing plan and the proposals in respect of the related matters, and the announcement of the Company dated 12 October 2020 in relation to, among others, further postponement of the EGM (the “Announcement”). Unless otherwise specified, capitalised terms used in this revised notice shall have the same meanings as those defined in the supplemental circular of the Company dated 15 October 2020 (the “Supplemental Circular”).

REVISED NOTICE IS HEREBY GIVEN that the EGM will be postponed to be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 30 October 2020 for the purposes of considering and, if thought fit, passing the following resolutions, including the new resolutions numbered 1 to 11 and 13 to 21:

SPECIAL RESOLUTIONS

1. To consider and approve the resolution on the proposed A Share Offering and Listing:
 - 1.1 Class and par value of the Shares to be issued;
 - 1.2 Offering size;
 - 1.3 Target subscribers;
 - 1.4 Method of offering;
 - 1.5 Pricing methodology;
 - 1.6 Method of underwriting;

REVISED NOTICE OF THE EGM

- 1.7 Use of proceeds;
- 1.8 Proposed place of listing;
- 1.9 Time of offering and listing; and
- 1.10 Validity period of the resolution.
2. To consider and approve the resolution on the grant of authorisation to the Board of Directors and its authorised person(s) to deal with specific matters related to the proposed A Share Offering and Listing at their full discretion.
3. To consider and approve the resolution on the investment projects to be financed with the proceeds from the proposed A Share Offering and the relevant feasibility analysis.
4. To consider and approve the resolution on the plan for distribution of profits accumulated prior to the proposed A Share Offering and Listing.
5. To consider and approve the resolution on Report on Use of Proceeds from Previous Fund Raising Activity.
6. To consider and approve the resolution on the Price Stabilisation Plan for the A Shares for the Three Years after Listing.
7. To consider and approve the resolution on the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing.
8. To consider and approve the resolution on the Company's Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023.
9. To consider and approve the resolution on Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures.
10. To consider and approve the resolution on relevant undertakings to be given and restrictive measures to be taken by the Company or the directors, supervisors and members of senior management of the Company in connection with the proposed A Share Offering and Listing.
11. To consider and approve the resolution on formulation of the Articles of Association of the Company (Draft) applicable after completion the proposed listing of the A Shares.

REVISED NOTICE OF THE EGM

ORDINARY RESOLUTIONS

12. To approve the proposed profit distribution plan and interim dividend distribution plan of the Company for the six months ended 30 June 2020 and to authorise the Board to distribute the 2020 Interim Dividend to the Shareholders.
13. To consider and approve the resolution on amendments to the Rules of Procedures of General Meetings.
14. To consider and approve the resolution on formulation of the Rules of Procedures of General Meetings applicable after completion of the proposed listing of the A Shares.
15. To consider and approve the resolution on formulation of the Rules of Procedures of the Board of Directors applicable after completion of the proposed listing of the A Shares.
16. To consider and approve the resolution on formulation of the Rules of Procedures of the Supervisory Committee applicable after completion of the proposed listing of the A Shares.
17. To consider and approve the resolution on formulation of the Working Rules of the Independent Directors applicable after completion of the proposed listing of the A Shares.
18. To consider and approve the resolution on formulation of the External Guarantee Management Policies of the Company applicable after completion of the proposed listing of the A Shares.
19. To consider and approve the resolution on formulation of the Regulations on Management of Related Party Transactions (A Shares) of the Company applicable after completion of the proposed listing of the A Shares.
20. To consider and approve the resolution on confirmation of the related party transactions of the Company during the reporting periods.
21. To consider and approve the resolution on the engagement of intermediaries in connection with the proposed A Share Offering and Listing.

By order of the Board of Directors
Hebei Yichen Industrial Group Corporation Limited*
Zhang Haijun
Chairman

Shijiazhuang, the PRC, 15 October 2020

* For identification purpose only

REVISED NOTICE OF THE EGM

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The chairman of the EGM may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. As disclosed in the Announcement, for the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Monday, 14 September 2020; in the light of the further postponement of the EGM and the convening of the Class Meetings, the ending date of the period of closure of the register of members of the Company has been further postponed, and such a period has been extended to Friday, 30 October 2020. Accordingly, no transfer of Shares has been registered from Monday, 14 September 2020 onwards, and such arrangements will remain in place until Friday, 30 October 2020 (both days inclusive). Shareholders whose names appear on the register of members of the Company on Monday, 14 September 2020 (Hong Kong time) are entitled to attend the EGM.
2. As disclosed in the Announcement, for determining the entitlement to the 2020 Interim Dividend, the register of members of the Company will be closed from Thursday, 5 November 2020 to Tuesday, 10 November 2020, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for the 2020 Interim dividend, holders of H Shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company's H share registrar, Computershare Hong Kong Investor Services Limited, not later than 4:30 p.m. on Wednesday, 4 November 2020 (Hong Kong time) for registration. Subject to approval by the Shareholders at the EGM, the 2020 Interim Dividend will be paid on or around Friday, 27 November 2020 to the Shareholders whose names appear on the registers of members of the Company on Tuesday, 10 November 2020.
3. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a Shareholder appoints more than one proxy, his proxies can only vote on a poll. In view of the development of the coronavirus disease 2019 (COVID-19) pandemic, Shareholders may consider appointing the chairman of the EGM as his/her proxy to vote on the resolutions, instead of attending EGM in person.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of a Shareholder, the power of attorney or other authorisation document authorising that attorney to sign must be notarised.
5. A form of proxy for the EGM (the **"First Form of Proxy"**) was enclosed with the First Circular despatched to the Shareholders on Monday, 31 August 2020 and has also been published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). Since the First Form of Proxy does not contain the additional resolutions to be proposed at the EGM set out herein, an updated form of proxy for the EGM (the **"Updated Form of Proxy"**) has been prepared and enclosed with the Supplemental Circular despatched to the Shareholders on Thursday, 15 October 2020 and also published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>).
6. In order to be valid, the Updated Form of Proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (for holders of the Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, (for holders of the H Shares) not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Thursday, 29 October 2020 (Hong Kong time)).

REVISED NOTICE OF THE EGM

7. Shareholders who have lodged the First Form of Proxy with the Company should note the following arrangements:
- (i) each Updated Form of Proxy deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (in the case of a holder of Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (in the case of a holder of H Shares) by the Closing Time, being 24 hours before the time fixed for holding the EGM (i.e. 10:30 a.m. on Thursday, 29 October 2020 (Hong Kong time)) or any adjournment thereof (as the case may be), shall be treated as a valid form of proxy and shall revoke and supersede the First Form of Proxy previously deposited by the same Shareholder if correctly completed, signed and returned in accordance with the instructions contained therein; and
 - (ii) if no Updated Form of Proxy is deposited at the Secretariat of the Board at the Company's principal place of business in the PRC (in the case of a holder of Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (in the case of a holder of H Shares) by the Closing Time, the First Form of Proxy will be treated as a valid form of proxy if correctly completed, signed and returned. Each proxy so appointed by the Shareholders will be entitled to vote according to the instructions given on the First Form of Proxy and to vote at his/her discretion or to abstain from voting on any additional resolution properly put to the EGM including the resolutions set out herein.
8. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the EGM.
9. The address and contact details of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, are as follows:
- As to the transfer documents:
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- As to the form of proxy and reply slip:
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990
10. The address and contact details of the Company's principal place of business in the PRC are as follows:
- No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC
Telephone No.: (+86) 311 88929020
E-mail: yichenshiye@hbys.com.cn
11. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this revised notice, and this revised notice, when served on such person, shall be deemed to have been given to all joint holders of such share.
12. The EGM is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses.
13. Taking into account the recent development of the COVID-19 pandemic, the Company will implement the following prevention and control measures at the EGM to protect the Shareholders from the risk of infection:
- (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.0 degrees Celsius will not be admitted to the venue;

REVISED NOTICE OF THE EGM

- (ii) every Shareholder or proxy is required to wear surgical facial mask throughout the meeting; and
- (iii) no refreshment will be served.

Furthermore, the Company wishes to advise the Shareholders, particularly those Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the EGM as a proxy to vote on the proposed resolution, instead of attending the EGM in person.

As at the date of this revised notice, the executive Directors are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Fan Xiulan; the non-executive Director is Ms. Gu Xiaohui; and the independent non-executive Directors are Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Ligu.

NOTICE OF THE H SHAREHOLDERS CLASS MEETING



Hebei Yichen Industrial Group Corporation Limited* 河北翼辰實業集團股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1596)

NOTICE OF H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting of the H Shareholders of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the "**Company**") will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 30 October 2020 or immediately following the conclusion of the EGM or any adjournment thereof (whichever is the later) to consider, and if thought fit, pass (with or without amendments or supplements) the following resolutions (unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 15 October 2020:

SPECIAL RESOLUTIONS

1. To consider and approve the resolution on the proposed A Share Offering and Listing:
 - 1.1 Class and par value of the Shares to be issued;
 - 1.2 Offering size;
 - 1.3 Target subscribers;
 - 1.4 Method of offering;
 - 1.5 Pricing methodology;
 - 1.6 Method of underwriting;
 - 1.7 Use of proceeds;
 - 1.8 Proposed place of listing;
 - 1.9 Time of offering and listing; and
 - 1.10 Validity period of the resolution.

NOTICE OF THE H SHAREHOLDERS CLASS MEETING

2. To consider and approve the resolution on the grant of authorisation to the Board of Directors and its authorised person(s) to deal with specific matters related to the proposed A Share Offering and Listing at their full discretion.
3. To consider and approve the resolution on the investment projects to be financed with the proceeds from the proposed A Share Offering and the relevant feasibility analysis.
4. To consider and approve the resolution on the plan for distribution of profits accumulated prior to the proposed A Share Offering and Listing.
5. To consider and approve the resolution on Report on Use of Proceeds from Previous Fund Raising Activity.
6. To consider and approve the resolution on the Price Stabilisation Plan for the A Shares for the Three Years after Listing.
7. To consider and approve the resolution on the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing.
8. To consider and approve the resolution on the Company's Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023.
9. To consider and approve the resolution on Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures.
10. To consider and approve the resolution on relevant undertakings to be given and restrictive measures to be taken by the Company or the directors, supervisors and members of senior management of the Company in connection with the proposed A Share Offering and Listing.
11. To consider and approve the resolution on formulation of the Articles of Association of the Company (Draft) applicable after completion the proposed listing of the A Shares.
12. To consider and approve the resolution on amendments to the Rules of Procedures of General Meetings.
13. To consider and approve the resolution on formulation of the Rules of Procedures of General Meetings applicable after completion of the proposed listing of the A Shares.
14. To consider and approve the resolution on formulation of the Rules of Procedures of the Board of Directors applicable after completion of the proposed listing of the A Shares.

NOTICE OF THE H SHAREHOLDERS CLASS MEETING

15. To consider and approve the resolution on formulation of the Rules of Procedures of the Supervisory Committee applicable after completion of the proposed listing of the A Shares.

By order of the Board of Directors
Hebei Yichen Industrial Group Corporation Limited*
Zhang Haijun
Chairman

Shijiazhuang, the PRC, 15 October 2020

* For identification purpose only

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The chairman of the H Shareholders Class Meeting may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. As disclosed in the announcement of the Company dated 12 October 2020 in relation to, among others, further postponement of the EGM and change in date of the Class Meetings to be convened, for the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Monday, 14 September 2020; in the light of the postponement of the EGM and the convening of the Class Meetings, the ending date of the period of closure of the register of members of the Company has been postponed, and such a period has been extended to Friday, 30 October 2020. Accordingly, no transfer of Shares has been registered from Monday, 14 September 2020 onwards, and such arrangements will remain in place until Friday, 30 October 2020 (both days inclusive). H Shareholders whose names appear on the register of members of the Company on Monday, 14 September 2020 (Hong Kong time) are entitled to attend the H Shareholders Class Meeting.
2. A Shareholder entitled to attend and vote at the H Shareholders Class Meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one proxy, his proxies can only vote on a poll. In view of the development of the coronavirus disease 2019 (COVID-19) pandemic, Shareholders may consider appointing the chairman of the H Shareholders Class Meeting as his/her proxy to vote on the resolutions, instead of attending the H Shareholders Class Meeting in person.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of a Shareholder, the power of attorney or other authorisation document authorising that attorney to sign must be notarised.
4. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Thursday, 29 October 2020 (Hong Kong time)).

NOTICE OF THE H SHAREHOLDERS CLASS MEETING

5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the H Shareholders Class Meeting.
6. The address and contact details of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, are as follows:

As to the transfer documents:
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

As to the form of proxy and reply slip:
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990
7. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such person, shall be deemed to have been given to all joint holders of such share.
8. The H Shareholders Class Meeting is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the H Shareholders Class Meeting are responsible for their own transportation and accommodation expenses.
9. Shareholders or their proxies shall produce their identification documents for inspection when attending the H Shareholders Class Meeting.
10. Taking into account the recent development of the COVID-19 pandemic, the Company will implement the following prevention and control measures at the H Shareholders Class Meeting to protect the Shareholders from the risk of infection:
 - (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.0 degrees Celsius will not be admitted to the venue;
 - (ii) every Shareholder or proxy is required to wear surgical facial mask throughout the meeting; and
 - (iii) no refreshment will be served.

Furthermore, the Company wishes to advise the Shareholders, particularly those Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the H Shareholders Class Meeting as a proxy to vote on the proposed resolution, instead of attending the H Shareholders Class Meeting in person.

As at the date of this notice, the executive Directors are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Fan Xiulan; the non-executive Director is Ms. Gu Xiaohui; and the independent non-executive Directors are Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Ligu.

NOTICE OF THE DOMESTIC SHAREHOLDERS CLASS MEETING



Hebei Yichen Industrial Group Corporation Limited* 河北翼辰實業集團股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1596)

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting of the Domestic Shares of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the "**Company**") will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 30 October 2020 or immediately following the conclusion of the H Shareholders Class Meeting or any adjournment thereof (whichever is the later) to consider, and if thought fit, pass (with or without amendments or supplements) the following resolutions (unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 15 October 2020):

SPECIAL RESOLUTIONS

1. To consider and approve the resolution on the proposed A Share Offering and Listing:
 - 1.1 Class and par value of the Shares to be issued;
 - 1.2 Offering size;
 - 1.3 Target subscribers;
 - 1.4 Method of offering;
 - 1.5 Pricing methodology;
 - 1.6 Method of underwriting;
 - 1.7 Use of proceeds;
 - 1.8 Proposed place of listing;
 - 1.9 Time of offering and listing; and
 - 1.10 Validity period of the resolution.

NOTICE OF THE DOMESTIC SHAREHOLDERS CLASS MEETING

2. To consider and approve the resolution on the grant of authorisation to the Board of Directors and its authorised person(s) to deal with specific matters related to the proposed A Share Offering and Listing at their full discretion.
3. To consider and approve the resolution on the investment projects to be financed with the proceeds from the proposed A Share Offering and the relevant feasibility analysis.
4. To consider and approve the resolution on the plan for distribution of profits accumulated prior to the proposed A Share Offering and Listing.
5. To consider and approve the resolution on Report on Use of Proceeds from Previous Fund Raising Activity.
6. To consider and approve the resolution on the Price Stabilisation Plan for the A Shares for the Three Years after Listing.
7. To consider and approve the resolution on the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing.
8. To consider and approve the resolution on the Company's Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023.
9. To consider and approve the resolution on Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures.
10. To consider and approve the resolution on relevant undertakings to be given and restrictive measures to be taken by the Company or the directors, supervisors and members of senior management of the Company in connection with the proposed A Share Offering and Listing.
11. To consider and approve the resolution on formulation of the Articles of Association of the Company (Draft) applicable after completion the proposed listing of the A Shares.
12. To consider and approve the resolution on amendments to the Rules of Procedures of General Meetings.
13. To consider and approve the resolution on formulation of the Rules of Procedures of General Meetings applicable after completion of the proposed listing of the A Shares.
14. To consider and approve the resolution on formulation of the Rules of Procedures of the Board of Directors applicable after completion of the proposed listing of the A Shares.

NOTICE OF THE DOMESTIC SHAREHOLDERS CLASS MEETING

15. To consider and approve the resolution on formulation of the Rules of Procedures of the Supervisory Committee applicable after completion of the proposed listing of the A Shares.

By order of the Board of Directors
Hebei Yichen Industrial Group Corporation Limited*
Zhang Haijun
Chairman

Shijiazhuang, the PRC, 15 October 2020

* For identification purpose only

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The chairman of the Domestic Shareholders Class Meeting may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. As disclosed in the announcement of the Company dated 12 October 2020 in relation to, among others, further postponement of the EGM and change in date of the Class Meetings to be convened, for the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Monday, 14 September 2020; in the light of the postponement of the EGM and the convening of the Class Meetings, the ending date of the period of closure of the register of members of the Company has been postponed, and such a period has been extended to Friday, 30 October 2020. Accordingly, no transfer of Shares has been registered from Monday, 14 September 2020 onwards, and such arrangements will remain in place until Friday, 30 October 2020 (both days inclusive). Domestic Shareholders whose names appear on the register of members of the Company on Monday, 14 September 2020 (Hong Kong time) are entitled to attend the Domestic Shareholders Class Meeting.
2. A Shareholder entitled to attend and vote at the Domestic Shareholders Class Meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one proxy, his proxies can only vote on a poll. In view of the development of the coronavirus disease 2019 (COVID-19) pandemic, shareholders may consider appointing the chairman of the Domestic Shareholders Class Meeting as his/her proxy to vote on the resolutions, instead of attending Domestic Shareholders Class Meeting in person.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of a Shareholder, the power of attorney or other authorisation document authorising that attorney to sign must be notarised.
4. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board at the Company's principal place of business in the PRC not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Thursday, 29 October 2020 (Hong Kong time)).

NOTICE OF THE DOMESTIC SHAREHOLDERS CLASS MEETING

5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the Domestic Shareholders Class Meeting.
6. The address and contact details of the Company's principal place of business in the PRC are as follows:

No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC
Telephone No.: (+86) 311 88929020
E-mail: yichenshiye@hbyc.com.cn
7. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such person, shall be deemed to have been given to all joint holders of such share.
8. The Domestic Shareholders Class Meeting is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the Domestic Shareholders Class Meeting are responsible for their own transportation and accommodation expenses.
9. Shareholders or their proxies shall produce their identification documents for inspection when attending the Domestic Shareholders Class Meeting.
10. Taking into account the recent development of the COVID-19 pandemic, the Company will implement the following prevention and control measures at the Domestic Shareholders Class Meeting to protect the Shareholders from the risk of infection:
 - (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.0 degrees Celsius will not be admitted to the venue;
 - (ii) every Shareholder or proxy is required to wear surgical facial mask throughout the meeting; and
 - (iii) no refreshment will be served.

Furthermore, the Company wishes to advise the Shareholders, particularly those Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Domestic Shareholders Class Meeting as a proxy to vote on the proposed resolution, instead of attending the Domestic Shareholders Class Meeting in person.

As at the date of this notice, the executive Directors are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Fan Xiulan; the non-executive Director is Ms. Gu Xiaohui; and the independent non-executive Directors are Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Ligu.